

DEPARTMENT CIRCULAR NO. _____

**RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 11285
(ENERGY EFFICIENCY AND CONSERVATION ACT)**

Pursuant to Section 35 of Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act, the Department of Energy, in consultation with concerned government agencies and entities, local government units, commercial, industrial, and transport sectors and other relevant stakeholders, hereby issues, adopts and promulgates the following implementing rules and regulations.

**PART I.
GENERAL PROVISIONS**

**Rule I.
Title & Scope**

Section 1. Title. These rules and regulations shall be known as the Implementing Rules and Regulations of Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act, or the EEC-IRR.

Section 2. Declaration of Policy. It is hereby declared the policy of the State to:

- a) Institutionalize energy efficiency and conservation as a national way of life geared towards the efficient and judicious utilization of energy by formulating, developing, and implementing energy efficiency and conservation plans and programs to secure sufficiency and stability of energy supply in the country to cushion the impact of high prices of imported fuels to local markets and protect the environment in support of the economic and social development goals of the country;
- b) Promote and encourage the development and utilization of efficient renewable energy technologies and systems to ensure optimal use and sustainability of the country's energy resources;
- c) Reinforce related laws and other statutory provisions for a comprehensive approach to energy efficiency, conservation, sufficiency, and sustainability in the country; and
- d) Ensure a market-driven approach to energy efficiency, conservation, sufficiency, and sustainability in the country.

Section 3. Scope. The EEC-IRR establishes a framework for introducing and institutionalizing fundamental policies on energy efficiency and conservation, including the promotion of efficient and judicious utilization of energy, increase in the utilization of energy efficiency and renewable energy technologies, and the

delineation of responsibilities among various government agencies and private entities.

Rule II. Definition of Terms

For the purposes of the EEC-IRR, the singular may be read as the plural, and the plural may be read as the singular, as the context requires, and shall have the following meanings unless indicated otherwise:

- a) *Act* refers to Republic Act No. 11285, otherwise known as the Energy Efficiency and Conservation Act;
- b) *Certified Energy Conservation Officer (CECO)* refers to a professional who obtains a certification as a CECO after demonstrating high levels of experience, competence, proficiency, and ethical fitness in the energy management profession, and who shall be responsible for the supervision and maintenance of the facilities of Type 1 designated establishments for the proper management of energy consumption and such other functions deemed necessary for the efficient and judicious utilization of energy under the Act;
- c) *Certified Energy Manager (CEM)* refers to a licensed engineer who obtains a certification as a CEM after demonstrating high levels of experience, competence, proficiency, and ethical fitness in the energy management profession, and who shall be chosen by Type 2 designated establishments to plan, lead, manage, coordinate, monitor, and evaluate the implementation of sustainable energy management within their organizations;
- d) *Code of Practice on Energy Labelling of Products (COPE)* refers to the particular product requirement which is an integral part of the guidelines for the PESLP to be issued by the DOE;
- e) *Designated Establishment* refers to a private or public entity in the commercial, industrial, transport, power, agriculture, public works, and other sectors identified by the DOE as energy intensive industries based on their annual energy consumption in the previous year or an equivalent annual index; the amount of consumption is indicated in the Act and subject to adjustment by the DOE as it deems necessary;
- f) *Distribution Utility* refers to any electric cooperative, private corporation, government-owned utility, or existing local government unit which has an exclusive franchise to operate a distribution system including those whose franchise covers economic zones;
- g) *Department of Energy (DOE)* refers to the agency created through Republic Act No. 7638 otherwise known as the Department of Energy Act of 1992 and whose functions were expanded by Republic Act No. 9136 otherwise known

as the Electric Power Industry Reform Act of 2001, and Republic Act No. 9513 otherwise known as the Renewable Energy Act of 2008;

- h) *Energy* refers to all types of energy available commercially including natural gas (liquid natural gas and liquid oil gas), all heating and cooling fuels (including district heating and district cooling), coal, transport fuels, and renewable energy sources;
- i) *Energy Audit* refers to the evaluation of energy consumption and review of current energy cost to determine appropriate intervention measures and efficiency projects in which energy can be judiciously and efficiently used to achieve savings;
- j) *Energy Auditor* refers to an individual or entity certified by the DOE who has proven credibility and competence to conduct an energy audit;
- k) *Energy Conservation* refers to the reduction of losses or wastage in various energy stages from energy production to energy consumption through the adoption of appropriate measures which may, among others be, technologically feasible, economically sound, environmentally-friendly, or socially affordable;
- l) *Energy Consumption and Conservation Report (ECCR)* refers to the periodic report submitted to the DOE by Type 1 and Type 2 designated establishments, distribution utilities, and the transmission utility with regard to the National EE&C Plan containing, among others, energy consumption, energy loss, and status of energy use;
- m) *Energy Efficiency* refers to the way of managing or restraining the growth in energy consumption resulting in the delivery of more services for the same energy input or the same services for less energy input;
- n) *Energy Efficiency and Conservation Office (EECO)* refers to the office to be established in each LGU mandated to oversee and monitor the implementation of their respective Local EE&C Plan, which may be part of the planning and development office;
- o) *Energy Efficiency and Conservation Officer (EEC Officer)* refers to the head of the EECO responsible for overseeing the implementation of the Local EE&C Plan at the local government level, who may be designated from the existing personnel of the LGU;
- p) *Energy Efficiency Projects* refer to projects designed to reduce energy consumption or costs by any improvement, repair, alteration, or betterment of any building or facility, or any equipment, fixture, or furnishing to be added to or used in any building, facility, or vehicle including the manufacturing and provision of services related thereto;

- q) *Energy End User* refers to all individuals and entities, which consume energy to include households, industrial and commercial customers, power plants, distribution utilities, and transmission utilities;
- r) *Energy Labeling* refers to the Philippine Energy Standards and Labeling Program (PESLP) which requires manufacturers, importers, suppliers, distributors and retailers to attach an energy label on their products and/or product packaging to inform consumers about the energy performance and efficiency of the product;
- s) *Energy Management* refers to the process of designing and/or implementing an optimal program of purchasing, generating, and consuming various types of energy based on the end user's overall short-term and long-term management program, with due consideration of factors including costs, availability, economics, and environmental impact;
- t) *Energy Service Company (ESCO)* refers to a juridical entity that offers multi-technology services and goods towards developing and designing energy efficiency projects, delivering and guaranteeing energy savings, and ensuring cost-effective and optimal performance. Their services include energy supply and management, energy financing, technical engineering expertise and consultancy, equipment supply, installation, operation, maintenance and upgrade, and monitoring and verification of performance and savings. Their goods include lighting, motors, drives, heating, ventilation, air conditioning systems, building envelope improvements, and waste heat recovery, cooling, heating, or other usable forms of energy control systems;
- u) *Government Energy Efficiency Projects* refer to energy efficiency projects carried out by all government departments, government-owned and -controlled corporations (GOCCs), state universities and colleges, hospitals, and other instrumentalities of the government;
- v) *Government Energy Management Program (GEMP)* refers to the government-wide program to reduce the government's monthly consumption of electricity and petroleum products through electricity efficiency and conservation, and efficiency and conservation in fuel use of government vehicles, among others;
- w) *Local Energy Efficiency and Conservation Plan (Local EE&C Plan)* refers to a collaborative and multi-stakeholder comprehensive framework, governance structure, and programs aligned with the Act and the National EE&C Plan, prepared by the LGU for local energy efficiency and conservation with defined targets, feasible strategies, and regular monitoring and evaluation;
- x) *Local Government Units (LGUs)* refer to the government units created through Republic Act No. 7160 otherwise known as the Local Government Code of 1991;
- y) *Minimum Energy Performance (MEP)* refers to a performance standard, which prescribes a minimum level of energy performance for energy-consuming products including appliances, lighting, electrical equipment, machinery, and

transport vehicles that must be met or exceeded before they can be offered for sale or used for residential, commercial, transport, and industrial purposes;

