

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **6181**



Introduced by Representatives MARIANO MICHAEL M. VELARDE JR. and Jose L. Atienza Jr.

EXPLANATORY NOTE

This bill seeks to promote the use of waste-to-energy as a renewable source of energy to provide for a continuous and affordable source of energy for our country's growing and developing economy.

Renewable energy is traditionally understood as energy generated and collected from sources which are naturally replenished on a human timescale, such as sunlight, wind, tides, waves, and geothermal heat. But with the advances in Science and technologies, new materials can be utilized renewable sources of energy like human waste.

The idea of using human waste as source of energy is not relatively new. This representation remember the movie "Back to the Future 2", a 1989 Science fiction movie that played on ttechnohe idea of waste-to-energy to fuel to power the DeLorean time machine or the car that travels through time. But that idea has become a reality through developments in waste-to-energy technologies.

Human waste as product of human activity, from domestic, agricultural and industrial produces waste. Since the dawn of Man, waste has been part of human existence and experience. Human waste can be found in ancient caves and ancient settlements, actually, it can be said that waste is the footprint of the Human existence on earth, meaning as long as Man exist, waste is an unintended outcome.

Waste or the volume of waste produced by human activity is directly proportional to growth and development of that society. It can be observed that as the gross domestic product or GDP increases, the volume of waste also increases, not only arithmetically but exponentially. Therefore, it can be asserted that human waste will remain and will always be part of human existence. Waste with the proper technologies can become an unlimited source of energy in the form of heat and/or electricity.

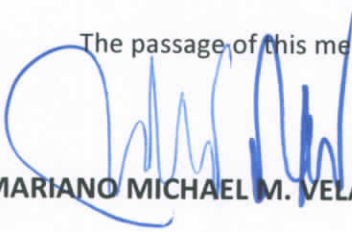
Republic Act 9003 or otherwise known as the Solid Management Act provides for the classification or categorization of the solid waste as produced by our country into according to its source such as domestic, commercial, institutional, industrial and agricultural, street litters, construction debris; and according to its adverse or non-adverse effect such as, hazardous and non-hazardous, toxic and non-toxic wastes. Explicitly, the law contemplates that not all waste are

hazardous and toxic that endanger human life, but of course it can be ascertain that waste, toxic or non-toxic will negatively impact human life. The mere volume of waste can be cause for alarm and be a concern for personal and public health.

On the other hand, human waste can be used as a renewable source of energy. Urban waste like that of Metro Manila is consist of 52% organic waste and 41% recyclable materials like glass, metals, hard plastic and paper which when processed with the use of modern and safe thermal technologies, these can be converted into energy in the form of electricity and heat that can augment and provide for an unlimited source of energy to fuel our growing economy.

With the proper policy environment and implementation and utilization of new and safe technologies, waste-to-energy facilities can augment the generation of much needed energy and address the issue on growing amount of waste and use it as a renewable source of electric power that will benefit millions of our people and will provide electricity in municipalities and provinces.

The passage of this measure is earnestly sought.



MARIANO MICHAEL M. VELARDE, JR

JOSE L. ATIENZA JR.

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HOUSE BILL NO. **6181**

Introduced by Honarbale MARIANO MICHAEL M. VELARDE JR.

AN ACT PROMOTING AND ESTABLISHING THE USE OF WASTE TO ENERGY TECHNOLOGIES AND FACILITIES AS AN ALTERNATIVE SOURCE OF RENEWABLE ENERGY AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled.

Section 1. Title. – This Act shall be known as the “Promotion and Establishment of Waste-To-Energy Act of 2017”.

Section 2. Declaration of Policy. – It shall be the policy of the State to promote waste to energy technologies as a source of an alternative source of renewable energy to address the growing demand for energy attendant to an increase in the economic activity of the country.

Section 3. Definition of Terms. – For purposes of this Act, the following terms shall mean:

- a) Renewable energy – obtained from sources that are essentially inexhaustible or non-deplete-able source of energy such as, but not limited to solar, wind, hydro, geothermal, sea waves or tidal current and municipal solid waste; unlike natural gas, coal and oil, of which there is a finite supply.
- b) Waste-to-Energy (WTE) or Energy-from-Waste – process of generating energy in the form of electricity and/or heat from the combustion or gasification of municipal solid waste through the use of environmentally friendly thermal technologies, e.g., Direct Combustion, pyrolysis, conventional gasification and plasma arc gasification.
- c) Municipal solid waste – shall refer to wastes produced from activities within the local government units which include discarded household, commercial, non-hazardous institutional and industrial waste, street litters, construction debris, agricultural waste and non-hazardous/non-toxic solid waste as defined in Section 3 (s) and (kk) of R.A. 9003.
- d) Person – shall refer to a natural or juridical person.

