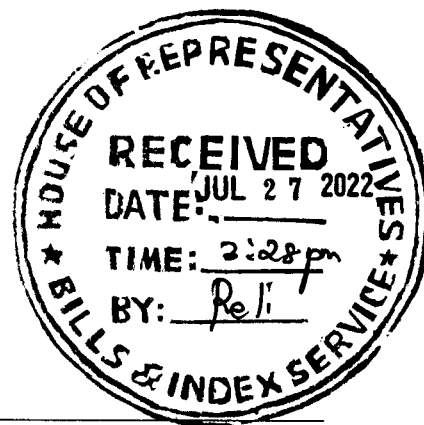


NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

HOUSE OF REPRESENTATIVES

H. B. No. 2565



Introduced by Representative Ralph G. Recto

AN ACT
REDUCING THE COST OF ELECTRICITY FOR NATIONAL GOVERNMENT
OFFICES BY PROMOTING THE DEVELOPMENT AND UTILIZATION OF SOLAR
ENERGY IN ALL GOVERNMENT BUILDINGS AND OFFICES, PROVIDING
FUNDS THEREFOR, AND FOR OTHER PURPOSES

Explanatory Note

Energy security is a crucial factor in achieving economic development of the society. The Philippine government is hard-pressed to fulfill its commitments to decarbonize the energy industry for 450 Scenario¹, achieve energy independence and pursue higher electrification rates, even as the population continues to grow at an average of 1.81 percent in 2010 to 2020 and 1.27 percent in 2020 to 2030.

Additional pressure comes from the rising price of oil worldwide, since oil and other fossil fuels will continue to account significantly for our energy consumption until 2040.² Furthermore, oil price volatility is heavily influenced by geopolitical tensions as evidenced in the prolonged conflict between Ukraine and Russia. Following the February conflict between Ukraine and Russia, the Brent Crude Oil Price per barrel registered an increase of 35%, from USD 85.53 a barrel in January to USD 115.59 a barrel in March.³ Although there was a decrease in the Brent Crude Oil Price per barrel in April to USD 105.78, this still represents a 24 percent increase compared to January prices⁴. Moreover, it should be noted that the price per barrel has not breached USD 100 since August 2014 when the price was at USD 101.92 a barrel⁵.

This proposed measure seeks to mandate the Department of Public Works and Highways (DPWH), in coordination with the Department of Energy (DOE), to construct Renewable Energy (RE) Systems in and retrofit government buildings and offices, by installing Solar Energy Systems. Solar Energy is the most abundant renewable energy (RE) resource that can be installed to generate power at a faster rate. This is in contrast to fossil fuel-based power plants that need a minimum of three to five years gestation period.

¹ International Energy Agency World Energy Outlook 450 Scenario

² Department of Energy Demand and Supply Outlook 2017-2040

³ World Bank Commodity Price Data

⁴ Ibid.

⁵ Ibid.

The solar energy systems to be established shall initially supply at least ten percent (10%) of the electric power requirements of the government agencies in their respective buildings or offices, which shall be gradually increased annually for five (5) years until the established solar energy systems are expected to supply fifty percent (50%) of the power requirements of all government agencies.

According to the RE resource assessment conducted by the DoE, the country's Solar Energy annual potential average is estimated at 5.1 kilowatt-hour (kWh)/m²/day⁶, which represents fuel input that is free-of-charge and will not affect our foreign currency reserves as imported petroleum and other fossil fuels do. In addition, the production and installation of materials and equipment for use in solar energy systems incur minimal environmental and physical impacts.

Solar energy systems do not require extraction activities like large-scale mining or drilling which bring about negative environmental impacts. It does not generate Greenhouse Gases such as carbon and methane nor emit particulates that are the bane of fossil fuels. Most important, solar panels can be installed on rooftops and designated areas without disrupting activities or dislocating electric power consumers. Solar energy systems also generate substantial savings versus fossil-fueled power plants whose feed stocks have to be transported over long distances for which generators incur transport or hauling costs.

This Bill also creates opportunities for employment in terms of new jobs generated and enhanced skills of Filipino labor in the RE industry that will push their competitive edge worldwide. The Feed-In-Tariff policy has reportedly attracted \$800 Million in direct investments in the RE industry and has resulted in the creation of 3,500 new jobs.