- z) *Minimum Energy Performance for Sectors (MEPS)* refers to a performance standard, which prescribes a minimum level of energy performance for the commercial, industrial, and transport sectors;
- aa) *National Energy Efficiency and Conservation Coordinating Officer (NEECCO)* refers to the person, designated by the Department of the Interior and Local Government (DILG) upon the recommendation of the league of LGUs from among all the EEC Officers of different local governments, who shall be responsible for integrating all the Local EE&C Plans;
- bb) *National Energy Efficiency and Conservation Database (National EE&C Database)* refers to a centralized, comprehensive, and unified database on national energy consumption, the application and use of energy efficient and renewable energy technologies, and other critical and relevant information to be used for evaluation, analysis, and dissemination of data and information related to energy efficiency and conservation;
- cc) *National Energy Efficiency and Conservation Plan (National EE&C Plan)* refers to the national comprehensive framework, governance structure, and programs for energy efficiency and conservation with defined national targets, feasible strategies, and regular monitoring and evaluation;
- dd) *Philippine Qualifications Framework (PQF)* refers to a national policy describing the levels of educational qualifications and sets of standards for qualification outcomes. It is a quality assured national system for the development, recognition, and award of qualifications based on the standards of knowledge, skills, and values acquired in different ways and methods by learners and workers. It is an assessment-based qualification recognition which is competency-based and labor market driven;
- ee) *Specific Energy Consumption* refers to the energy consumption volume required per unit, such as production volume, sales amount, transportation kilometer, transportation tonne-kilometer, floor space, and such other indicators relevant to energy consumption;
- ff) *Transmission Utility* refers to any private corporation or government-owned utility which has an exclusive franchise to operate the system of wires for the conveyance of electricity through a high voltage backbone line; and
- gg) *Transport Vehicle* refers to land, air, or sea vehicles conveying cargo or passengers, regardless of size or weight classification.

Rule III.
DOE as Implementing Agency

Section 4. Roles of DOE. The DOE shall be the lead agency in the implementation of the Act and the EEC-IRR. It shall be responsible for the planning, formulation, development, implementation, enforcement, and monitoring of energy management policies and other related energy efficiency and conservation plans and programs. In addition to its existing mandate under Republic Act No. 7638, as expanded by Republic Act No. 9136 and Republic Act No. 9513, the DOE shall also have the following powers and functions:

- a) Spearhead the creation and update the development of the National EE&C Plan in coordination with pertinent government agencies, LGUs, and private corporations and organizations;
- b) Develop a system of monitoring the implementation of the National EE&C Plan, including the targets that are established therein;
- c) Develop and maintain the National EE&C Database, in coordination with and with the assistance of the Philippine Statistics Authority, to ensure efficient evaluation, analysis, and dissemination of data and information for enforcement, planning, and policy-making purposes;
- d) Lead the efforts to ensure compliance with the GEMP in accordance with the strategic direction provided by the Committee;
- e) Develop, impose, and review the MEP in consultation with the Department of Trade and Industry - Bureau of Philippine Standards, and pursuant to Chapter V, Section 14 of the Act;
- f) Require manufacturers, importers, and dealers to comply with the MEP, and to display on the packaging and/or on their products the energy label showing the energy requirement and consumption efficiency of such products, upon the introduction of the energy-consuming products in the market;
- g) Periodically review and reclassify Designated Establishments as defined under the Act and pursuant to the EEC-IRR;
- h) Enforce and ensure compliance with prescribed ratings standards for energy performance in buildings and industries, in coordination with pertinent government agencies and LGUs;
- i) Support LGUs on matters related to energy efficiency planning and promotion, the preparation of their respective Local EE&C Plans, and its implementation through various local energy efficiency programs;
- j) Coordinate with the NEECCO on the integrated Local EE&C Plan to ensure its consistency and alignment with the National EE&C Plan;

- k) Consult with Energy End Users to develop the appropriate mechanism that is as much as practicable, redound to the direct benefit of the Energy End User, to effectively implement the Act;
- l) Initiate and maintain collaborative efforts with the business sector, particularly the commercial, industrial, transport, and power sectors, to ensure compliance with the Act and broaden and enhance their efficient and judicious utilization of energy;
- m) Develop and undertake a national awareness and advocacy campaign on energy efficiency and conservation in partnership with business, academe, nongovernment organizations, and other sectors;
- n) Provide annual reports to both Houses of Congress, indicating, among others, the status of implementation of the Act at the national and local levels, cost effectiveness outcomes, and energy and environmental impacts, among others;
- o) Impose and collect reasonable fees on accreditation and certification for services provided herein, subject to existing rules and regulations; and
- p) Perform such other powers and functions as may be necessary to attain the objectives of the Act.

The DOE in consultation with the DTI, shall require all manufacturers, importers, distributors and dealers of PESLP-covered household appliances, lighting products, vehicles and other energy-consuming products, including institutionally manufactured or sold products, to comply with the following requirements:

- i. MEP; and
- ii. Mandatory attachment of the prescribed energy label.

Section 5. Visitorial Powers and On-Site Inspections. The DOE shall have the authority to visit Designated Establishments to inspect energy-consuming facilities, evaluate energy management systems and procedures, identify areas for efficiency improvement, and verify energy monitoring records and reports and other documents related to the compliance requirements of the Act and the EEC-IRR within office hours and in the presence of authorized representatives of the Designated Establishment.

Rule IV. Other Government Agencies

Section 6. Scope. All government agencies, including GOCCs, shall ensure the efficient use of energy in their respective offices, facilities, transportation units, and in the discharge of their functions. In addition, the following government agencies shall also exercise the responsibilities and functions as provided under this Rule.

Section 7. Board of Investments (BOI). The BOI shall include energy efficiency projects, as defined in the Act and the EEC-IRR, in the annual investment priorities plan entitled to incentives provided under Executive Order No. 226, otherwise known as the Omnibus Investments Code of the Philippines, as amended, and any other applicable laws within the period provided in the Act and the EEC-IRR. After the lapse of such period, BOI shall review extension of inclusion of the energy efficiency projects in the investment priorities plan.

Section 8. Climate Change Commission (CCC). The CCC shall collaborate with the DOE and other government agencies in establishing targets, determining strategies aligned with the National EE&C Plan, and monitoring and recording all greenhouse gas emission reductions resulting from energy efficiency and conservation projects.

The CCC shall include the energy efficiency targets and strategies in the National Strategic Framework and Program on Climate Change, which it is mandated to formulate under Republic Act No. 9729, otherwise known as the Climate Change Act of 2009, as amended by Republic Act No. 10174.

Section 9. Commission on Audit (COA). The COA shall recognize government energy efficiency projects, consistent with government accounting and auditing rules.

In conducting its audit, the COA shall also consider the long-term cost savings that would result from government energy efficiency projects. The COA shall issue necessary auditing guidelines that will support procurement of government energy efficiency projects over traditional cost-efficiency procurement, such as inclusion of minimum energy efficiency standards in the Terms of Reference pursuant to Republic Act No. 9184, otherwise known as the Government Procurement Reform Act.

Section 10. Commission on Higher Education (CHED). The CHED shall integrate into existing engineering curricula appropriate courses related to energy management. To ensure that energy management courses shall be offered in the appropriate engineering courses, the CHED shall prescribe these energy management courses as part of the relevant engineering courses' respective minimum curriculum through the appropriate CHED Memorandum Order. The CHED shall coordinate with the DOE in determining the appropriate courses in which the energy management courses shall be offered.

The CHED shall also promote energy efficiency measures in higher education institutions including state universities and colleges.

Section 11. Department of Budget and Management (DBM). The DBM shall give due preference to funding government energy efficiency projects, as defined under the Act and the EEC-IRR, and incorporate energy efficiency as a factor in evaluating the annual performance of government agencies.

The DBM, through its Procurement Service, shall assist the government entities in the procurement of energy efficient supplies and equipment based on the DOE certified specifications and/or ratings.

