

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



EIGHTEENTH CONGRESS
First Regular Session

5706
House Bill No. _____

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

Waste-to-energy is the 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.

Today, the world generates around 1.3 billion tons of municipal solid waste. By 2025, it is predicted that the world could generate 2.2 billion tons of municipal solid waste per year. Currently, the most utilized method of municipal solid waste disposal is through the use of landfills. This method poses a huge threat to our environment and health. Considering that the increase of the amount of municipal solid waste is proportionate to the growth of population around the world, a solution to minimize the use of such method must be applied.

This Bill seeks to promote the use of waste-to-energy as a renewable source of energy. It is quite possible that part of the reason why our country has not yet maximized this method is because of the lack of awareness as regards waste-to-energy methods.

The importance of the promotion of waste-to-energy methods must be given emphasis. Through the passage of this Bill, our country will be able to take a step forward into reducing the use of landfills as a

method of disposal of waste at the same time making use of these wastes in an environmentally friendly manner.

As such, the passage of this Bill is earnestly sought.

Eric Olivarez

ERIC OLIVAREZ

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

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

SECTION 1. Short Title – This Act shall be known as the
“Waste-To-Energy Act of 2019”.

SECTION 2. Declaration of Policy – It shall be the policy of
the State to protect and advance the right of the people to healthful
ecology. To this end, the State shall promote the use of waste-to-
energy technologies and facilities as an alternative source of
renewable energy in order to contribute in the constant need to
protect the environment and at the same time address the growing
demand for energy in the country.

SECTION 3. Definition of Terms. –

- a) **Renewable energy** refers to energy obtained from sources that are essentially inexhaustible or non-depletable 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** refers to the 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;
- c) **Municipal solid waste** refers to waste produced from activities within the local government units which include but is not limited to household, commercial, non-hazardous institutional and industrial waste, street litters, construction debris, agricultural waste and non-hazardous/non-toxic solid waste;
- d) **Person** refers to a natural or juridical person.

SECTION 4. Waste-to-Energy technologies compliant with the emission standards set by Section 29 of Republic Act No. 8749 otherwise known as 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/neighborhood sanitation “siga”, traditional, agricultural, 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. “

SECTION 5. *Role of Local Government Units in Setting Up of Waste-to-Energy Facilities.* – Pursuant to the relevant provisions of Republic Act No. 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 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 under the Philippine Environmental Impact Assessment 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 Executive Order 226, otherwise known as the Omnibus Investment Code, the following 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 waste-to-energy facility: *Provided*, that the importation of such machinery, equipment, vehicle and spare parts shall comply within the following conditions:

- i. They are not manufactured domestically in sufficient quantity, or 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 Investments of the Department of Trade and Industry 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 Gifts* – 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 the waste-to-energy shall be exempt from all internal revenue taxes and 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 the Omnibus Investment Code.

The Commission shall provide incentives to businesses and industries that are engaged in the waste-to-energy 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 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 waste-to-energy facilities.

4. *Extension of Grants to LGUs.* – Provinces, cities and municipalities with waste-to-energy facilities plans that have been duly approved by the Commission for adopting innovative waste-to-energy 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.* – LGUs who host common waste-to-energy facilities shall be entitled to incentives as may be deemed proper by the Commission.

SECTION 9. *Lead Agency.* – The National Solid Waste Management Commission shall be the primary government agency responsible for the implementation and enforcement 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. *Report to Congress.* – The National Solid Waste Management Commission 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 the 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 11. *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 (4) senators and five (5) members of the House of Representatives to be appointed by the Senate President and the Speaker of the House of Representatives 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 12. *Implementing Rules and Regulations* - Within ninety (90) days from the promulgation of this Act, the implementing rules and regulations for the proper implementation of its provisions shall be formulated by the appropriate government office or agency in coordination with all the stakeholders and covered establishments and institutions.

SECTION 13. *Separability Clause* - If any provision of this Act is declared invalid, the remainder or any of this provision hereof not affected thereby shall remain in force and effect.

SECTION 14. *Repealing Clause* - All laws, decrees, executive orders, presidential issuances and other administrative rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SECTION 15. *Effectivity* - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,