

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

7 JUN -4 P5:04

SENATE
S. B. No. 2625

RECEIVED BY: *[Signature]*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The State must promote new renewable energy technologies that reduce contributions to global warming gases and improve our country's domestic energy production in a manner that is consistent with environmental protection, sustainable development, and economic prosperity.

The use of marine and hydrokinetic renewable energy technologies can avoid contributions to global warming gases. Further, such technologies can be produced domestically.

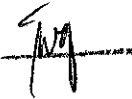
This Act seeks to promote the development and use of marine and hydrokinetic renewable energy technologies.

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
[Signature]

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AN ACT
PROMOTING THE DEVELOPMENT AND USE OF MARINE AND HYDROKINETIC
RENEWABLE ENERGY TECHNOLOGIES

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

SECTION 1. *Short Title.* – This Act shall be known as the “Marine and Hydrokinetic Renewable Energy Promotion Act of 2007.”

SECTION 2. *Declaration of Policy.* – It is the policy of the State to promote renewable energy technologies, such as marine and hydrokinetic renewable energy, that reduce contributions to global warming gases and improve our country’s domestic energy production in a manner that is consistent with environmental protection, sustainable development, and economic prosperity.

SECTION 3. *Definition of Terms.* – For purposes of this Act, the term

(A) “Marine and hydrokinetic renewable energy” means electrical energy from waves, tides, and currents in oceans, estuaries, and tidal areas; free flowing water in rivers, lakes, and streams; free flowing water in man-made channels, including projects that utilize non-mechanical structures to accelerate the flow of water for electric power production purposes; and differentials in ocean temperature or ocean thermal energy conversion.

The term shall not include energy from any source that utilizes a dam, diversionary structure, or impoundment for electric power production purposes.

(B) “Net proceeds” means proceeds from the commercial sale of electricity after payment of project-related costs, including taxes and regulatory fees that have not been paid using funds from a loan provided for the project under Section 5.

SECTION 4. *Research and Development.* – The Secretary of Energy, in consultation with the Secretary of Environment and Natural Resources and the Secretary of Trade and Industry, shall establish a program of marine and hydrokinetic renewable energy research focused on

- (A) Developing and demonstrating marine and hydrokinetic renewable energy technologies;
- (B) Reducing the manufacturing and operation costs of marine and hydrokinetic renewable energy technologies;
- (C) Increasing the reliability and survivability of marine and hydrokinetic renewable energy facilities;
- (D) Integrating marine and hydrokinetic renewable energy into electric grids;
- (E) Identifying opportunities for cross fertilization and development of economies of scale between offshore wind and marine and hydrokinetic renewable energy sources;
- (F) Identifying the environmental impacts of marine and hydrokinetic renewable energy technologies and ways to address adverse impacts, and providing public information concerning technologies and other means available for monitoring and determining environmental impacts; and
- (G) Standards development, demonstration, and technology transfer for advanced systems engineering and system integration methods to identify critical interfaces.

SECTION 5. *Adaptive Management and Environmental Fund.* – The Secretary of Energy shall establish an Adaptive Management and Environmental Fund, and shall lend amounts from that fund to entities to cover the costs of projects that produce marine and hydrokinetic renewable energy. Such costs include design, fabrication, deployment, operation, monitoring, and decommissioning costs. Loans under this section may be subordinate to project-related loans provided by commercial lending institutions to the extent the Secretary of Energy

considers appropriate.

As a condition of receiving a loan under this section, a recipient shall provide reasonable access, to government agencies and other research institutions as the Secretary considers appropriate, to the project area and facilities for the purposes of independent environmental research.

The results of any assessment or demonstration paid for, in whole or in part, with funds provided under this section shall be made available to the public, except to the extent that they contain information that is protected from disclosure by appropriate laws.

The Secretary of Energy shall require a recipient of a loan under this section to repay the loan, plus interest at a rate of 2.1 *per centum* per year, over a period not to exceed 20 years, beginning after the commercial generation of electric power from the project commences. Such repayment shall be required at a rate that takes into account the economic viability of the loan recipient and ensures regular and timely repayment of the loan.

No repayments shall be required under this Section until after the project generates net proceeds. Repayment of a loan shall terminate as of the date that the project for which the loan was provided ceases commercial generation of electricity if a governmental permitting authority has ordered the closure of the facility because of a finding that the project has unacceptable adverse environmental impacts, except that the Secretary shall require a loan recipient to continue making loan repayments for the cost of equipment, obtained using funds from the loan that have not otherwise been repaid under rules established by the Secretary, that is utilized in a subsequent project for the commercial generation of electricity.

In order to receive a loan under this Section, an applicant for a license or permit to construct, operate, or maintain a marine or hydrokinetic renewable energy project shall provide the Secretary of Energy an adaptive management plan for the proposed project. Such plan shall

- (A) Be prepared in consultation with other parties to the permitting or licensing proceeding, including all government agencies and instrumentalities with authority under applicable laws to require or recommend design or operating conditions, for protection, mitigation, and enhancement of fish and wildlife resources, water quality, navigation, public safety, land reservations, or

recreation, for incorporation into the permit or license;

- (B) Set forth specific and measurable objectives for the protection, mitigation, and enhancement of fish and wildlife resources, water quality, navigation, public safety, land reservations, or recreation, as required or recommended by governmental agencies described in paragraph (1), and shall require monitoring to ensure that these objectives are met;
- (C) Provide specifically for the modification or, if necessary, removal of the marine or hydrokinetic renewable energy project based on findings by the Secretary of Energy, the Secretary of Environment and Natural Resources, and the Secretary of Trade and Industry that the marine or hydrokinetic renewable energy project has not attained or will not attain the specific and measurable objectives; and
- (D) Be approved and incorporated in the license or permit.

The Secretary of Energy shall transmit a report to the Congress when the Secretary of Energy determines that the technologies supported under this Act have achieved a level of maturity sufficient to enable the expiration of the programs under this Act. The Secretary of Energy shall not make any new loans under this section after the report is transmitted under this paragraph.

SECTION 6. Programmatic Environmental Impact Statement. -- The Secretary of Environment and Natural Resources shall, in cooperation with the Secretary of Energy and the Secretary of Trade and Industry, and in consultation with appropriate government agencies, jointly prepare programmatic environmental impact statements, regarding the impacts of the deployment of marine and hydrokinetic renewable energy technologies in the navigable waters of the Philippines. One programmatic environmental impact statement shall be prepared under this section for each of the Regions of the Philippines. The programmatic environmental impact statements under this section shall be issued not later than eighteen (18) months after the date of enactment of this Act. The programmatic environmental impact statements shall evaluate among other things the potential impacts of site selection on fish and wildlife and related habitat. Nothing in this section shall operate to delay consideration of any application for a license or

permit for a marine and hydrokinetic renewable energy technology project.

SECTION 7. *Appropriations.* – Such sums as may be necessary for the initial implementation of this Act shall be taken from the current appropriations of the Department of Energy. Thereafter, the fund necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act.

SECTION 8. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, presidential proclamation, rule and regulation or parts thereof inconsistent with the provisions of this Act, are hereby repealed, modified, or amended accordingly.

SECTION 9. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least two newspapers of general circulation.

Approved,

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