Section 12. Department of Education (DepEd). The DepEd shall promote energy efficiency and conservation practices in the basic education curricula, consistent with Republic Act No. 10533, otherwise known as the Enhanced Basic Education Act of 2013, and its implementing rules and regulations.

The DepEd shall coordinate with the DOE in identifying the necessary refinements in the curricula to include the promotion of energy efficiency and conservation practices.

Section 13. Department of Finance (DOF). The DOF shall, in coordination with the DOE and other concerned agencies, draw up appropriate mechanisms to implement the fiscal incentives under the Act and the EEC-IRR.

Section 14. Department of Environment and Natural Resources (DENR). The DENR shall, in coordination with the DOE and the DILG, establish guidelines for the accurate characterization of wastes arising from energy-consuming devices, equipment, fixtures, and other relevant items, including the end-of-life of vehicles and its component parts. Such guidelines shall include appropriate containment features and management of hazardous wastes, consistent with Republic Act No. 6969 otherwise known as the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, Republic Act No. 9275, otherwise known as the Philippine Clean Water Act of 2004, Republic Act No. 8749, otherwise known as the Philippine Clean Air Act, and Republic Act No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000.

Section 15. Department of the Interior and Local Government (DILG). The DILG shall, in coordination with the DOE, be responsible in ensuring compliance of all LGUs in implementing the provisions of the Act and the EEC-IRR.

The DILG shall coordinate with the DOE in providing assistance to the LGUs in the development and implementation of their respective Local EE&C Plans. In addition, and upon recommendation of the league of LGUs, the DILG shall appoint the NEECCO from among all of the EEC Officers of different LGUs.

The DILG shall coordinate with the DENR and the DOE in the establishment of guidelines for the accurate characterization of wastes arising from energy-consuming devices, equipment, fixtures, and other relevant items, including end-of-life vehicles and their component parts.

Section 16. Department of Public Works and Highways (DPWH). The DPWH shall, in coordination with the DOE, be responsible for ensuring the implementation

of the Guidelines on Energy Conserving Design of Buildings and Utility Systems as an integral part of the National Building Code, Roadway Lighting Guidelines, and such other related guidelines as may be issued by the DOE, and in accordance with Republic Act No. 6541 otherwise known as the National Building Code of the Philippines and other related laws.

Section 17. Department of Science and Technology (DOST). The DOST shall, in coordination with the DOE, be responsible for carrying out strategic research and development programs aimed at facilitating the development of new and alternative energy efficient technologies and the promotion thereof.

The DOST shall include in its research priorities development of energy efficient technologies for industry and buildings, as well as of energy efficient products.

Section 18. Department of Trade and Industry (DTI). The DTI, through the Bureau of Philippine Standards, shall, in consultation with the DOE, require manufacturers, importers, and dealers to comply with the MEP, and to display the energy label and the energy efficiency label showing the energy requirement and consumption efficiency of such products on the packaging and on the products themselves.

The DTI shall ensure that the products and/or packages comply with the labeling requirements and MEP standards prescribed under the Act and the EEC-IRR before such products are sold and/or introduced in the market.

Section 19. Department of Transportation (DOTr). The DOTr shall, in coordination with the DOE and the DENR, be responsible for ensuring compliance of vehicle owners, manufacturers, and importers with the MEP for transport vehicles consistent with the specifications for all types of fuels prescribed under Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999, and to display the energy consumption label in coordination with the vehicle manufacturers, transport industry associations, public transport groups, and nongovernment organizations. The DOTr shall also assist the DOE in the enforcement of and compliance with measures under the Act and the EEC-IRR relative to the energy consumption and the MEPS of the transport sector.

Section 20. Ease of Doing Business and Anti-Red Tape Advisory Council (Council). The Council as successor of the National Competitiveness Council under Republic Act No. 11032 otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, shall serve as the focal point for private sector involvement in the implementation of the Act in recognition of the potential of energy efficiency as a tool for improving the competitiveness of businesses in the country.

Section 21. Governance Commission for GOCCs (GCG). Pursuant to its function of evaluating the performance of GOCCs under Republic Act No. 10149 otherwise known as the GOCC Governance Act of 2011, the GCG shall incorporate energy efficiency as a factor in evaluating the performance of GOCCs.

For this purpose, the GCG shall include energy efficiency in the performance scorecard required under the GOCC Governance Act of 2011, in accordance with the national targets for energy efficiency and conservation under the National EE&C Plan.

Section 22. Government Financial Institutions (GFIs). The GFIs shall set aside lending funds for energy efficiency projects at concessional rates of interest to attract private sector investments. The GFIs shall, in collaboration with the Insurance Commission, ensure the availability of compatible guarantee or insurance products that would mitigate credit risks associated with energy efficiency investments in small and medium-sized enterprises and performance risks related to energy efficiency solutions developed by ESCOs, engineering companies, and other technology providers.

Section 23. Insurance Commission (IC). The IC shall, in collaboration with the GFIs, ensure the availability of compatible guarantee products that would mitigate the credit risks associated with energy efficiency investments in small and medium-sized enterprises and performance risks related to the energy efficiency solutions developed by ESCOs, engineering companies, and other technology providers.

Section 24. National Economic and Development Authority (NEDA). The NEDA shall recognize the role of energy efficiency and conservation in national development.

Section 25. Philippine Statistics Authority (PSA). The PSA shall, in coordination with the DOE, institutionalize the household energy consumption survey, the survey of energy consumption of establishments, and other surveys relating to energy supply, demand, efficiency, and conservation, and assist the DOE in the establishment of the National EE&C Database as provided under the Act and the EEC-IRR.

Section 26. Technical Education and Skills Development Authority (TESDA). The TESDA shall, in collaboration with the DOE, CHED, DOST, and other training and service institutions, develop training regulations for the certifications of energy managers and energy efficiency and conservation officers. It shall ensure the promotion of energy efficiency practices and renewable technologies through its Technical-Vocational Education and Training Programs. The TESDA shall implement skills training, assessment, and certification programs for mechanics, technicians, installers, and operators of energy efficient, as well as renewable energy systems.

Rule V.

Local Government Units

Section 27. Scope. This Rule shall cover provinces, cities, municipalities, barangays, and other political subdivisions as may be created by law. The DOE shall be assisted by LGUs in monitoring the compliance of designated establishments with their obligations under the Act and the EEC-IRR for input in the National EE&C Database.

Section 28. Energy Efficiency and Conservation Office. The LGUs, except barangays, shall establish their respective EECOs, which may be part of the planning and development office, using appropriations from their General Funds established under the Local Government Code.

Within three (3) years from the effectivity of the EEC-IRR, the respective planning and development offices of the covered LGUs shall be considered as the EECO of such LGU.

Section 29. Energy Efficiency and Conservation Officer.

- a) Appointment of the EEC Officer. The EEC Officer, who shall head the EECO, must be at least a college graduate and may be designated by the local chief executive from the existing personnel of the LGU or hired through external recruitment. The EEC Officer shall ensure the LGU's compliance with the Act, the EEC-IRR, the Local EE&C Plan and all energy conservation issuances.

Within three (3) years from the effectivity of the EEC-IRR, the head of the respective planning and development offices of the covered LGUs shall be considered as the EEC Officer of such LGU.

- b) Funding for Remuneration of the EEC Officer. Funding requirements for the remuneration of the EEC Officer's services shall be charged from the existing fund of the respective LGUs.

Section 30. Local Energy Efficiency and Conservation Plan. LGUs, except barangays, through their respective EECOs and planning development offices, with the assistance of the DOE and in coordination with the DILG, shall develop and implement their respective Local EE&C Plans and incorporate these in their local development plans.

The DOE, in coordination with DILG, shall issue the necessary guidelines and templates for reports and updates to assist the LGUs in the development and implementation of their respective Local EE&C Plans.

