

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session
House Bill No. **1498**



Introduced by Honorable Florida P. Robes

EXPLANATORY NOTE

Section 16, Article II of the 1987 Constitution provides:

“The State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.”

Twenty one years after the enactment of Republic Act 8749 or the Philippine Clean Air Act of 1999, solid waste management is still a major problem in the country. This has oftentimes led to flooding, erosion, landslides, as well as posed health hazards to people living near sanitary landfills. This is mainly due to the ban on incineration which has prevented solid waste managers and experts into exploring more effective ways of managing wastes.

Compounding the problem is the inability of local government units to construct and operate their own sanitary landfills due to lack of financial capability. This has resulted into many unwarranted cases filed against local government officials and employees.

This bill seeks to address the urgent solid waste issues in the country and allow innovative ways to solve solid waste management problems by converting them to energy without posing any harm to the environment.

Numerous studies and experiences from countries that employ waste-to-energy systems have debunked concerns raised by some environmental groups that the latter cause the emission of toxic or potentially toxic substances, such as dioxins.

The experiences of Canada, Japan and South Korea, countries that make use of waste-to-energy systems, have shown that dioxin levels emitted are below the international standards. Even the average lifespan in these countries have not been affected by the waste-to-energy systems.

This proposed bill will enable the country to make use of new, innovative and safe technologies that will not only solve the garbage problem but also compliment energy generation initiatives of the government.

Waste management in the country has turned from bad to worse and this can only be addressed by the implementation modern technological systems such as the waste-to-energy technology.

In view of the foregoing, the passage of this measure is urged.


FLORIDA P. ROBES

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AN ACT
ESTABLISHING THE USE OF ECOLOGICAL WASTE-TO-ENERGY MANAGEMENT
SYSTEM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8749, OTHERWISE
KNOWN AS THE CLEAN AIR ACT OF 1999, 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 “Ecological Waste-To-Energy Management Act of 2020”.

SECTION 2. – Section 5 of Republic Act 8749, otherwise known as the “Clean Air Act of 1999” is hereby amended to read as follows:

Section 5. Definitions. – As used in this Act:

a.) xxxxx

y.) Waste-to-Energy Management – refers to:

1. System by which technology is used to convert various elements of solid waste such as but not limited to paper, plastic or wood, to generate energy by either thermochemical or biochemical process;
2. Any waste treatment that is able to produce energy from a waste material;
3. Technology which reduces or eliminates waste that otherwise would be transformed to a greenhouse gas.

Section 3. Section 15 of the same Act is hereby amended to read as follows:

Section 15. Air Pollution Research and Development Program. – The Department, in coordination with the Department of Science and Technology (DOST), other

agencies, the private sector, the academe, NGOs and POs shall establish a National Research and Development Program for the prevention and control of air pollution, AND FOR DEVELOPMENT AND UTILIZATION OF WASTE-TO-ENERGY SYSTEMS. The Department shall give special emphasis to research on and the development of improved methods having industry-wide AND COMMUNITY-WIDE application for the prevention and control of air pollution AND THE UTILIZATION OF WASTE-TO-ENERGY SYSTEMS. Such a research and development program shall develop air quality guideline values and standards in addition to internationally-accepted standards of maintaining environmentally-sound practices in waste treatment. It shall also consider the socio-cultural, political and economic implication of air quality management, pollution control and WASTE-TO-ENERGY SYSTEM UTILIZATION.

Section 4. *Compliance.* – Incinerators which are compliant with the emission standards set by Section 19 of Republic Act 8749 shall be allowed as waste-to-energy facilities in municipalities and cities.

Section 5. *Waste-To-Energy System.* – A waste-to-energy system shall be exempted from ban on incineration under Section 20 of Republic Act 8749, otherwise known as the Clean Air Act of 1999; *Provided*, That the system shall comply with Section 19 of the said Act. The waste-to-energy system shall be required to have arrangements with a sanitary landfill as a disposal site for any waste generated from its operations.

To control air pollution, the waste-to-energy system shall be designed in such a way that product combustion gases shall be properly treated and harmful emissions shall be removed before gases are released into the atmosphere. Advanced emission control designs and stringent regulations shall ensure that wastes are disposed of without detrimental impact to the environment.

In addition to the provisions of this Act, the segregation, collection, transfer, storage, and transport of solid waste as feedstock for a waste-to-energy system, and the waste treatment process of the waste-to-energy system shall be governed by Republic Act No. 9003 and Republic Act 8749, while the energy production aspect of the waste-to-energy system shall be governed by Republic Act 9136, otherwise known as the Electric Power Industry Reform Act of 2001, Republic Act 9367, otherwise known as the Biofuels Act of 2006, and Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008, whichever is possible.

Traditional and/or small-scale methods of community/neighborhood incineration for sanitation purposes or “siga”, agricultural, cultural, health and food preparation and crematoria incineration shall continue to be allowed subject to existing rules and regulations.

Local government units shall continue to promote, encourage and implement in their respective jurisdiction a comprehensive ecological waste management that includes waste segregation, recycling and composting and the use of waste-to-energy technologies.

Section 6. *Role of the Department of Environment and Natural Resources.* - With due concern on the effects of climate change, the Department shall promote the use of the state-of-the-

art, environmentally-sound and safe non-burn technologies for the handling, treatment, thermal destruction, utilization, and disposal of sorted, unrecycled, uncomposted, biomedical and hazardous wastes.

Section 7. *Establishment of Sanitary Landfill.* – Provinces are encouraged to establish one (1) sanitary landfill in their respective territories. The LGU shall be responsible in identifying and allotting appropriate site for the construction of sanitary landfill, the cost of construction, operation and maintenance shall be shouldered by the LGU and the National Government.