Section 4. Waste-to-Energy technologies compliant with the emission standards set by Section 19 of Republic Act 8749 or the Philippine Clean Air Act shall be allowed as waste-to-energy facilities in the local government units.

Pursuant to the purpose of this Act, Section 20 of R.A. 8749 shall be amended to read as follows:

"SECTION. 20. *Ban on Incineration.* – Incineration, hereby defined as the burning of municipal, bio- medical and hazardous wastes, which process emits poisonous and toxic fumes, is hereby prohibited: *Provided, however,* That the prohibition shall not apply to , WASTE-TO-ENERGY FACILITIES USING MUNICIPAL WASTE AS ENERGY SOURCE AND COMPLIANT WITH THE STANDARDS SET IN SECTION 19 OF THIS ACT, traditional small-scale method of community/neighbourhood sanitation "siga," traditional, agricultural, cultural, health, and food preparation and crematoria: *Provided, further,* That existing incinerators dealing with bio-medical wastes shall be phased out within three (3) years after the effectivity of this Act: *Provided, finally,* That in the interim, such units shall be limited to the burning of pathological and infectious wastes, and subject to close monitoring by the Department.

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Section 5. *Role of Local Government Units in setting up of Waste-to- Energy Facilities* – Pursuant to the relevant provisions of R.A. 7160 or the Local Government Code, the LGUs shall be primarily responsible for the implementation and enforcement of the provisions of this Act within their respective jurisdiction in coordination with the National Solid Waste Management Commission.

The setting-up of waste-to-energy facilities must originate through its local solid waste management boards and effected through an ordinance in consonance with their respective 10-year solid waste management plans consistent with the national solid waste management framework.

All local government solid waste management plans shall be subjected to the approval of the National Solid Waste Management Commission.

Section 6. *Environmental Impact Assessment.* – Proposals for putting up of waste-to-energy facilities shall be subject to an environmental impact assessment as required by law before they are adopted.

No actual implementation of such activities shall be allowed without the required

Environmental Compliance Certificate (ECC) under the Philippine Environmental Impact Assessment (EIA) system. Where such activities are allowed to be undertaken, the proponent, who is the owner or operator of the waste-to-energy facility, shall plan and carry them out in such manner as will minimize any adverse effects and take preventive and remedial action when appropriate.

The proponent shall be liable for any damage due to lack of caution and indiscretion.

Section 7. *Owner and Operator.* – Responsibility for compliance with the standards in this Act shall rest with the owner and/or operator of the waste-to-energy facility. If specifically designated, the operator is considered to have primary responsibility for compliance; however, this does not relieve the owner of the duty to take all reasonable steps to assure compliance with these standards and any assigned conditions. When the title to a disposal is transferred to another person, the new owner shall be notified by the previous owner of the existence of these standards and of the conditions assigned to assure compliance.

Section 8. *Incentives.*

- (1) *Fiscal Incentives.* – Consistent with the provisions of E.O. 226, otherwise known as the Omnibus Investment Code, the following tax incentives shall be granted:

(a) *Tax and Duty Exemption on Imported Capital Equipment and Vehicles* – Within ten (10) years upon effectivity of this Act, LGUs, enterprises or private entities shall enjoy tax and duty free importation of machinery, equipment, vehicles and spare parts used for setting up the WTE facility: Provided, That the importation of such machinery, equipment, vehicle and spare parts shall comply with the following conditions:

- i. They are not manufactured domestically in sufficient quantity, of comparable quality and at reasonable prices;
- ii. They are reasonably needed and will be used actually, directly and exclusively for the abovementioned activities;
- iii. The approval of the Board of Investment (BOI) of the Department of Trade and Industry (DTI) for the importation of such machinery, equipment, vehicle and spare parts.

Provided, further, That the sale, transfer or disposition of such machinery, equipment, vehicle and spare parts, without prior approval of the BOI within five (5) years from the date of acquisition shall be prohibited, otherwise the LGU concerned, enterpriser or private entities and the vendee, transferee, or assignee shall be solitarily liable to pay twice the amount of tax and duty exemption given it.