Section 31. Local Investment Incentives Plan (LIIP). Pursuant to Section 109 of the Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and in the interest of promoting energy efficiency in the local setting, the LGUs, through their local development councils, may include energy efficiency projects in their respective Investment Priority Areas (IPA) and shall grant applicable

incentives indicated in the LIIP to establishments with energy efficiency projects upon registration and compliance with the requirements of the LGU.

Rule VI. Energy End Users

Section 32. Role. All energy end users, including the end users defined under Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008, shall use every available energy resource efficiently and promote the development and utilization of new and alternative energy efficient technologies and systems, including renewable energy technologies and systems across sectors in compliance with the declared policies of the Act and the EEC-IRR.

Section 33. DOE Monitoring. The DOE shall monitor all energy end users' compliance with the relevant standards and requirements under Chapter V and Chapter VII of the Act, as well as the EEC-IRR. The DOE, through EUMB, shall have authority to visit energy end users to inspect energy-consuming facilities, and evaluate energy management.

Rule VII. Government Energy Management Program (GEMP)

Section 34. Scope. The GEMP shall cover all government agencies, including all departments, bureaus, offices, agencies, branches and instrumentalities or political subdivision, GOCCs, including its subsidiaries or other self-governing board or commission of the Government, LGUs, state universities, and colleges. The Committee shall issue the appropriate order for the implementation of the GEMP.

Each government entity shall formulate an energy efficiency and conservation program to include energy conservation measures, target savings, motor vehicle inventory and other strategies consistent with the GEMP. Each government entity shall allocate appropriate amount from its approved budget for the implementation of its prioritized and planned energy management program for the year 2019 and shall include its budget preparation necessary funds for its energy management program from 2020 onwards.

At least 50% of the savings to be realized through energy efficiency and conservation program shall be used by the government entity for the improvement of energy efficiency in its facilities subject to guidelines issued by the Committee. The average energy consumption from January to December 2015 shall be the base year for the computation of energy savings and shall be adjusted every five (5) years thereafter.

Section 35. Reportorial Requirements. Each LGU through its EECO and government entity, through its applicable office, shall prepare energy performance report that contains, among others, the monthly breakdown of its energy performance and such other information to be prescribed by the DOE, and submit such report to the Committee, copy furnished the DOE, not later than the prescribe periods.

Section 36. Designation of Energy Efficiency and Conservation Officer by Each Government Entity. To fully address the thrust of the GEMP, the head of each government entity shall also designate an energy efficiency and conservation officer with a rank not lower than Assistant Secretary, which shall have the following duties and responsibilities:

- a) Prepare, formulate and submit for approval of the head of the government entity the design, plan and implementation, monitoring and evaluation scheme for the energy efficiency and conservation program consistent with the GEMP;
- b) Submit to DOE the government entity's approved annual energy efficiency and conservation program, or any modifications thereof; and
- c) Submit to DOE the monthly energy performance report within the period prescribed in this EEC-IRR.

Rule VIII.

Inter-Agency Energy Efficiency and Conservation Committee

Section 37. Creation of the Committee. An Inter-Agency Energy Efficiency and Conservation Committee (Committee) is hereby created pursuant to Section 9 of the Act to evaluate and approve government energy efficiency projects, as defined under the Act and the EEC-IRR, and to provide strategic direction in the implementation of the GEMP.

Section 38. Composition. The Committee shall be composed of the following:

- a) Secretary of DOE,
- b) Secretary of DBM,
- c) Secretary of DOF,
- d) Secretary of DTI,
- e) Secretary of DOTr,
- f) Secretary of DOST,
- g) Secretary of DILG,
- h) Secretary of DPWH, and
- i) the Director General of the NEDA.

The DOE Secretary shall serve as the Committee Chairperson. The EUMB shall serve as the Committee's Secretariat. The members of the Committee may designate their alternates who shall have a position not lower than an Assistant Secretary (with the appropriate office issuance of such designation submitted to the

Secretariat). The alternates may act in behalf of the members of the Committee but only the members of the Committee may sign on any document to be issued by the Committee.

As may be appropriate, the Committee may invite resource persons or representative(s) from other government agencies and entities such as the Council, Department of Information and Communications Technology, BOI, BIR, Bureau of Customs, National Power Corporation, and National Electrification Administration during the Committee meetings to aid the Committee in their deliberations.

Section 39. Powers and Functions. The Committee shall have the following powers and functions:

- a) Prepare an annual assessment of opportunities for energy cost reduction in state-owned and leased buildings and facilities designated by the Committee. Each assessment shall be completed each year. The assessment shall be made available to the public. Moreover, the assessment of the Committee of opportunities for energy cost reduction in state-owned and leased buildings and facilities shall include:
 - i) Data for the preceding five (5) years on energy consumption and costs including anticipated energy consumption and cost projected for the next three (3) years for each state-owned and leased building and facility designated by the Committee;
 - ii) Energy conservation measures deployed in state-owned and leased buildings and facilities designated by the Committee during the preceding year;
 - iii) Evaluation studies of the cost reductions and other benefits realized through the deployment of energy conservation measures; and
 - iv) Energy conservation opportunities based on audits, technical analyses, or other methods of determining such opportunities and associated energy saving operations and maintenance procedures and capital projects for each state-owned and leased building or facility designated by the Committee;
- b) Review all proposed capital projects and energy cost operating budgets of agencies designated by the Committee and recommend energy conservation measures which would reduce operating costs in state-owned and leased buildings or facilities;
- c) Provide any officer or entity of government, technical and consultative assistance concerning energy cost management or conservation;
- d) Annually recommend specific operations and maintenance procedure modifications and capital projects for state-owned and leased buildings and facilities designed to reduce energy consumption and costs;

- e) Conduct surveys, audits, technical analysis, and other research or investigations related to government energy efficiency projects and the GEMP as may be necessary to support the preparation of the National EE&C Plan and the objectives of the Act and the EEC-IRR;
- f) Issue a report describing the status of government energy efficiency projects and the GEMP, listing obstacles to building energy efficiency improvement together with related recommendations for statutory change, and identifying opportunities for public sector energy cost reductions not addressed by the Act or this EEC-IRR or the programs developed pursuant thereto; and
- g) Develop, after study of existing or emerging energy conservation technologies, guidelines as may be necessary or desirable to aid the work of the Committee in furtherance of the objectives of the Act and the EEC-IRR.
- h) The Committee shall formulate its own guidelines on how it will perform its powers and functions with reference to Section 10 of the Act.

Section 40. Annual Assessment of Opportunities for Energy Cost Reduction.

In connection with the function of the Committee to prepare an annual assessment of opportunities for energy cost reduction in state-owned and leased buildings and facilities, the DOE shall evaluate the energy efficiency and conservation measures submitted by the LGUs and the government entities and, thereafter, submit a recommendation to the Committee, which shall either approve or disapprove the same within a time frame consistent with existing laws, rules and regulations. The recommendation shall include the following:

- a) Review of the cost operating budget of the agency;
- b) Energy conservation opportunities; and
- c) Classification of the state-owned and leased buildings and facilities (Type 1 and Type 2), following the classification under Chapter 6, Section 19 of the Act.

Section 41. Committee Secretariat. The DOE Energy Utilization Management Bureau shall serve as the Committee Secretariat and shall have the following functions:

- a) Assist the Chairperson in determining the meeting schedule and agenda of the Committee;
- b) Provide administrative and technical support to the Committee,
- c) Provide documents and reports, which contain relevant, accurate, timely and clear information necessary for the Committee to fulfill its duties,
- d) Perform such other duties as the Chairperson or the Committee may delegate to the Secretariat, and

- e) Prepare the meeting agenda and meeting notes before scheduled meetings of the Committee.

In connection with its role under sub-paragraph (e) of this section, the EUMB shall request and consolidate official comments through regular channels of every agency members of the Committee prior to an evaluation and approval of the Committee.

Section 42. Criteria of Government Energy Efficiency Projects Subject to Approval. The DOE shall recommend qualified government energy efficiency projects for technical evaluation and approval of the Committee. In connection thereto, the DOE shall develop guidelines that contain, among others, the criteria in identifying the government energy efficiency projects that are subject to the approval of the Committee and the criteria and standards for technical evaluation.