Section 8. *Local Government Solid Waste Management Plans subject for Approval.* – Proposals and plans to establish incinerator facilities must originate from solid waste management boards of the LGUs and effected through an ordinance in consonance with their respective ten (10)-year solid waste management plans consistent with the national solid waste management framework.

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

Section 9. *Environment Compliance Certificate.* – The establishment of waste-to-energy system shall be subject to an environmental impact assessment as required by law prior to implementation.

No actual implementation of such activities shall be allowed without the required Environmental Compliance Certificate by the Department of Environment and Natural Resources (DENR).

Section 10. *Regulation of Waste-To-Energy.* – Thermal and other treatment technologies for the disposal of municipal and hazardous wastes, or for the processing of any material for fuel, whether for commercial use or not, shall be designed and operated to meet the standards established by this Act and its implementing rules and regulations: *Provided*, That these technologies shall be fitted with equipment that will continuously monitor, record and make publicly available the reported data on their emissions or air pollutant concentrations: *Provided*, however, That units that recover energy shall be prioritized: *Provided* further, That thermal treatment units shall treat wastes at a temperature of not less than eight hundred fifty degrees centigrade (850°C).

Section 11. *Role of the Department of Environment and Natural Resources (DENR).* – The DENR shall be primarily responsible for the implementation and enforcement of this Act. It shall likewise promote the use of the state-of-the-art, environmentally sound and safe technologies for the handling, treatment, thermal or non-thermal destruction, utilization, and disposal of residual wastes.

Section 12. *Role of the Local Government Units (LGUs) in Setting Up Treatment Facilities.* – The LGUs are hereby mandated to promote, encourage and implement in their respective jurisdiction a comprehensive solid waste management plan that includes the use of waste-to-energy technologies.

Host LGUs are authorized to enter into:

- (a) Clustering arrangements with other LGUs for a common waste-to-energy facility, on their own or upon recommendation of the Provincial or City Solid Waste Management Board;
- (b) Long-term contracts with waste-to-energy facilities, on their own or with clustered LGUs, and
- (c) Joint ventures, public-private partnerships, cooperatives undertakings under Sec. 33 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, as amended, and other contractual arrangement allowed by other existing laws, rules and regulations, and their respective charters for the establishment of waste-to-energy facilities; Provided, That LGUs shall be allowed to determine the standards and quality of technology and services of a waste-to-energy facility provider.

Section 13. *Role of the National Solid Waste Management Commission.* – The NSWMC shall approve or deny the plan, or supplemental plan of all LGUs, which may carry out treatment projects, within ten (10) working days from its submission. The Department of Science and Technology (DOST) shall likewise process the application of said projects for the necessary technology verification within the same period. However, for new technology, the DOST shall have twenty (20) working days from the receipt of the application of said projects to process the verification. In all cases, the approving body shall put in writing the reasons for either approving or denying the plan.

Section 14. *Incentives.* – (a) Fiscal incentives, - The following tax incentives shall be granted to registered enterprises which shall invest in waste-to-energy technology.

- 1. **Income Tax Holiday.** – Within the first seven (7) years of its operations, the treatment facility shall be exempt from income tax levied by the national government.
- 2. **Tax and Duty Exemption on Imported Capital Equipment and Vehicles.** – Within the first ten (10) years of operations registered enterprises which invested in the treatment facility utilizing WTEs shall enjoy tax and duty-free importation of machinery, equipment, vehicles and spare parts used for setting up the treatment facility: Provided, That the importation of such machineries, equipment, garbage collection vehicles, and spare parts shall comply with the following conditions:
 - i. They are not manufactured domestically in sufficient quantity, of comparable quality and competitive prices; and
 - ii. They are reasonably needed and will be used exclusively by the registered enterprise in the operation of the facility; The importation of such machinery, equipment, vehicle and spare parts has been approved by the Board of Investments (BOI) of the Department of Trade and Industry (DTI).

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

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

b. Non-Fiscal Incentives. – LGUs, enterprises or private entities availing of tax incentives under this Act shall be entitled to applicable non-fiscal incentives provided for under the Omnibus Investment Code.

c. Financial Assistance Program. – Government financial institutions such as the Landbank of the Philippines (LBP), Development Bank of the Philippines (DBP), 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 the extension of financial services to individuals, enterprises, or private entities engaged in putting up treatment facilities using WTE's: *Provided*, That these institutions shall allocate five percent (5%) of their loan portfolio to waste treatment projects.

Section 15. *Fines and Penalties.* – Violations of the provisions of this Act or its IRR, or the standards or rules and regulations promulgated for treatment facilities shall be fined or penalized under the provisions of P.D. 1586, otherwise known as the Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990, R.A. 8749, otherwise known as the Philippine Clean Air Act of 1999, R.A. No. 9003, and R.A. 9725, otherwise known as the Philippine Clean Water Act of 2004. For waste-to-energy facilities, the penal schemes established under the Philippine Grid Code and Philippine Distribution Code pursuant to R.A. 9136, also known as the Electric Power Industry Reform Act of 2001 shall likewise apply for this purpose.

Section 16. *Implementing Rules and Regulations.* – The DENR, in coordination with the NSWMC, Department of Energy, BOI, Bureau of Internal Revenue, the Bureau of Customs, academe or research institutions, and other concerned agencies, shall promulgate the Implementing Rules and Regulations for this Act, within three (3) months after its enactment.

Section 17. *Report to Congress.* - The NSWMC shall submit an annual report to the President of the Philippines and to Congress on the status of the disposal management and the use of treatment facilities in the country not later than March 30 of every year following the approval of this Act.

Section 18. *Separability Clause.* - If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

Section 19. *Repealing Clause.* - This franchise shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

Section 20. *Effectivity* - This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two newspapers of general circulation in the Philippines.

Approved,