



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4300



Introduced by Representative KRISTINE SINGSON-MEEHAN

EXPLANATORY NOTE

The Philippines remains heavily dependent on imported fossil fuels, exposing the economy to volatile global oil prices and supply disruptions. The Renewable Energy Act of 2008 laid the foundation for the Philippines' clean energy transition to help alleviate , but gaps in implementation, outdated definitions, and regulatory bottlenecks continue to hinder growth in the sector. This bill amends RA 9513 to modernize the renewable energy (RE) framework by clarifying RE classifications, streamlining the permit process, strengthening incentives for developers and farmers, and institutionalizing local government participation while preventing undue delays.

It likewise addresses investor concerns by confirming that renewable energy resources are not subject to constitutional nationality restrictions or term limits, strengthens the Renewable Energy Trust Fund, and integrates emerging technologies such as energy storage systems and waste-to-energy facilities. These reforms will boost private sector investment, expand sustainable energy access, and advance the country's goals of energy security, environmental protection, and inclusive economic development.

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

DEPUTY SPEAKER KRISTINE SINGSON-MEEHAN
2nd DISTRICT ILOCOS SUR



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**AN ACT AMENDING REPUBLIC ACT NO. 9513,
OTHERWISE KNOWN AS THE RENEWABLE ENERGY ACT OF 2008**

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

Section 1. *Declaration of Policy.* – It is hereby declared the policy of the State to further encourage private sector participation in the exploration, development and utilization of renewable energy resources to achieve energy security and self-reliance in a manner that balances the goals of economic growth and development with the protection of health and the environment.

Section 2. Section 4 of Republic Act (RA) No. 9513 (hereinafter, the “Act”) is hereby amended to read as follows:

Section 4. *Definition of Terms.* – As used in this Act, the following terms are herein defined:

xxx

xxx

xxx

“(b) ‘Biomass resources’ refer to non-fossilized, biodegradable organic material originating from naturally occurring or cultured plants, animals and micro-organisms, including agricultural products, by-products and residues such as, but not limited to, biofuels except corn, soya beans and rice but including sugarcane and coconut, rice hulls, rice straws, coconut husks and shells, corn cobs, corn stovers, bagasse, biodegradable organic fractions of industrial and municipal wastes that can be used in bioconversion process and other processes, as well as gases and liquids recovered from the decomposition and/or extraction of non-fossilized and biodegradable organic materials, **and municipal waste**;

xxx

xxx

xxx

“(d) ‘Certificate of Authority’ refers to a pre-RE Contract certificate signed by the DOE Secretary authorizing an RE Developer to procure the necessary permits and tenorial instruments for the exploration, development, construction and installation, and commercial operation of the RE Project and conduct reconnaissance and other activities needed for pre-feasibility studies;

“(e) ‘Co-generation systems’ xxx;

xxx

xxx

xxx

“(o) ‘Energy Regulatory Commission’ xxx;

“(p) **‘Energy Storage System’ refers to a facility capable of absorbing energy directly from the grid or distribution system, or from an RE Plant or from a Conventional Plant connected to the grid or distribution system and storing it for a period of time, and injecting stored energy when prompted, needed to ensure reliability and balanced power system;**

xxx

xxx

xxx

“(r) ‘Generation Facility’ xxx;

“(s) ‘Geothermal energy’ as used herein and in the context of this Act, shall be considered renewable *[and the provisions of this Act is therefore applicable thereto]* if geothermal energy~~], as a mineral resource,~~ is produced through: (1) natural recharge, where the water is replenished by rainfall and the heat is continuously produced inside the earth; and/or (2) enhanced recharge, where hot water used in the geothermal process is re-injected into the ground to produce more steam as well as to provide additional recharge to the convection system;

xxx

xxx

xxx

“(u) ‘Geothermal Resources’ refer to *[mineral resources, classified as]* renewable energy resources~~s],~~ in the form of: (i) all products of geothermal processes, embracing indigenous steam, hot water, and hot brines; (ii) steam and other gases, hot water, and hot brines resulting from water, gas, or other fluids artificially introduced into geothermal formations; (iii) heat or associated energy found in geothermal formations; and (iv) any by-product derived from them;