Likewise, this Bill will provide the impetus for the country to reach its target RE utilization of 15,304 MW in 2030, from the 5,438 MW RE utilization in 2010⁷. Tapping renewable energy for government buildings will encourage other sectors to explore the use of solar energy systems which can effectively reduce utility costs and carbon footprint.

Hence, the passage of this bill is earnestly sought.



RALPH G. RECTO

FNPC

⁶ Department of Energy Renewable Energy: Biomass, Solar, Wind and Ocean <http://www.doe.gov.ph/renewable-energy-res/biomass-solar-wind-and-ocean>

⁷ Department of Energy National Renewable Energy Program

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FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

1 Section 1. *Title.* – This Act shall be known as “The Solar Energy in National
2 Government Offices Act”.

3 Sec. 2. *Declaration of Policies.* – It is hereby declared the policy of the State:

- 4 a) To mandate the development and utilization of renewable energy resources
5 in government buildings and offices;
6 b) To establish the infrastructure and mechanisms to ensure efficient, cost-
7 effective and sustainable supply of power from solar energy systems; and
8 c) To ensure energy-sufficiency of government agencies for the prompt and
9 unhampered delivery of services to its constituents.

10 Sec. 3. *Coverage.* – This Act shall provide a framework for the establishment
11 of solar energy systems in all national government buildings and offices.

12 Sec. 4. *Establishment of Solar Energy Systems in National Government*
13 *Buildings and Offices.* – All government agencies in coordination with the Department
14 of Public Works and Highways (DPWH) and the Department of Energy (DOE) shall
15 begin the construction of solar energy systems in and retrofit their respective buildings

1 and offices after the effectivity of this Act: *Provided*, That Solar Energy Systems shall
2 refer to energy systems which convert solar energy into thermal or electrical energy.

3 *Sec. 5. General Guidelines.* – For the purposes of this Act, the following are the
4 General Guidelines for solar energy systems in national government buildings and
5 offices:

6 a) Establishment and construction shall immediately commence to supply
7 power to government buildings or offices;

8 b) The Department of Finance shall apply the appropriate provisions of Chapter
9 VII General Incentives of Republic Act No. 9513 or the Renewable Energy
10 Act of 2008 to the RE Systems to be established and constructed for
11 government agencies; and

12 c) Government agencies shall enjoy the privileges granted to qualified end-
13 users as certified by the DOE-Renewable Energy Management Bureau, as
14 provided for in Sections 10 and 12 of R. A. No. 9513.

15 *Sec. 6. Minimum Standard.* – The solar energy systems to be established shall
16 initially supply at least ten per cent (10%) of the electric power requirements of the
17 government agencies in their respective buildings or offices for the first year after the
18 effectivity of this Act: *Provided*, That solar energy utilization shall be increased
19 annually for five (5) years at which time the established solar energy systems are
20 expected to have the capacity to supply fifty percent (50%) of the power requirements
21 of government agencies: *Provided, further*, That nothing in this Act shall preclude the
22 expansion of existing solar energy systems installed in government buildings and
23 offices.

24 *Sec. 7. Funding.* – The amount necessary for the immediate implementation of
25 this Act shall be charged against any available funds of the government agencies
26 covered in this Act. Thereafter, such sums as may be necessary to implement this Act
27 shall be included in the annual General Appropriations Act (GAA).

28 *Sec. 8. Implementing Rules and Regulations.* – The DOE shall provide the
29 necessary implementing rules and regulations for the effective implementation within
30 thirty (30) days upon the approval of this Act. Such rules and regulations shall take
31 effect after they have been issued and shall be published in at least two (2)
32 newspapers of general circulation.

1 Sec. 9. *Separability Clause.* – Any portion or provision of this Act that may be
2 declared unconstitutional or invalid shall not have the effect of nullifying other portions
3 or provisions hereof, as long as such remaining portions or provisions can still subsist
4 and be given effect in their entirety.

5 Sec. 10. *Repealing Clause.* – All laws, acts, decrees, executive orders,
6 issuances, and rules and regulations or parts thereof which are contrary to and
7 inconsistent with this Act are hereby repealed, amended or modified accordingly.

8 Sec. 11. *Effectivity.* - This Act shall take effect fifteen (15) days following its
9 publication in at least two (2) newspapers of general circulation or in the *Official*
10 *Gazette*.

Approved,