Section 43. Meetings of the Committee. The regular meetings of the Committee shall be held at least once every quarter at the date and time set by the Secretariat. Special meetings shall be conducted as the need arises.

Section 44. Publication. Assessments and reports of the Committee shall be made available to the public upon request, which shall be acted upon by the Secretariat following the timelines as provided by existing laws. This shall not cover trade secrets and other confidential information protected by existing laws, rules and regulations.

Rule IX.

Government Energy Efficiency Projects

Section 45. Scope. Government agencies including all departments, bureaus, offices, agencies, branches and instrumentalities or political subdivision, GOCCs, including its subsidiaries or other self-governing board or commission of the Government and LGUs, state universities, and colleges are authorized to enter into different financial arrangements for energy efficiency projects.

Section 46. Financial Arrangements. Government energy efficiency projects may be pursued through different financial arrangements and modalities following the procedures laid down in any of the following measures: Republic Act No. 9184, otherwise known as the Government Procurement Reform Act; Republic Act No. 6957, otherwise known as BOT Act, as amended by Republic Act No. 7718; Republic Act No. 7160, otherwise known as the Local Government Code of 1991; the 2013 NEDA Joint Venture Guidelines, as may be amended from time to time; the applicable LGU charter; related laws, rules and regulations; and other modalities. The Committee shall include savings-based services and payments as additional modality for pursuing government energy-efficiency projects and shall adopt relevant guidelines, in coordination with relevant government agencies and stakeholders, for this purpose.

Rule X.
Professional Competency and Services

Section 47. Scope. This Rule shall apply to the qualification and certification of energy conservation officers, energy managers and energy service companies.

Section 48. Certification of Energy Conservation Officer and Energy Manager. A system for the assessment and certification of energy conservation officers and energy managers shall be established by the relevant agencies herein towards raising the professional standards of those engaged in energy management.

- a) **CECO Certification System and Training.** The CECO certification system shall be developed by the DOE and TESDA. It shall be based on an approved scope of practice, a set of competency standards with a clear assessment and certification process, and a certification for the determined competency undertaken by the prescribed governance structure and quality assurance systems and aligned with the PQF and applicable international standards.

The TESDA shall conduct training, assessment, and certification of workers for PQF qualification levels 1 to 5 and shall register Technical-Vocational Education and Training programs including that of nonprofit organizations and other private training institutions. The TESDA shall, in coordination with the DOE, develop guidelines for this purpose.

- b) **CEM Certification and Assessment System.** The CEM certification and assessment system for licensed engineers shall be established by the CHED. The CHED shall offer professional certificate programs for energy managers and shall, in coordination with the DOE and the TESDA, develop undergraduate, graduate, and professional certificate programs on energy management to ensure availability of competencies and skills required to promote and achieve the country's sustainable energy goals. The CHED shall, in coordination with the DOE, develop guidelines for this purpose.
- c) **Transitory Provision.** The TESDA and CHED shall have a period of three (3) years, beginning on the effectivity of this IRR, to develop the CECO and CEM training modules and curricula.

Pending the issuance of the training modules and curricula, Designated Establishments may appoint energy conservation officers or energy managers who possess the qualifications required under this Rule, except examination and assessment prescribed for CECO and/or CEM.

Upon the issuance of the training modules and curricula, the energy conservation officers or energy managers shall undergo training or seminars related to energy efficiency, energy conservation and/or energy management conducted by third party institutions duly approved by TESDA or CHED and the DOE within six (6) months from their appointment.

Section 49. Qualifications of CECO. The CECO must possess the following qualifications:

- a) Must be a licensed Registered Master Electrician (RME) or its equivalent in other engineering practices; or must have at least five (5) years of continuous hands-on experience in the installation, operation, and maintenance of energy-consuming machines and equipment in facilities with energy consumption for Type 1 Designated Establishments, proof of which shall be submitted to the DOE; and
- b) Must pass the certification examination and assessment of TESDA prescribed for CECO.

As a continuing qualification, the CECO must undergo energy efficiency and conservation seminars conducted by TESDA or any third-party institutions duly approved by TESDA.

Section 50. Qualifications of CEM. The CEM must possess the following qualifications:

- a) Must be a licensed engineer; or must have at least three (3) years of continuous hands-on experience in the installation, operation, and maintenance of energy-consuming machines and equipment in facilities with energy consumption for Type 2 Designated Establishments, proof of which shall be submitted to the DOE; and
- b) Must pass the certification examination and assessment of CHED for CEM.

As a continuing qualification, the CEM must undergo energy efficiency and conservation seminars conducted by CHED or any third-party institution duly approved by CHED.

Section 51. Responsibilities of CECO and CEM. The CECO and the CEM, in their respective designated establishments, shall:

- a) Manage the energy consumption of facilities, equipment, and devices;
- b) Administer the following:
 - i) Implementation and improvement of energy efficiency measures,
 - ii) Conduct of regular energy audit,
 - iii) Energy monitoring and control, and
 - iv) Preparation of periodic energy consumption and energy conservation program reports; and
- c) Fulfill other responsibilities as indicated in the Act and the EEC-IRR.

Section 52. Certification of Energy Service Company. The DOE shall strengthen the existing ESCO certification system to develop this service sector and to provide

the market with a source of technically and financially capable entities that can assist in the delivery of energy efficiency-related projects.

ESCOs applying for certification must demonstrate their technical and managerial competence to design and implement energy efficiency projects, including energy audits, design engineering, providing or arranging project financing, construction management, operations and maintenance of energy efficient technologies, and verifying energy savings.

The DOE shall develop the guidelines for certification of an entity as an ESCO. These guidelines shall include, but not limited to, certification requirements, review and evaluation process, and, if necessary, the classification of ESCOs.

Section 53. Certification of Energy Auditors. The DOE, in consultation with relevant stakeholders, shall develop guidelines for certification of energy auditors. These guidelines shall include, but not limited to, qualification requirements, review and evaluation process.

Rule XI. Minimum Energy Performance

Section 54. Development of the MEP for Sectors (MEPS) - Commercial, Industrial and Transport. The MEPS for the commercial, industrial, and transport sectors shall be developed by the DOE, in consultation with relevant stakeholders, and guided by a cost-benefit analysis, which shall be completed by the DOE with the assistance of the NEDA within one (1) year from the effectivity of the Act, and shall adopted and enforced as part of the National EE&C Plan.

Section 55. MEP for Energy Consuming Products. The MEP for energy-consuming products through a particular product requirement under the PESLP shall also be developed by the DOE in consultation with the relevant stakeholders in the manufacturing, sale and use of the products covered. The DOE shall also develop the energy performance testing guidelines for all energy-consuming products to ensure compliance with the MEP.

All manufacturers, importers, distributors, and retailers of energy-consuming products shall comply with the MEP, subject their energy-consuming products to energy performance testing, and submit their respective product information to the DOE.

No manufacturer, importer, distributor, and retailer shall sell, lease, or import any energy-consuming product, unless the product complies with the MEP and the product or its package is labeled in accordance with the Act and the EEC-IRR.

Section 56. Energy Performance for Buildings. To ensure appropriate and effective implementation of energy efficiency and conservation for new and existing buildings for commercial and industrial use such as hospitals, educational facilities,

exhibition centers, government offices, and military facilities, the LGUs shall implement the following measures in accordance with building permit issuances:

- a) New building construction shall comply with the minimum requirements as specified in the Guidelines on Energy Conserving Design on Buildings issued by the DOE, in consultation with the DPWH, which may be revised to reflect new and emerging energy efficiency and conservation technologies. State-owned buildings and facilities shall comply with the GEMP and such other guidelines issued by the Committee.
- b) Retrofit of buildings shall also comply with the minimum requirements as specified in the Guidelines on Energy Conserving Design on Buildings issued by the DOE in consultation with the DPWH, which may be revised to reflect new and emerging energy efficiency and conservation technologies. State-owned and leased buildings and facilities shall comply with the GEMP and such other guidelines issued by the Committee.