(b) *Tax Credit on Domestic Equipment* – Within ten (10) years from the effectivity of this Act, a tax credit equivalent to 50% of the value of the national internal revenue taxes and customs duties that would have been waived on the machinery, equipment, vehicle and spare parts, had these items been imported shall be given to enterprises, private entities, including NGOs, subject to the same conditions and prohibition cited in the preceding paragraph.

(c) *Tax and Duty Exemption of Donations, Legacies and Gift* – All legacies, gifts and donations to LGUs, enterprises or private entities, including NGOs, for the support and maintenance of the program for setting up of WTEs shall be exempt from all internal revenue taxes and customs duties, and shall be deductible in full from the gross income of the donor for income tax purposes.

(2) *Non-Fiscal Incentives.* – LGUs, enterprises or private entities availing of tax incentives under this Act shall also be entitled to applicable non-fiscal incentives provided for under E.O. 226 or the Omnibus Investment Code.

The Commission shall provide incentives to businesses and industries that are engaged in the WTEs and which are registered with the Commission and have been issued ECCs in accordance with the guidelines established by the Commission. Such incentives shall include simplified procedures for the importation of equipment, spare parts, new materials, and supplies, and for the export of processed products.

(3) *Financial Assistance Program.* – Government financial institutions such as the Landbank of the Philippines, Development Bank of the Philippines, Government Service Insurance System (GSIS) and such other government institutions providing financial services shall in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, accord high priority to extend financial service to individuals, enterprises, or private entities engaged in putting up WTE facilities.

(4) *Extension of Grants to LGUs.* – Provinces, cities and municipalities WTE facilities plans that have been duly approved by the Commission for adopting innovative WTE programs

may be entitled to receive grants for the purpose of developing their technical capacities toward actively participating in the waste-to-energy program.

- (5) *Incentive to Host LGUs.* – Local government units who host common waste-to-energy facilities shall be entitled to incentives as may be deemed by the Commission.

Section 9. *Lead Agency.* – The National Solid Waste Management Commission (NSWMC) shall be the primary government agency responsible for the implementation and enforcement of this Act. To carry out the mandate of this Act, the Commission shall approve or deny the waste-to-energy plans of all LGUs within ten (10) days from its submission.

Section 10. *Fines and Penalties.* – Whoever violates any provisions of this Act or any rules and regulations issued by the Commission pursuant to this Act or whoever is found guilty by a competent court of justice of any offense/s in the preceding sections shall be fined in the amount of not less than five thousand pesos (P5,000) nor more than five hundred thousand pesos (P500,000), exclusively of the value of the thing damaged or imprisonment for not less than one (1) year but not more than six (6) years, or both, Provided finally, that the Commission may impose administrative fines and penalties consistent with this Act.

Section 11. *Implementing Rules and Regulations.* – The National Solid Waste Management Commission (NSWMC), in coordination with the Department of Interior and Local Government, Department of Science and Technology, Department of Energy, Board of Investments, Bureau of Internal Revenue, Bureau of Customs, and other concerned agencies, shall promulgate the implementing rules and regulations for this Act, within three (3) months after the enactment of this Act.

Section 12. *Report to Congress.* – The National Solid Waste Management Commission (NSWMC) shall submit an annual report to the President and to Congress through the Committee on Energy of Senate and House of Representatives respectively not later than March 30 of every year following approval of this Act on the status of the waste-to-energy program in the country, the progress of the waste-to-energy facilities and make the necessary recommendations in areas where there is need for legislative action.

Section 13. *Joint Congressional Oversight Committee.* – There is hereby created a Joint Congressional Oversight Committee to monitor the implementation of this Act. The committee shall be composed of five (5) senators and five (5) representatives to be appointed by the Senate President and the Speaker of the House of Representatives, respectively, the oversight committee shall be co-chaired by the chairperson of the Senate Committee on Energy and of the House Committee on Energy, respectively.

The mandate given to the Joint Congressional Oversight Committee under this Act shall be without prejudice to the performance of the duties and functions by the respective existing oversight committee of the Senate and the House of Representatives.

Section 14. *Separability Clause.* – If any part or section of this Act is declared unconstitutional, such declaration shall not affect the other parts or sections of this Act.

Section 15. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations inconsistent with any provisions of this Act shall be deemed repealed or modified accordingly.

Section 16. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation or in the Official Gazette.

Approved;