xxx

xxx

xxx

“(vv) ‘Renewable Energy Service (Operating) Contract (RE Contract)’ refers to the service agreement between the Government, through the DOE, and RE Developer over a period in which the RE Developer has the exclusive right to a particular *[RE]* area for exploration and development **of RE Resources**. The RE Contract shall be divided into two (2) stages: the pre-development stage and the development/commercial stage. The preliminary assessment and feasibility study up to financial closing shall refer to the pre-development stage. The construction and installation of facilities up to operation phase shall refer to the development stage~~.~~;

“(ww) ‘Renewable Energy Resources’ (RE Resources) refer to energy resources that do not have an upper limit on the total quantity to be used. Such resources are renewable on a regular basis, and whose renewal rate is relatively rapid to consider availability over an indefinite period of time. These include, among others, biomass, solar, wind, geothermal, ocean energy, *[and]* hydropower conforming with internationally accepted norms and standards on dams, **energy stored and dispatched from integrated RE Plant and ESS,** and other emerging renewable energy technologies;

xxx

xxx

xxx.”

Section 3. Section 5 of the Act is hereby amended to read as follows:

“Section 5. **Lead Agency.** – The DOE shall be the lead agency mandated to implement the provisions of this Act.

“Any law to the contrary notwithstanding, the DOE, upon prior clearance that there are no existing tenurial rights over public lands from the relevant government agency/instrumentality, may grant an RE Developer access thereon for the exploration and development of RE resources.”

Section 4. A new Chapter III is hereby inserted, and Section 6 of the Act is amended to read as follows:

“Chapter III”
“RE Contract Areas”

“Section **6. RE Contract Areas.** – **RE Contracts may cover public lands, government reservations, including those presently administered or unappropriated areas, private lands or other lands subject of agricultural, mining, petroleum or other rights or devoted to purposes other than the exploration, development and utilization of RE Resources: *Provided*, That the right to enter private lands, and to established easements over such lands shall, in the absence of a voluntary agreement with the private landowner, be allowed in accordance with RA No. 10752, otherwise known as “The Right-of-Way Act: *Provided, further*, That the RE operations shall not unduly prejudice existing agricultural, mining, petroleum or other rights vested prior to the effectivity hereof.”**

Section 5. Chapter V of the Act is hereby renumbered as Chapter VI, and Section 13 thereof is renumbered as Section 14 and amended, to read as follows:

“Section **14. Government Share.** – The government share on existing and new RE development projects shall be equal to **one-half of** one percent (**0.5%**) of the gross *[income]* **sales** of RE resource developers resulting from the sale of renewable energy produced and such other income incidental to and arising from the renewable energy generation, transmission, and sale of electric power except for indigenous geothermal energy, which shall be at **one-half of** one and a half percent (**0.75%**) of gross income.”

Section 6. Section 14 of the Act is hereby renumbered as Section 15 and amended to read as follows:

“Section **15. Compliance with Environmental Regulations.** – All RE explorations, development, utilization, and RE systems operations shall be conducted in accordance with existing environmental regulations as prescribed by the DENR and/or any other concerned government agency.

“The DENR shall, within one (1) year from the effectivity hereof, issue streamlined environmental regulations prescribing minimum requirements for the conduct of preliminary assessment and feasibility study.”