Rule XII.

Energy Efficiency Rating and Labeling Requirements

Section 57. Energy Efficiency Rating and Labeling System. The DOE shall prescribe energy efficiency rating and energy labeling systems for products and equipment and transport vehicles, which shall be implemented for all applicable industry stakeholders as further described in this Rule. Any energy-consuming product, device or equipment and transport vehicle covered in the EEC-IRR and the guidelines to be issued by the DOE, which does not comply with the efficiency rating and energy labeling system shall not be sold within the Philippines.

Section 58. Energy Efficiency Rating and Labeling for Products and Equipment. The DOE shall prescribe energy labels for all energy-consuming products, devices and equipment. Mandatory energy efficiency and labeling system shall be developed and enforced by DOE for identified energy-consuming products, such as room air conditioners, refrigeration units, television sets, and lighting products, among others, to promote energy efficient appliances and raise public awareness on energy saving.

- a) **Energy Efficiency Rating.** The calculation of the energy efficiency rating shall be contained in the Code of Practice on Energy Labeling of Products or other related issuances, which shall be updated regularly by the DOE. The calculation method of the energy efficiency rating shall be made available to the public and shall be updated as often as necessary to ensure the integrity of the labeling system.
- b) **Energy Efficiency Label.** The energy efficiency label shall, at the minimum, reflect the energy efficiency rating of the product, the monthly energy consumption based on a specified hour of daily usage, the brand name and product model, the quick response (QR) code, and the year the energy rating was issued.

- c) **Responsibilities of Industry Players.** Manufacturers, importers, suppliers, distributors, and retailers engaged in selling energy-consuming products, devices, and equipment shall ensure that such energy labels prescribed by the DOE are displayed accordingly and shall provide information that shall assist consumers to make informed decisions on such products.

The manufacturers, importers, suppliers, distributors and retailers shall ensure the integrity of the information submitted and made available to the public. The nature and scope of information provided shall be defined by the DOE.

Manufacturers, importers, suppliers, distributors, and retailers engaged in selling energy-consuming products, devices, and equipment shall ensure that their products comply with the requirements of the Act and the EEC-IRR, including any guidelines as may be issued by the DOE in relation to energy labeling. They shall submit to the DOE every year, reckoning on the date of approval of validation of energy labels, report on inventory of sales, technical files of compliant models, and other records as may be deemed necessary for estimating the energy savings related to the implementation of these requirements. Dealers and retailers shall likewise ensure that the energy-consuming products covered by the PESLP sold in their stores shall bear the prescribed energy label.

Section 59. Energy Labeling for Transport Vehicles. The DOE shall, with the assistance of the DENR and the DOTr, prescribe fuel economy performance labeling requirements for transport, which shall apply to all manufacturers, importers, distributors and dealers of vehicles in the Philippines.

- a) **Fuel Economy Rating.** The DOE shall commission the research and development of the vehicle fuel economy star rating scale with due consultation with industry stakeholders. The star rating scale shall be comparable with baseline data, be clear and understandable for consumers, be compliant with the DOE guidelines on branding protocols, and consistent with their products under the energy labeling.
- b) **Fuel Economy Label.** The fuel economy label shall, at the minimum, contain the vehicle model and make; production year of the vehicle; fuel economy star rating, fuel economy rating in kilometers per liter, CO₂ emissions in ton per kilometer, and vehicle emission standards. The fuel economy label shall bear the DOE logo and the fuel consumption rating. The star rating shall not be implemented for the first two (2) years from the effectivity of the EEC-IRR in order to allow the DOE to collect fuel economy data from the relevant industry players, which will allow the former to formulate the star rating levels.
- c) **Responsibilities of Industry Players.** To ensure fuel efficiency for transport, vehicle manufacturers, importers, and dealers shall comply with fuel economy performance labeling requirements set by the DOE. The vehicle manufacturers, importers and dealers shall provide technical information on the fuel economy rating of the engine that will allow the consumers to make an informed decision in choosing the vehicles for their use.

The manufacturers, importers, and dealers shall allow DOE or its authorized representatives to conduct market monitoring in their local showroom to verify attachment of energy label. The monitoring schedule for each showroom shall be done at least once a year.

The DOE shall validate the vehicle fuel efficiency label according to the requirements of the Act, the EEC-IRR, and the energy labeling.

Section 60. Examination, Testing and Verification

- a) **Energy Product, Device, and Equipment.** The DOE shall regularly select energy-consuming products and their models for examination, testing and verification. As such, the DOE may require any manufacturer, importer, supplier, distributor, or retailer of energy-consuming products, devices and equipment to make available, at such place as the DOE may specify, such number of products as the DOE considers to be reasonably necessary for examination and testing required under this Rule.

The DOE is hereby authorized to dismantle and examine the energy-consuming product, device, or equipment referred herein, to determine the product's energy efficiency. These products shall, upon completion of testing, be returned by the DOE to the concerned manufacturer, importer, supplier, distributor, or retailer, unless the DOE has reasonable grounds to believe that a provision of the Act and the EEC-IRR was violated and the product will serve as evidence of the violation. All attendant costs relative to examination, testing, and verification shall be borne by the concerned manufacturer, importer, supplier, distributor or retailer.

The DOE may, subject to procurement laws and regulations, procure the services of or enter into an agreement or other arrangement with a qualified supplier or entity to carry out the examination and testing of energy-consuming products. The DOE shall, in the engagement of a qualified supplier or entity to carry out the examination and testing of energy-consuming products, follow the process and procedures laid down in Republic Act No. 9184 otherwise known as the Government Procurement Reform Act and its revised IRR except when the engagement involves a contractual arrangement under a public private partnership covered by Republic Act No. 6957 otherwise known as the An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and For Other Purposes, as amended by Republic Act No. 7718, or through a joint venture agreement with private entities under a profit sharing scheme under the 2013 NEDA Joint Venture Guidelines, as may be amended in the future.

- b) **Transport Vehicles.** The DOE shall develop and conduct fuel efficiency testing guidelines for the conduct of fuel efficiency tests to validate the information provided by vehicle manufacturers, importers, and dealers.

- c) **DOE Monitoring.** The DOE shall keep track, watch, observe or check on the energy-consuming products and transport vehicles of private entities to determine and ensure compliance with the provisions of the Act, the EEC-IRR, as well as the energy labeling.

For this purpose, the DOE shall prescribe guidelines in monitoring compliance of applicable industry stakeholders. The DOE shall conduct monitoring at least once a year.

- d) **Third-Party Examination and Testing.** In procuring the services of or entering into an agreement or other arrangement with a qualified supplier or entity to carry out the examination and testing of energy-consuming products and transport, the DOE shall ensure that the said service provider shall possess the following qualifications:
- i. The service provider shall be Independent from any manufacturer/importer engaged in business covered by energy labeling;
 - ii. No DOE personnel, his/her spouse, or his relative by consanguinity or affinity within the fourth civil degree shall have ownership of or financial interest therein;
 - iii. The service provider is duly accredited by Philippine Accreditation Bureau (PAB) within the scope of the reference standards of energy labeling or is a non-accredited testing laboratory which is technically capable to conduct testing activities within the scope of the reference standards of energy labeling and its compliance with the recognition requirements stated in the energy labeling.

Rule XIII.

Designated and Other Establishments

Section 61. Scope. This Rule shall apply to all entities, whether government or private, as classified under the Act, the EEC-IRR, and further guidelines as may be issued by the DOE.

Section 62. Designated Establishments. Designated establishments shall initially be classified as follows:

- a) Type 1 designated establishments are those designated establishments with an annual energy consumption of 500,000 kilowatt-hours (kWh) to 4,000,000 kWh for the previous year; and
- b) Type 2 designated establishments are those designated establishments with an annual energy consumption of more than 4,000,000 kWh for the previous year.

