

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 7906



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

AN ACT
CREATING THE SOLAR ENERGY DEVELOPMENT CENTER AND
APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

Because of its location near the equator, the Philippines can generate an average of 5.1 KWh per square meter in solar energy per day.¹ The country has great potential in solar development and has been ranked 1st in Asia and 5th worldwide in solar photovoltaic systems for electricity generation.² Yet, the country still relies largely on oil-based and coal-powered plants. Not only are these sources of energy expensive, they also produce carbon emissions which worsen air pollution.

The Philippines must take this golden opportunity to utilize its location and resources and expand its use of solar energy. The often-cited disadvantage of high-cost production of solar energy is now a thing of the past. Studies show that the cost of solar power has been reduced to 75% in the last seven years that it's now cheaper than coal.³ The solar energy sector attracted \$160.8 billion in worldwide investment in 2017 and is projected to go even higher as most countries find potential in the innovation of such renewable energy.⁴

In the country, regulatory frameworks on net-metering rules and interconnection standards have now been set as solar rooftop installations have expanded to residential, commercial, and industrial settings. From 22 renewable energy projects in 2008, 406 projects have already been built or were

¹ "The History of Solar Energy in the Philippines," *Solaric*, <https://solaric.com.ph/blog/history-solar-energy-philippines/>

² Ronnel W. Domingo, "PH 5th worldwide, top in Asia in solar power," *Philippine Daily Inquirer*, January 02, 2018, <http://business.inquirer.net/243407/ph-5th-worldwide-top-asia-solar-power>

³ Jeremy Berke, "Renewable energy is getting cheaper and it's going to change everything," *World Economic Forum*, May 14, 2018, <https://www.weforum.org/agenda/2018/05/one-simple-chart-shows-why-an-energy-revolution-is-coming-and-who-is-likely-to-come-out-on-top>

⁴ Jeremy Berke and Shayanne Gal, "There's new evidence that fossil fuels are getting crushed in the ongoing energy battle against renewables", *Business Insider*, April 9, 2018, <https://www.businessinsider.com/solar-growth-outpaces-coal-oil-fossil-fuels-2018-4>

being constructed in 2016.⁵ In 2017, the Board of Investments reported that renewable energy projects totaled P267.2 billion which accounts for 43.5% of its total investment approvals.⁶

Given this development, the State must thus recognize its role in leading and supervising the exploration and utilization of the country's natural resources as provided in Section 2, Article XII of the 1987 Constitution. In line with this, Section 10 of Article XIV, provides that the State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training and services.

In recognition of this mandate, this bill thus seeks to establish the Solar Energy Development Center which shall be the leading institution on the research of solar energy and existing technologies for its utilization and development, conduct studies and develop methods on more accessible use of solar energy, implement government programs on the allocation, distribution, and sale of solar energy, and promote the use, research, and introduction to the market of technologies utilizing solar energy.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



ALFRED VARGAS

⁵ Connie Tan Hui Ann, "The Philippines' renewable energy sector is booming (and it could get bigger), *CNBC*, August 09, 2016, <https://www.cnbc.com/2016/08/09/the-philippines-renewable-energy-sector-is-booming-and-it-could-get-bigger.html>

⁶ Janina C. Lim, "BOI registers nearly P86B worth of projects by Solar Philippines," *Business World*, March 13, 2018, <http://bworldonline.com/boi-registers-nearly-p86b-worth-projects-solar-philippines/>

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

Section 1. *Short Title.* – This Act shall be known as the “Solar Energy Development Center Act of 2018”.

Section 2. *Solar Energy Development Center* – The Solar Energy Development Center (hereinafter referred to as the “Center”) is hereby established, which shall be attached to the Department of Energy for policy and program coordination.

Section 3. *Purposes and Objectives.* – The Center shall have the following purposes and objectives:

- (a) To scientifically research solar energy and existing technologies for its utilization and development;
- (b) To conduct studies and develop methods on more accessible use of solar energy;
- (c) To implement the government program on the allocation, distribution, and sale of solar energy;
- (d) To promote the use, research, and introduction to the market of technologies utilizing solar energy; and
- (e) To perform such functions related to solar energy development that will redound to the public.

Section 4. *Board of Directors.* – The powers and functions of the Center shall be vested in a Board of Trustees (hereinafter referred to as the ‘Board’).

(a) **Composition.** – The Board shall be composed of six (6) members who are natural-born Filipino citizens, at least thirty (30) years of age, and must have recognized competence in the fields of science and technology. The members are as follows:

(1) Chairperson appointed by the President of the Philippines;

(2) Two (2) members appointed by the President of the Philippines; and

(3) Secretary of the Department of Energy, Secretary of Environment and Natural Resources (DENR), and the Secretary of the Department of Science and Technology (DOST) as ex-officio members.

(b) **Term.** – The chairman and the two (2) members of the Board shall serve for a term of four (4) years from the date of appointment.

Section 5. Powers and Duties of the Board of Directors. – The Board shall have the following specific powers:

(a) To promulgate rules and regulations, not contrary to laws, which it considers necessary for the effective discharge of its function;

(b) To receive and appropriate all sums as may be provided for the support of the Traffic Center in any manner it may determine, in its discretion, to carry out the purposes and functions of the Center;

(c) To receive in trust legacies, gifts, and donations of real and personal properties of all kinds to administer and dispose of the same when necessary for the benefit of the Center, subject to limitations, directions, and instructions of the donor, if any.

Such donations shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income in the computation of the income tax of the donor, in accordance with the provisions of the National Internal Revenue Code, as amended; Provided, That such donations shall not be disposed of, transferred, or sold;

(d) To establish a research center for the carrying out of its function; and

(e) To exercise such incidental powers as may be necessary to carry out the functions of the Center.

Section 6. Executive Director. – The administration of the Center shall be vested in an Executive Director who shall render full-time service. The Executive Director shall be appointed by the Board. He shall have a term of four (4) years and shall be eligible for reappointment for another term.

In case of vacancy by reason of death, compulsory retirement, resignation, removal for cause, or incapacity of the Executive Director to perform the functions of the Center, the Board

shall have the authority to designate an officer-in-charge of the Traffic Center within six (6) months from the date of vacancy pending the appointment of a new Executive Director.

The Executive Director shall exercise the following powers and duties

- (a) To direct the management, operations, and administration of the Center;
- (b) To appoint such officers and employees, to define their duties, fix their compensation, discipline, and dismiss any for cause, subject to the Civil Service Commission rules and regulations; and
- (c) To develop arrangements for institutional capability building with appropriate institutions and agencies, public or private, local or foreign, and to appoint experts or specialists as consultants, researchers, as the case may be.

Section 7. Appropriations. – The amount of one hundred million (P100,000,000.00) for the structure, equipment, initial operation, and maintenance of the Solar Energy Development Center shall be sourced from the appropriations for the Department of Energy. Subsequent subsidy for the years thereafter shall be included in the General Appropriations Act.

Section 8. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation, contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

Section 9. Separability Clause. – If any provision or part of this Act is held unconstitutional or invalid, the remaining parts or provisions not affected shall remain in full force and effect.

Section 10. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,