Section 7. Section 15 of the Act is hereby renumbered as Section 16 and amended to read as follows:

“Section **16. Incentives for Renewable Energy Projects and Activities.** – RE developers of renewable energy facilities, including hybrid systems, in proportion to and to the extent of the RE component, for both power and non-power

applications, as duly certified by the DOE, in consultation with the BOI, shall be entitled to the following incentives:

“(a) xxx

“(b) Duty-free Importation of RE Machinery, Equipment and Materials – Within the first ten (10) years upon the issuance of a certification of an RE developer, the importation of machinery and equipment, and materials and parts thereof, including control and communication equipment, shall not be subject to tariff duties: *Provided, however,* That the said machinery, equipment, materials and parts are directly and actually needed and used exclusively in the RE facilities for transformation into energy and delivery of energy to the point of use and covered by shipping documents in the name of the duly registered operator to whom the shipment will be directly delivered by customs authorities: *Provided, further,* **That additional investments in the project shall likewise be exempt from tariff duties upon issuance of a certification by the DOE: *Provided, finally,*** That endorsement of the DOE is obtained before the importation of such machinery, equipment, materials and parts are made.

“(c) xxx;

“(d) Net Operating Loss Carry-Over (NOLCO). – The NOLCO of the RE Developer during the first three (3) years from the start of commercial operation which had not been previously offset as deduction from gross income shall be carried over as a deduction from gross income for the next seven (7) consecutive taxable years immediately following the year of such loss: *Provided, That* **direct costs of exploratory drilling may be recovered based on a diminishing rate to be prescribed by the DOE under which a fresh round of such rates shall be applied after discovery of commercially viable geothermal steam fields;** *Provided, however,* That operating loss resulting from the availment of incentives provided for in this Act shall not be entitled to NOLCO;

xxx

xxx

xxx.”

Section 8. Section 22 of the Act is hereby renumbered as Section 23 and amended to read as follows:

“Section **23. Incentives for Farmers Engaged in the Plantation of Biomass Resources.** – *[For a period of ten (10) years after the effectivity of this Act,]* **All** individuals and entities engaged in the plantation of crops and trees used as biomass resources such as but not limited to jatropha, coconut, and sugarcane, as certified by the Department of Energy, shall be entitled to duty-free importation and be exempted from Value-Added Tax (VAT) on all types of agricultural inputs, equipment and machinery such as, but not limited to, fertilizer, insecticide, pesticide, tractor, trailers, trucks, farm implements and machinery, harvesters, threshers, hybrid seeds, genetic materials, sprayers, packaging machinery and materials, bulk handling facilities, such as conveyors and mini-loaders, weighing scales, harvesting equipment, and spare parts of all agricultural equipment; **Provided, That within one (1) year from effectivity hereof, the Sugar Regulatory Administration, Philippine Coconut Authority and other concerned government instrumentalities shall, in coordination with the DOE, promulgate regulations which ensure that savings resulting from the incentives hereunder are passed on to the biofuel producers in the form of lower prices of biomass feedstock.**”

Section 9. Section 25 of the Act is hereby renumbered as Section 26 and amended to read as follows:

“Section **26. Registration of RE Developers and local manufacturers, fabricators and suppliers of locally-produced renewable energy equipment.**
– RE Developers and local manufacturers, fabricators and suppliers of locally-produced renewable energy equipment shall register with the Department of Energy, through the Renewable Energy Management Bureau. **After** registration, a certification shall be issued to each RE Developer and local manufacturer, fabricator and supplier of locally-produced renewable energy equipment to serve as the basis of their entitlement to incentives provided under Chapter VII of this Act.”

Section 10. A new Chapter X is hereby inserted which reads, as follows:

“Chapter X”
“Prior Consultation with Local Government Units”

“Section **28. RE projects covered by COA or RE Contract shall be implemented upon compliance with the requirement for prior approval of the Sanggunian concerned under RA No. 7160; Provided, That such approval may be withheld only if:**

- (a) **Reclassification of the area designated as RE project site will go beyond the allowable percentage of the total agricultural land area;**
- (b) **The RE project is inconsistent with the approved local development plan and public investment program of the LGU concerned; or**
- (c) **Issued with the concurrence of the Sangguniang Panlalawigan and/or Sangguniang Panlungsod concerned.**

“Notwithstanding Section 27 of RA No. 7160, as amended, the approval of the Sanggunian may be withdrawn or revoked for similar causes as above only if the RE Developer has not commenced construction of the RE project and upon prior public hearing which shall be attended by the DOE, DILG, Anti-Red Tape Authority and the RE Developer. The RE Developer, through the DOE, may appeal such withdrawal or revocation to the Office of the President.”