The energy consumption thresholds for determining Type 1 or Type 2 designated establishments shall be periodically reviewed by and adjusted, if deemed necessary, by the DOE.

The energy consumption thresholds shall be determined based on the aggregate energy consumption of any and all forms of energy of the facility or establishment, at a fixed single physical location, of the designated establishments. For this purpose, the DOE shall, within six (6) months from the effectivity of the EEC-IRR, issue the necessary guidelines for computing the energy consumption of designated establishments and identify energy intensive industries for which application of this Rule shall be prioritized.

Section 63. Online Registration with the DOE. Designated establishments shall register online with the DOE in order to submit annual energy consumption reports and annual energy conservation reports. The DOE shall, within six (6) months from effectivity of the EEC-IRR, issue guidelines for the online registration of designated establishments, which shall be based on, among others, evidence of energy consumption as described above and the type of business, economic activity, or operation in which the designated establishment is engaged.

Section 64. Periodic Review by the DOE. The DOE shall, every five (5) years or as often as it may deem necessary, review, evaluate, update, and adjust, as needed, the list of identified designated establishments. For this purpose, distribution utilities, electric cooperatives, generating companies, and transmission utilities may be required to submit lists of energy-consuming establishments and/or accounts to the DOE.

Section 65. Obligations of Designated Establishments. All types of Designated Establishments shall have the following obligations:

- a) Integrate an energy management system policy into the business operation based on ISO 50001 or any similar framework;
- b) Set up programs to develop and design measures that promote energy efficiency, conservation, and sufficiency that may include installation of renewable energy technologies;
- c) Set up annual targets, plans, and methods of measurements and verification for the implementation of energy efficiency and conservation projects;
- d) Keep records on monthly energy consumption data and other energy-related data;
- e) Improve average specific energy consumption in accordance with the annual reduction targets to be established by the DOE in the National EE&C Plan;
- f) Submit an annual energy consumption report and annual energy conservation report online for each facility or establishment to the DOE by the 15th of April of every year. Such reports shall contain the information required by DOE

including energy consumption based on the previous year, the designated type, PSIC code, main business activity, address, and the name of CECO or CEM, among others;

- g) Conduct an energy audit once every three (3) years by engaging either a certified energy auditor or an accredited ESCO and submit an energy audit report to the DOE upon completion of the energy audit;
- h) Employ a CECO for Type 1 designated establishments, and a CEM for Type 2 designated establishments. The CECO and the CEM may be chosen from within the organization or hired through external recruitment; and
- i) Duly notify the DOE in writing on the appointment or separation from the service of their respective CECOs or CEMs with ten (10) working days from the effectivity of these personnel action.

Section 66. Transitory Provision. Within the period granted to TESDA and CHED under the EEC-IRR to complete the necessary training module or curricula, designated establishments may appoint energy conservation officers or energy managers. Once the required curricula and/or training modules are available, the designated establishments shall ensure that their respective energy managers or energy conservation officers shall comply with the training or curricula requirements within a period which will be set for its implementation.

Section 67. Other Establishments. Establishments with an annual energy consumption of at least 100,000 kWh but less than 500,000 kWh in the previous year shall be required to submit an annual energy consumption report to the DOE and integrate an energy management system policy into their business operations based on ISO 50001 or any similar framework on such other standard identified by the DOE.

Section 68. Voluntary Submission to Audit or Assessment. Other establishments may, on a voluntary basis, submit themselves to external energy audit or quality control assessment, in order to assist them in their energy planning and management.

Rule XIV. Demand Side Management (DSM)

Section 69. Development of a DSM Program. The DOE, with the assistance of the Energy Regulatory Commission and the Philippine Economic Zone Authority, shall pursue a DSM program for the electric power industry for the reduction of energy consumption through effective load management resulting to the decrease of power demand and the migration of power demand from peak to off-peak periods or such measures undertaken by distribution utilities to encourage end users to properly manage their loads to achieve efficiency in the utilization of fixed infrastructure in the systems with the use of energy efficient and/or renewable energy technologies and systems.

Such DSM Program shall be formulated, implemented and carried out in accordance with the guidelines to be issued separately by the DOE and ERC pursuant to the following policies:

- a) The development and implementation of DSM plans shall be the responsibility of each utility;
- b) DSM plans shall conform to national and regional environmental, health, and safety laws and regulations;
- c) DSM plans shall be developed upon consideration and analyses of the costs, effectiveness, and benefits of all appropriate, available, and feasible demand-side options;
- d) DSM plans shall give consideration to the plans' impacts upon the utility's consumers, the environment, culture, community lifestyles, the national and regional economy, and society;
- e) DSM plans shall take into consideration the utility's financial integrity, size, and physical capability;
- f) DSM planning shall be an open and informal public process. Opportunities shall be provided for participation by the public and governmental agencies in the development and review of DSM plans; and
- g) DUs and its consumers shall be encouraged to re-negotiate the Guaranteed Minimum Billing Demand (GMBD) as a result of implementing the DSM Program.

Rule XV. Incentives

Section 70. Fiscal Incentives. Energy efficiency projects, as defined in the Act and the EEC-IRR, shall be included in the annual investment priorities plan of the BOI and, upon certification by the DOE, shall be entitled to the fiscal incentives provided under the Omnibus Investments Code of 1987, as amended, and any other applicable laws, for ten (10) years from effectivity of the Act. After the period, the inclusion of energy efficiency projects in the annual investment priorities shall be reviewed and may be extended by the BOI.

Energy efficiency projects shall be exempt from Article 32(1) of Omnibus Investments Code of 1987, as amended.

Section 71. Conditions for Availment of Fiscal Incentives. To qualify for the availment of the fiscal incentives allowed under the Act and the EEC-IRR, the energy efficiency project (whether new or existing project) must be certified as such by the DOE and registered with the BOI.

The BOI shall immediately favorably act upon the application for registration of the DOE-certified energy efficiency project. The BOI and DOE shall, if they deem necessary, issue guidelines or enter into administrative arrangement to set out the registration and certification requirements and procedure for energy efficiency projects.

In addition, the DOE, BOI, Bureau of Internal Revenue (BIR), and the DOF shall coordinate for the timely issuance of the appropriate revenue measure by the BIR for the recognition of the incentives granted under the Act and the EEC-IRR.

Section 72. Non-Fiscal Incentives. In addition to the fiscal incentives granted under the immediately preceding section, establishments that will implement or are implementing energy efficiency projects shall be entitled to the following non-fiscal incentives:

- a) Provision of awards and recognition for innovations in energy efficiency and conservation best practices, and successful energy efficiency projects and energy efficient products; and
- b) Provision of technical assistance from government agencies in the development and promotion of energy efficient technologies.

Section 73. Implementation of Non-Fiscal Incentives. In relation to the foregoing non-fiscal incentives, the DOE shall:

- a) Determine which government agencies are mandated to provide awards, recognition, and technical assistance, and issue a list thereof. Government agencies and LGUs not mandated to provide the foregoing non-fiscal incentives may provide them voluntarily. Such government agencies or LGUs shall submit for the approval of the Committee a written proposal for the voluntary provision of non-fiscal incentives, in accordance with guidelines to be subsequently issued by the Committee;
- b) Issue standard criteria or guidelines that will assist government agencies and LGUs in determining the eligibility of establishments for such awards, recognition, or technical assistance;
- c) Issue guidelines that will assist government agencies mandated to provide non-fiscal incentives in managing the costs of providing the same; and
- d) Require government agencies mandated to provide non-fiscal incentives to submit periodic reports on their compliance with such mandate, in accordance with reporting guidelines to be subsequently issued.

Section 74. Financial Assistance. GFIs and other financial institutions shall, in accordance with and to the extent allowed by the enabling provisions of their respective charters or applicable laws, provide concessional financial packages for the development, utilization, and commercialization of eligible renewable energy and energy efficiency projects as duly recommended and endorsed by the DOE.

Rule XVI.
Waste Management Collection, Recycling and Disposal

Section 75. Treatment of Wastes Arising from the Implementation of the Act.

