

Introduced by Senator Ralph G. Recto

RECEIVED



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

Explanatory Note

Energy security is a crucial factor in achieving economic development of the society. The Philippine government is hard-pressed to fulfill its commitments to de-carbonize the energy industry for 450 Scenario¹, achieve energy independence and pursue higher electrification rates, even as the population continues to grow at an average of 1.66 percent in 2010 to 2020 and 1.31 percent in 2020 to 2030.²

Additional pressure comes from rising price of oil worldwide, since oil and other fossil fuels will continue to account significantly for our energy consumption until 2020.³ The International Energy Agency has predicted world price at USD 128 a barrel in 2035.⁴ Meanwhile, the Organization of Petroleum Exporting Countries (OPEC) Reference Basket projects an average nominal price of USD 110 a barrel up to the year 2020 and then rise to USD 160 by 2035.⁵

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

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

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

¹ International Energy Agency World Energy Outlook 450 Scenario

² Philippine Statistics Authority

³ Department of Energy Supply - Demand Outlook 2013-2020

⁴ IEA 2035 Energy Outlook

⁵ OPEC Reference Basket [Saharan Blend (Algeria), Girassol (Angola), Oriente (Ecuador), Iran Heavy (Islamic Republic of Iran), Basra Light (Iraq), Kuwait Export (Kuwait), Es Sider (Libya), Bonny Light (Nigeria), Qatar Marine (Qatar), Arab Light (Saudi Arabia), Murban (UAE) and Merey (Venezuela)]

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

materials and equipment for use in solar energy systems incur minimal environmental and physical impacts.

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

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

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

Hence, the passage of this bill is earnestly sought.



RALPH G. RECTO

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SENATE

S. No. 48

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

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

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

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

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

12 **SEC. 4.** *Establishment of Solar Energy Systems in National Government Buildings and*
13 *Offices.* – All government agencies in coordination with the Department of Public Works and
14 Highways (DPWH) and the Department of Energy (DOE) shall begin the construction of solar
15 energy systems in and retrofit their respective buildings and offices within sixty (60) days after
16 the effectivity of this Act: *Provided,* That Solar Energy Systems shall refer to energy systems
17 which convert solar energy into thermal or electrical energy.

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

- 20 a) Establishment and construction shall immediately commence to supply power to
21 government buildings or offices;

- 1 b) The Department of Finance shall apply the appropriate provisions of Chapter VII
2 General Incentives of Republic Act No. 9513 or the Renewable Energy Act of 2008
3 to the RE Systems to be established and constructed for government agencies; and
4 c) Government agencies shall enjoy the privileges granted to qualified end-users as
5 certified by the DOE-Renewable Energy Management Bureau, as provided for in
6 Sections 10 and 12 of R. A. No. 9513.

7 **SEC. 6. *Minimum Standard.*** – The solar energy systems to be established shall initially
8 supply at least ten per cent (10%) of the electric power requirements of the government agencies
9 in their respective buildings or offices for the first year after the effectivity of this Act: *Provided,*
10 That solar energy utilization shall be increased annually for five years at which time the
11 established solar energy systems are expected to have the capacity to supply fifty percent (50%)
12 of the power requirements of government agencies: *Provided, further,* That nothing in this Act
13 shall preclude the expansion of existing solar energy systems installed in government buildings
14 and offices.

15 **SEC. 7. *Funding.*** – The amount necessary for the immediate implementation of this Act
16 shall be charged against any available funds of the government agencies covered in this Act.
17 Thereafter, such sums as may be necessary to implement this Act shall be included in the
18 General Appropriations Act (GAA).

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

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

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

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

Approved,