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SENATE  
S.B. No. 1030

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Introduced by **SENATOR IMEE R. MARCOS**

**AN ACT FURTHER PROMOTING RENEWABLE ENERGY, AMENDING  
THEREFOR REPUBLIC ACT NO. 9513, OTHERWISE KNOWN AS THE  
"RENEWABLE ENERGY ACT OF 2008" AND REPUBLIC ACT NO. 7160,  
OTHERWISE KNOWN AS "THE LOCAL GOVERNMENT CODE OF 1991,"  
AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Article II, Section 16 of the 1987 Constitution provides that, *"the State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature."* Studies show that renewable energy resources (ie. sunlight, geothermal, heat, wind, tides, water, and other biomass) provide cleaner and better alternatives to fossil fuels since the former help reduce carbon emissions.

Article X, Section 7 of the 1987 Constitution also provides that *"local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits."* Thus, the Local Government Units (LGU's) should be treated as effective partners in promoting the development of renewable energy by giving them their just share in the proceeds of the utilization and development of renewable energy potentials in their areas.

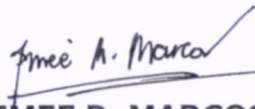
Unfortunately, a shift to renewable energy has been hampered by the lack of local government enthusiasm in renewable energy resources due to loss of livelihood and/or income, reduced collection in real property taxes, deleterious effects to native biodiversity and fisheries, raising the risk of tsunamis or storm surges, as well as health concerns from rising temperatures and vibration. Further, Republic Act No. 9513, otherwise known as the *"Renewable Energy Act of 2008"* failed to address the constitutionally mandated just share of the LGUs in the proceeds of such activity.

For instance, the Province of Ilocos Norte, which is known as the *"Renewable Energy Capital of Southeast Asia"*, generates more than 280 megawatts of renewable energy resources through the windmills in the municipalities of Bangui, Burgos, and Pagudpod, the solar power plant in the Municipality of Currimao, and the hydroelectric

plant in the Municipality of Pagudpud. Unfortunately, these LGU's collect much-reduced amounts in real property taxes, collect with Renewable Energy (RE) developers merely paying much-reduced real property taxes often under protest. Thus, this bill seeks to amend Republic Act No. 9513 to secure a reasonable share of the LGU's in the promotion and development of renewable energy.

Further, to prevent violent incidents such as the bombing of the two transmission towers of the Pagudpud Wind Farm of North Luzon Renewables (NLR), in 2016, the bill thus seeks to ensure safety and security measures by the Philippine National Police and, in times of alleged terrorism or insurgency, the Armed Forces of the Philippines, in protecting critical infrastructure such as power generation facilities.

Given the abovementioned circumstances, the immediate passage of this bill is earnestly sought.

  
**IMEE R. MARCOS**  
Senator



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AND FOR OTHER PURPOSES**

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

SECTION 1. A new section in Chapter III of R.A. No. 9513 is hereby inserted,  
to read as follows:

**"SECTION 6-A. PROJECT ENDORSEMENT BY THE LOCAL  
GOVERNMENT UNIT. — NO RENEWABLE ENERGY SERVICE  
(OPERATING) CONTRACT SHALL BE SIGNED BETWEEN THE  
DEPARTMENT OF ENERGY (DOE) AND THE RENEWABLE ENERGY  
(RE) DEVELOPER WITHOUT THE ENDORSEMENT FROM THE  
LEGISLATIVE BODY OF THE CONCERNED LOCAL GOVERNMENT UNIT  
(LGU). SUCH ENDORSEMENT SHALL NOT BE UNREASONABLY  
WITHHELD BY THE LGU. FOR THIS PURPOSE, THE LGU AND RE  
DEVELOPER SHALL CONDUCT PUBLIC CONSULTATIONS WHERE THE  
CONSTITUENTS ARE ADEQUATELY INFORMED OF THE DETAILS OF  
THE PROPOSED RENEWABLE ENERGY PROJECT AND THAT THEY ARE  
GIVEN THE OPPORTUNITY TO EXPRESS THEIR VIEWS ON THE  
ISSUE."**

Sec. 2. Section 13 of R.A. No. 9513 is hereby amended, to read as follows:  
"Section 13. Government Share. - The government share on existing  
and new RE development projects shall be equal to [one percent (1%)] **TWO**

1       **PERCENT (2%)** of the gross income of RE resource developers resulting  
2       from the sale of renewable energy produced and such other income incidental  
3       to and arising from the renewable energy generation, transmission, and sale  
4       of electric power except for indigenous geothermal energy, which shall be at  
5       [one and a half percent (1.5%)] **TWO AND A HALF PERCENT (2.5%)** of  
6       gross income. ***PROVIDED THAT, THE GOVERNMENT SHARE SHALL BE***  
7       ***ALLOCATED TO THE NATIONAL GOVERNMENT AND THE LGU UNDER***  
8       ***A 40-60 RATIO. PROVIDED FURTHER THAT, THE SHARE OF THE LGU***  
9       ***SHALL BE DISTIBUTED, AS FOLLOWS:***

