



Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Utilization Management Bureau



13 January 2022

MARIA LOURDES D. LIM, CESO II

Vice Chairperson, Regional Development Council (RDC) XI and
Regional Director, National Economic and Development Authority (NEDA) XI
NEDA-RDC XI Center, Km. 7, Bangkal, Davao City
Tel. No.: (082) 296-0160 to 64

Subject: **Implementation of Republic Act No. 11285 or the Energy Efficiency and Conservation Act**

Dear **Director Lim**:

Greetings from the Energy Family.

This refers to the Regional Development Council (RDC) XI Resolution No. 126, Series of 2021 which recommends that the private sector organizations should align their efforts through the existing programs and projects of the government to efficiently manage the demand and supply of energy in Davao Region.

The Department of Energy (DOE) advocates efforts that continuously advance and strengthen the program of the Philippines on Energy Efficiency and Conservation (EE&C). We laud your initiatives on pursuing Energy Efficiency and Conservation on your locality; further, the DOE would like to provide further guidance on the implementation of the provisions under the EE&C Act especially for the Private Sector.

Kindly refer to the attached document for the DOE's issuances related to the implementation of the Energy Efficiency and Conservation Act to the Private Sector which are already aligned with the national government's goal of making EE&C a way of life of every Filipino.

Thank you very much.

Very truly yours,


PATRICK T. AQUINO, CESO III
Director IV

ANNEX A
IMPLEMENTATION OF REPUBLIC ACT NO. RA 11285
ENERGY EFFICIENCY AND CONSERVATION ACT

Republic Act (RA) No. 11285 or the Energy Efficiency and Conservation (EE&C) Act is geared towards the institutionalization of EE&C as a national way of life for 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.

For the private sector, **Section 19** Chapter VI of the EE&C Act states that Designated Establishments (DEs) shall initially be classified as follows:

- a) Type 1 designated establishments are those 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 with an annual energy consumption of more than 4,000,000 kWh for the previous year.

Section 20, Further states the obligations of DEs, to wit:

- 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 NEECP;
- f) Submit an annual ECCR to the DOE by the 15th of April of every year;
- 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: *Provided*, That the CECO and the CEM may be chosen from within the organization or hired through external recruitment; and
- i) Duly notify the DOE on the appointment or separation from the service of them respective CECOs or CEMs within ten (10) working days from the effectivity of these personnel action

Based on the above-mentioned provisions, the DOE has issued the following policy directions for the private sector:

1. Improving the EE&C Workforce

Rule X of the Energy Efficiency and Conservation Act, Implementing Rules and Regulations states the importance of professional competency and services that will assist in the implementation of the policies. As identified under Department Circular No. DC2021-01-0001 or Guidelines for the Qualifications, Assessments, Registration and Certification of Energy



Conservation Officers (CECO), Energy Managers (CEM) and Energy Auditors (EA), a system for the assessment and certification of energy conservation officers and energy managers was established.

To provide the market with a source of technically and financially capable entities that can assist in the delivery of energy efficiency-related projects, Department Circular No. DC2020-09-0011 or "Guidelines in the Administration, Classification and Certification of Energy Service Company (ESCO)" was signed on 09 September 2020 and published in broadsheet newspapers such as Business World, Daily Tribune, and the Philippine Star on 24 September 2020 and became effective on 09 October 2020.

The Energy Service Companies or ESCOs are partners in compliance with the EEC Act, as they offer multi-technology services and goods towards developing and designing EE projects, delivering and guaranteeing energy savings, and ensuring cost-effective and optimal performance.

2. Monitoring Designated Establishments

One of the important features of the RA No. 11285 is to monitor the energy intensive industries based on their annual energy consumptions. Thus, Memorandum Circular No. MC2020-05-0001 or Directing All Designated Establishments under Commercial, Industrial and Transport Sectors to Submit Energy Consumption Reports was promulgated. This Circular mandatorily requires all Designated Establishments (DEs) to submit energy efficiency and conservation reports to the DOE using the Annual Energy Efficiency and Conservation Reports (AEECR) and an Annual Energy Utilization Report (AEUR) forms to the Energy Utilization Management Bureau-EE&C Program Management and Technology Promotion Division (EUMB-EPMPD). Also, DEs are required to appoint their Energy Conservation Officer (ECO) or an Energy Manager (EM) on the bases of their energy consumption threshold classification for type 1 and type 2, respectively.

