



14 August 2020

MEMORANDUM No. 2020-042

T O : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : Compliance to Republic Act No. 11285 or the "Energy Efficiency and Conservation Act" and Its Implementing Rules and Regulations (IRR)

Republic Act (RA) 11285, or "An Act Institutionalizing Energy Efficiency and Conservation Enhancing the Efficient Use of Energy, and Granting Incentives to Energy Efficiency and Conservation Projects," otherwise known as the "**Energy Efficiency and Conservation Act**" (**EEC Act**) was signed into law on April 12, 2019. The primary goal of R.A. 11285 is to establish a framework for the introduction and institutionalization of 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 sectors.

Section 8 of the EEC Act states that all energy end users shall use every available energy resources 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 said Act.

Moreover, the Implementing Rules and Regulations (IRR) of EEC Act provides for the following guidelines for the designated establishments:


1. Designated establishments 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.
2. 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 Certified Energy Conservation Officer (CECO) or Certified Energy Manager (CEM), among others;
- g. Conduct an energy audit once every three (3) years by engaging either a certified energy auditor or an accredited Energy Service Company (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.

Consequently, all ECs are directed to implement the mandated responsibilities provided for in the said law. As such, the ECs shall include in their Scorecard starting Year 2021 programs on Energy Efficiency and Conservation which may be a factor in the evaluation of the EC performance by the NEA. NEA guidelines may subsequently be issued in reference to the above-cited provisions.

Pursuant to Section 30 of the EEC Act, any person or entity found to commit the prohibited acts and enforcement shall be subject to appropriate criminal, civil, and/or administrative sanctions as provided in the EEC-IRR and other existing applicable laws, rules, and regulations.

For guidance and compliance.


EDGARDO R. MASONGSONG
Administrator



NEA-OA265436