10               **(A) FORTY PERCENT (40%) TO THE CONCERNED PROVINCE;**

11               **(B) THIRTY PERCENT (30%) TO THE CONCERNED CITY OR**  
12               **MUNICIPALITY; AND**

13               **(C) THIRTY PERCENT (30%) TO THE CONCERNED**  
14               **BARANGAY.**

15               **THE SHARE OF EACH LOCAL GOVERNMENT UNIT SHALL BE**  
16       **RELEASED, WITHOUT NEED OF ANY FURTHER ACTION, DIRECTLY**  
17       **TO THE PROVINCIAL, CITY, MUNICIPALITY, OR BARANGAY**  
18       **TREASURER, AS THE CASE MAY BE, ON A QUARTERLY BASIS**  
19       **WITHIN FIVE (5) DAYS AFTER THE END OF EACH QUARTER, AND**  
20       **WHICH SHALL NOT BE SUBJECT TO ANY LIEN OR HOLDBACK THAT**  
21       **MAY BE IMPOSED BY THE NATIONAL GOVERNMENT FOR WHATEVER**  
22       **PURPOSE.**

23               To further promote the development of RE projects, the government  
24       hereby waives its share from the proceeds of micro-scale projects for  
25       communal purposes and non-commercial operations, which are not greater  
26       than one hundred (100) kilowatts."

27       Sec. 3. Section 290 of R.A. No. 7160 is hereby amended, to read as follows:

28       "Section 290. Amount of Share of Local Government Units. - Local  
29       government units shall, in addition to the internal revenue allotment, have a share of  
30       forty percent (40%) of the gross collection derived by the national government from  
31       the preceding fiscal year from mining taxes, royalties, forestry, [and] fishery  
32       charges, **POWER GENERATION PROJECTS** and such other taxes, fees, or



1 charges, including related surcharges, interests, or fines, and from its share in any  
2 co-production, joint venture or production sharing agreement in the utilization and  
3 development of the national wealth within their territorial jurisdiction.”

4 Sec. 4. Section 15 of R.A. No. 9513 is hereby amended, to read as follows:

5 “Section 15. Incentives for Renewable Energy Projects and Activities. -  
6 RE developers of renewable energy facilities, including hybrid systems, in  
7 proportion to and to the extent of the RE component, for both power and  
8 non-power applications, as duly certified by the DOE, in consultation with the  
9 BOI, shall be entitled to the following incentives:

10 xxx

11 (c) Special Realty Tax Rates on Equipment and Machinery. - Any law to  
12 the contrary notwithstanding, realty and other taxes on [civil works,]  
13 equipment[,] **AND** machinery[, and other improvements] of a Registered RE  
14 Developer actually and exclusively used for RE facilities shall not exceed one  
15 and a half percent (1.5%) of their original cost less accumulated normal  
16 depreciation or net book value: Provided, That in case of an integrated  
17 resource development and generation facility as provided under Republic Act  
18 No. 9136, the real property tax shall only be imposed on the power plant;

19 xxx”

20 Sec. 4. A new section in R.A. No. 9513 is hereby inserted, to read as follows:

21 **“SEC. 33. THE PHILIPPINE NATIONAL POLICE (PNP) SHALL ENSURE**  
22 **THAT SAFETY AND SECURITY MEASURES SHALL BE ENFORCED, AT ALL**  
23 **TIMES, TO PROTECT CRITICAL INFRASTRUCTURE, INCLUDING BUT NOT**  
24 **LIMITED TO, POWER GENERATION FACILITIES.”**

25 Sec. 5. A new section in R.A. No. 9513 is hereby inserted, to read as follows:

26 **“SEC. 34. WHENEVER TERRORISM OR INSURGENCY IS ALLEGED**  
27 **AND WHEN PUBLIC SAFETY REQUIRES IT, THE LGUS MAY CALL UPON THE**  
28 **ARMED FORCES OF THE PHILIPPINES (AFP) TO SUPPRESS VIOLENCE AND**  
29 **DEFEND CRITICAL INFRASTRUCTURE, INCLUDING BUT NOT LIMITED TO,**  
30 **POWER GENERATION FACILITIES.”**

31 Sec. 6. The sections in R.A. No. 9513 shall be renumbered accordingly.

1           Sec. 7. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or  
2 other issuances or parts thereof inconsistent with the provisions of this Act are  
3 hereby repealed or modified accordingly.

4           Sec. 8. *Separability Clause.* – If any portion or provision of this Act is declared  
5 unconstitutional, the remainder of this Act or any provision not affected thereby shall  
6 remain in force and effect.

7           Sec. 9. *Effectivity.* – This Act shall take effect after fifteen (15) days following  
8 the completion of its publication either in the Official Gazette or in a newspaper of  
9 general circulation in the Philippines.

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11           Approved,