Following are the responsibilities of the Designated Establishments:

- Reduction of Building Cooling Demand
- Lighting System Retrofit including the installation of lighting sensors
- Installation of Building Energy management System (BEMS)
- Adoption on energy efficient appliances for the operation of the building
- Adoption of energy conservation measures and best practices such as in the operation of AC system and other electrical motors load when starting to prevent high drawing of current
- Adoption of the Guidelines on Energy Conserving Design for Buildings during retrofitting of the building.

3. Implementation of the Philippine Energy Labeling Program (PELP)

The Department Circular No. DC2020-06-0015 or "Prescribing the Guidelines of the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors and Dealers of Electrical Appliances and other Energy -Consuming Products (ECP)", was signed on 15 June 2020. The Department Circular was published in broadsheet newspapers such as Business World, and Daily Tribune on 26 June 2020 and became effective on 10 July 2020.

The PELP aims to transform the market and encourage the shift in consumer behavior towards the use of energy efficient products and technologies by empowering them through the information displayed in the labels at the points of sale.

Under DC 2020-06-0015, the PELP initially covers appliances such as Air Conditioning Units (ACUs), Refrigerating Appliances, Television Sets and Lighting Products, such as Compact Fluorescent Lamps (CFL), Linear Fluorescent Lamps (LFL), Single-Capped Fluorescent Lamps (SCFL), Lamp Ballasts and Light Emitting Diode (LED) lamps.

4. **Monitoring of Minimum Energy Performance for Products (MEPP)**

With focus on energy performance standards and labeling requirements, the Department Circular No. DC2020-06-0016 or ***“Prescribing the Minimum Energy Performance for Products (MEPP) covered by the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors, Dealers and Retailers of Energy-Consuming Products (ECPs)”***, was approved and signed on 15 June 2020. The Department Circular was published in broadsheet newspapers such as Business World, and Daily Tribune on 26 June 2020 and became effective on 10 July 2020.

The main goal in the enforcement of the MEPP is to ensure the efficiency of a product covered by the PELP by setting the required energy performance and to prevent the entry of inefficient products to the Philippine Market. Furthermore, the MEPP is also the lower limit set for the star rating of ECPs, which is equivalent to one-star rating. The imposition of the MEP also promotes a health competitive environment for the industry by ensuring that the energy performance of locally available products is at par with international standards.

5. **Fuel Economy Rating and Performance**

Department Circular No. DC2020-10-00023 or ***Prescribing Policy Framework for the Development of the Fuel Economy Rating, Fuel Economy Performance, and Related Energy Efficiency and Conservation Policies for the Transport Sector and other Support Infrastructures*** was signed on 22 October 2020 and published in broadsheet newspapers such as Daily Tribune and Business World on 27 November 2020 and became effective on 12 December 2020. The issuance created the Inter-Agency Working Group (IWG) to work on the fuel economy rating, fuel economy performance, and related energy efficiency and conservation policies for the transport sector and other support infrastructures.

6. **Promoting Energy Conserving Design of Buildings**

To encourage and promote the energy conserving design of buildings and their services to reduce the use of energy with due regard to the cost effectiveness, building function, and comfort, health, safety, and productivity of the occupants, Department Circular No. DC2020-12-0026 or ***Adoption of the Guidelines on Energy Conserving Design of Building*** was promulgated.

Energy Efficient Buildings will boost the demand for energy efficient materials and technologies that will help to meet the requirements under these guidelines. This Circular was signed on 22 December 2020 and took effect on 06 March 2021. It was published in the Business World and Manila Times on 19 February 2021.

9