

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

'22 JUL 14 P 4:03

SENATE

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S.B. No. 647

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Introduced by **SENATOR IMEE R. MARCOS**

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**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.

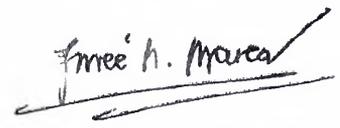
Article X, Section 7 of the 1987 Constitution also provides that "*local governments shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants 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 230 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 seeks to ensure that 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**

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AND FOR OTHER PURPOSES**

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

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

3  
4           **"SECTION 6-A. PROJECT ENDORSEMENT BY THE LOCAL**  
5 **GOVERNMENT UNIT. – NO RENEWABLE ENERGY SERVICE**  
6 **(OPERATING) CONTRACT SHALL BE SIGNED BETWEEN THE**  
7 **DEPARTMENT OF ENERGY (DOE) AND THE RENEWABLE**  
8 **ENERGY (RE) DEVELOPER WITHOUT THE ENDORSEMENT**  
9 **FROM THE LEGISLATIVE BODY OF THE CONCERNED LOCAL**  
10 **GOVERNMENT UNIT (LGU). SUCH ENDORSEMENT SHALL NOT**  
11 **BE UNREASONABLY WITHHELD BY THE LGU. FOR THIS**  
12 **PURPOSE, THE LGU AND RE DEVELOPER SHALL CONDUCT**  
13 **PUBLIC CONSULTATIONS WHERE THE CONSTITUENTS ARE**  
14 **ADEQUATELY INFORMED OF THE DETAILS OF THE PROPOSED**  
15 **RENEWABLE ENERGY PROJECT AND THAT THEY ARE GIVEN**  
16 **THE OPPORTUNITY TO EXPRESS THEIR VIEWS ON THE**  
17 **ISSUE."**

1           **SEC. 2.** Section 13 of R.A. No. 9513 is hereby amended, to read as follows:  
2

3           "Section 13. *Government Share.* – The government share on  
4 existing and new RE development projects shall be equal to [~~one~~  
5 ~~percent (1%)~~] **TWO PERCENT (2%)** of the gross income of RE  
6 resource developers resulting from the sale of renewable energy  
7 produced and such other income incidental to and arising from the  
8 renewable energy generation, transmission, and sale of electric power  
9 except for indigenous geothermal energy, which shall be at [~~one and~~  
10 ~~a half percent (1.5%)~~] **TWO AND A HALF PERCENT (2.5%)** of  
11 gross income. **PROVIDED THAT, THE GOVERNMENT SHARE**  
12 **SHALL BE ALLOCATED TO THE NATIONAL GOVERNMENT AND**  
13 **THE LGU UNDER A 40-60 RATIO. PROVIDED FURTHER THAT,**  
14 **THE SHARE OF THE LGU SHALL BE DISTRIBUTED, AS**  
15 **FOLLOWS:**

- 16  
17           **(A) FORTY PERCENT (40%) TO THE CONCERNED**  
18 **PROVINCE;**  
19           **(B) THIRTY PERCENT (30%) TO THE CONCERNED CITY**  
20 **OR MUNICIPALITY; AND**  
21           **(C) THIRTY PERCENT (30%) TO THE CONCERNED**  
22 **BARANGAY.**

23  
24           **THE SHARE OF EACH LOCAL GOVERNMENT UNIT SHALL BE**  
25 **RELEASED, WITHOUT NEED OF ANY FURTHER ACTION,**  
26 **DIRECTLY TO THE PROVINCIAL, CITY, MUNICIPALITY, OR**  
27 **BARANGAY TREASURER, AS THE CASE MAY BE, ON A**  
28 **QUARTERLY BASIS WITHIN FIVE (5) DAYS AFTER THE END**  
29 **OF EACH QUARTER, AND WHICH SHALL NOT BE SUBJECT TO**  
30 **ANY LIEN OR HOLDBACK THAT MAY BE IMPOSED BY THE**  
31 **NATIONAL GOVERNMENT FOR WHATEVER PURPOSE.**

32  
33           To further promote the development of RE projects, the  
34 government hereby waives its share from the proceeds of micro-scale  
35 projects for communal purposes and non-commercial operations,  
36 which are not greater than one hundred (100) kilowatts."  
37

38           **SEC. 3.** Section 290 of R.A. No. 7160 is hereby amended, to read as follows:  
39

40           "Section 290. *Amount of Share of Local Government Units.* –  
41 Local government units shall, in addition to the internal revenue  
42 allotment, have a share of forty percent (40%) of the gross collection  
43 derived by the national government from the preceding fiscal year  
44 from mining taxes, royalties, forestry, [~~and~~] fishery charges, **POWER**



1           **SEC. 7.** The sections in R.A. No. 9513 shall be renumbered accordingly.

2

3           **SEC. 8. *Separability Clause.*** – If for any reason any part or provision of this Act  
4 shall be deemed unconstitutional or invalid, the other sections or provisions hereof shall  
5 not be affected and shall remain in force and effect.

6

7           **SEC. 9. *Repealing Clause.*** – All laws, decrees, executive issuances, rules and  
8 regulations inconsistent with this Act are hereby repealed or modified accordingly.

9

10           **SEC. 10. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
11 publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*