Section 11. A new Chapter XI is hereby inserted to read as follows:

“Chapter X”
“Nationality Requirement and Term Limits”

“Section **28. RE resources shall be deemed outside the scope of natural resources under Section 2, Article XII of the Constitution.**

“For the avoidance of doubt, the nationality requirement and the maximum term limit of fifty (50) years provided under Section 2, Article XII of the Constitution shall not apply to the exploration, development and utilization of RE resources.”

Section 12. Chapter IX of the Act is hereby renumbered as Chapter XII, and Section 27 thereof is hereby renumbered as Section 30 and amended, to read as follows:

“Chapter XI”
“General Provisions”

“Section **30. Creation of the National Renewable Energy Board (NREB).** – The NREB is hereby created. It shall be composed of **the DOE Secretary or his designate, as Chairman,** and one (1) representative each from the following agencies: *[DOE,]* DTI, DOF, DENR, NPC, TransCo or its successor-in-interest, PNOC and PEMC who shall be designated by their respective secretaries on a permanent basis; and one (1) representative each from the following sectors: RE Developers, Government Financial Institutions (GFIs), private distribution utilities, electric cooperatives, electricity suppliers and non-governmental organizations, duly endorsed by their respective industry associations and all to be appointed by the President of the Republic of the Philippines **for a term of seven (7) years. Appointment to any vacancy shall be only for the unexpired portion of the term of the predecessor.**”

Section 13. Section 28 of the Act is hereby renumbered as Section 31 and amended to read as follows:

“Section 31. *Renewable Energy Trust Fund (RETF).* – xxx

“The RETF shall be funded from:

XXX

“(d) One and 1/2 percent (1.5%) of the net annual dividends [*remitted to the National Treasury*] of the Philippine National Oil Company and its subsidiaries:

xxx

“All remittances to the National Treasury from funds mentioned herein shall be net of the percentage allotted as contribution to the RETF. The DOF, in consultation with the Commission on Audit, shall issue the rules needed for the proper implementation hereof. Non-compliance herewith is hereby declared a prohibited act under Section 35 of the Act.”

Section 14. Section 30 of the Act is hereby renumbered as Section 33 and amended to read as follows:

“Section **33. Adoption of Waste-To-Energy (WTE) Technologies.** – [The DOE] **Local Government Units or clusters thereof if the volume of WTE feedstock from municipal waste is not commercially viable,** shall[, where practicable, encourage the adoption of] **integrate** [waste-to-energy facilities] **WTE technologies** such as, but not limited to, biogas systems **in their respective solid waste management plans, including the collection, transport, storage and processing of WTE feedstock and its residues.** The DOE shall, in coordination with the DENR, **Department of Health, and other concerned government agencies,** ensure compliance with this provision.

As used in this Act, waste-to-energy technologies shall refer to systems which convert to biodegradable materials such as, but not limited to, animal manure or agricultural waste, **and/or municipal waste** into useful energy through processes such as anaerobic digestion, fermentation and gasification, **incineration**, among others, subject to the provisions and intent of Republic Act No. 8749 (Clean Air Act of 1999) and Republic Act No. 9003 (Ecological Solid Waste Management Act of 2000).

Section 15. Section 35 of Act is hereby renumbered as Section 38 and amended to read as follows:

“Section **38. *Prohibited Acts***. The following acts shall be prohibited:

(a) xxx;

(e) Non-remittance of RETF share;

(f) Non-compliance with the established guidelines that DOE will adopt for the implementation of this Act.”

Section 16. *Separability Clause*. – If any provision of this Act is held invalid unconstitutional, the remainder of the Act or the provision not otherwise affected shall remain valid and subsisting.

Section 17. *Repealing Clause*. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

Section 18. *Effectivity Clause*. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,