The DENR, in coordination with the DOE and the DILG, will establish guidelines for the accurate characterization of wastes arising from energy-consuming devices, equipment, fixtures and other relevant items, including end-of-life vehicles and their component parts. These guidelines shall include appropriate containment features and management measures for hazardous wastes, consistent with Republic Act No. 6969, otherwise known as the Toxic Substance and Hazardous and Nuclear Waste Control Act of 1990.

A Waste Management Collection, Recycling and Disposal Strategy (WMCRDS) shall also be developed by the DOE, the DENR and the DILG for wastes covered by the Act to ensure that these are managed and disposed properly to prevent impacts on the environment. The WMCRDS shall include waste recovery and recycling of components of devices, equipment, fixtures, and other relevant items. The WMCRDS shall be submitted to the National Solid Waste Management Commission in accordance with Republic Act No. 9003, otherwise known as the Ecological Solid Waste Management Act of 2000 for coordination with pertinent government agencies and units for implementation.

Rule XVII
Organizational Strengthening of the DOE

Section 76. Strengthening of the Energy Utilization Management Bureau (EUMB). To effectively implement the provisions of the Act and the EEC-IRR, the EUMB under the DOE is reorganized as follows:

- a) Alternative Fuels and Energy Technology Division (AFETD);
- b) Energy Efficiency and Conservation Program Management and Technology Promotion Division (EPMPD);
- c) Energy Efficiency and Conservation Public Sector Management Division (EPSMD); and
- d) Energy Efficiency and Conservation Performance Regulation and Enforcement Division (EPRED).

The existing plantilla of the EUMB of the DOE shall form the nucleus of the reorganized EUMB to perform the duties, functions, and responsibilities under the Act and the EEC-IRR. For this purpose, the existing Energy Efficiency and Conservation Division under the EUMB is hereby dissolved.

Section 77. Strengthening of Support Services. The Lighting and Appliance Testing Division of the Energy Research and Testing Laboratory Services, the

General Legal Services Division under the Legal Services, the Accounting Division under the Financial Services, and each field office under their respective Energy Resources Development and Utilization Divisions of the DOE shall hereby receive additional plantilla positions to provide support service to the EUMB in the discharge of its functions under the Act and the EEC-IRR.

Section 78. Organizational Structure. Within six (6) months from effectivity of the EEC-IRR, the Secretary of DOE shall submit the revised organizational structure and staffing complement, which shall be effective upon the approval of the DBM, consistent with existing civil service rules and regulations.

Pending the approval of the revised organizational structure and staffing complement, the Secretary of the DOE may designate staff to operationalize the divisions created and to perform the duties, functions, and responsibilities under the Act and the EEC-IRR.

Rule XVIII. Prohibited Acts and Enforcement

Section 79. Prohibited Acts. Pursuant to Section 30 of the Act, any person or entity found in violation of any of the following shall be subject to the appropriate criminal, civil, and/or administrative sanctions as provided in the EEC-IRR and other existing applicable laws, rules and regulations:

- a) Failing to comply with energy labeling;
- b) Removing, defacing, or altering any energy label on the energy-consuming product before the product is sold to the first retail purchaser or leased to the first lessee;
- c) Failing to provide accurate information or the provision of false or misleading energy information as required to be submitted under the Act and the EEC-IRR;
- d) Selling, leasing, or importing energy-consuming products that do not comply with the MEP;
- e) Failing or willfully refusing to appoint or designate a CECO or CEM;
- f) Willfully refusing to submit to an on-site inspection as indicated in Section 23 of the Act;
- g) Failing or willfully refusing to submit any of the reports required herein;
- h) Failing to comply with issued orders of the DOE in the discharge of its enforcement powers; and

- i) Violating any provisions of the EEC-IRR, codes and guidelines issued in accordance with the Act.

Section 80. Explanation, Recommendation, Disclosure, and Order. Upon determination that a reasonable ground exists that an establishment has committed any of the prohibited acts under Section 30 of the Act, the DOE may consider the following measures prior to the imposition of the appropriate fines and penalties for such violations:

- a) Require an explanation supported by reports, returns and other documents to rebut the alleged commission of the prohibited act;
- b) In cases where an explanation has been issued but the DOE finds a violation because of materially insufficient reports, false returns, and non-submission of required documents, provide a recommendation to the said establishment;
- c) Disclose the name of the establishments after it has received a recommendation and failed to comply with such recommendation; and
- d) Issue an order in cases where the said establishment fails to follow or comply with the recommendation of the DOE. The failure on the part of the establishment to comply with the order shall be a valid ground for the imposition of the administrative fines and penalties in accordance with Section 32 of the Act.

Section 81. Administrative Procedures. The DOE may initiate, *motu proprio* or upon filing of any complaint, an administrative proceeding against any person or entity who commits any of the prohibited acts under Section 30 of the Act, and Section 76 of the EEC-IRR, or other related issuances.

The administrative proceedings will be conducted to determine culpability of offenders and the applicable penalties in accordance with existing “Rules and Procedures Before the DOE.”

Section 82. Administrative Liabilities. The DOE is empowered to impose administrative fines and penalties for any violation of the provisions of the Act, the EEC-IRR and other related issuances. The fines and penalties shall range from a minimum of Ten thousand pesos (P10,000.00) to a maximum of One million pesos (P1,000,000.00).

The administrative fine and penalty imposed is without prejudice the penalties provided for under existing regulations prescribed by any other concerned agency and shall be without prejudice to the criminal liability as stated in the Act.

Section 83. Criminal Liability. The responsible officers and employees of any establishment or organization who willfully commits any of the prohibited acts under Section 30 of the Act shall, upon conviction, suffer the penalty of imprisonment of one (1) year to five (5) years, or a fine ranging from a minimum of One hundred thousand pesos (PhP100,000.00) to One hundred million pesos (P100,000,000.00)

or twice the amount of costs avoided for noncompliance, whichever is higher, or both, upon the discretion of the court.

Any person who willfully aids or abets the commission of the prohibited acts under Section 30 of the Act, or who causes the commission of such acts by another, shall be liable in the same manner as the principal.

In cases of association, partnership or corporation, the penalty shall be imposed on the partner, president, chief operating officer, chief executive officer, director or officer responsible for the violation.

Rule XIX. Final Provisions

Section 84. Appropriations. Such sums as may be necessary for the successful implementation of the Act and the EEC-IRR shall be taken from the current appropriations of the DOE. Thereafter, the amount needed for its continuous implementation shall be included in the annual General Appropriations Act.

Section 85. Codes and Guidelines. The DOE shall, in accordance with the provisions of the Act, set the framework for the development of all codes and guidelines mentioned therein within six (6) months from the promulgation of the EEC-IRR.

Section 86. Congressional Oversight. Upon effectivity of the Act, the Joint Congressional Energy Commission shall exercise oversight powers over the implementation of the Act and the EEC-IRR.

Section 87. Freedom of Information Clause. Requests by the public for information under this Act or the EEC-IRR shall be processed pursuant to Executive Order No. 02 (s. 2016) entitled "Operationalizing in the Executive Branch the People's Constitutional Right to Information and the State Policies to Full Public Disclosure and Transparency in the Public Service and Providing Guidelines therefor," as well as the respective Freedom of Information Manuals of the relevant government agencies.

Section 88. Separability Clause. If, for any reason, any section or provision of the Act or the EEC-IRR is declared to be unconstitutional or invalid, such part not affected thereby shall remain in full force and effect.

Section 89. Repealing Clause. All laws, presidential decrees, executive orders, issuances, rules and regulations inconsistent with the provisions of the Act and this IRR are hereby repealed or modified accordingly.

Section 90. Effectivity. The EEC-IRR shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation and its filing with the University of the Philippines Law Center – Office of the National Administrative Register (ONAR).

Signed at Energy Center, Bonifacio Global City, Taguig City.

ALFONSO G. CUSI
Secretary