

ENERGY EFFICIENCY GUIDELINES

MEMORANDUM CIRCULAR NO. 2018-05, March 20, 2018

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Adopted: 26 February 2018

Date Filed: 20 March 2018

Please be informed that the Board, in its meeting of 21 February 2018, adopted the following resolution:

Resolution No. 07-02, Series of 2018

RESOLVED, that the following Energy Efficiency Guidelines BE APPROVED AND CONFIRMED:

- Energy Efficiency (EE) projects for existing plants or facilities for manufacturing, agri-processing and agri-support service activities listed in the 2017 IPP that will involve installation of new equipment, system or component that are listed in Table 1 may qualify for registration.
- The income tax holiday (ITH) incentive shall be equivalent to 30% of the cost of the capital equipment.
- The entity to be registered may be the owner of the plant or facility or another entity investing on the project.
- The registered entity shall be entitled to ITH for a period of four (4) years which shall be reckoned one (1) year after the installation of the equipment, system or component.
- For an Energy Service Company (ESCO) providing the energy service, application for registration must be accompanied by a Service Contract between the ESCO and the owner of the facility.
- Application for registration must be accompanied by an endorsement from the Department of Energy (DOE).
- The list of energy efficient equipment shall be subject to a quarterly review.

Table 1. List of Energy Efficiency Equipment

Energy Efficient Equipment

Categorie s

Lis t of S pecific T echnology

Heating Ventilation Air

Conditioning (HVAC) upgrades

1 . S ol ar Ther m al AC S yste m s

2 . Inverter Type Ai r-con S yste m

Motor , fans and pumps

3 . Integrated vari able speed m otor s 4 . Switched-reluctance drives

5 . DC drives

Chillers

6 . Compressor Chillers with variable- frequency drives

RESOLVED FURTHER, that the direction of the following Energy Efficient Equipment BE APPROVED AND CONFIRMED:

I. Heating Ventilation Air Conditioning (HVAC) upgrades (e.g., inverter types)

1. Solar Thermal AC Systems – Active solar cooling uses solar thermal collectors to provide solar energy to thermally driven chillers (usually adsorption or absorption chillers). Solar energy heats a fluid that provides heat to the generator of an absorption chiller and its recirculated back to the collectors. The heat provided to the generator drives a cooling cycle that produces chilled water. The chilled water produced is used for large commercial and industrial cooling.

Solar thermal can be used to efficiently cool in the summer, and also heat domestic hot water and buildings in the winter. Single, double or triple iterative absorption cooling cycles are used in different solar-thermal-cooling system designs. The more cycles, the more efficient they are.

2. Inverter Type Air-con System – Inverter air-con helps to control the speed of the compressor motor, thereby changing the temperature as per requirement. It can detect sudden fluctuation in the room temperature, which leads the compressor to slow down or work faster. As soon as the room temperature reaches the set temperature, compressor slows down, thereby maintaining a constant temperature. This highly helps to save energy. Generally, inverter air-con's need 30-50% less electricity than non-inverter air conditioner.

II. Motor, fans and pumps

- Integrated variable speed motors – These can lead to greater cost savings over the life of the motor. In terms of efficiency, integrated variable speed motors have the same energy saving benefits as a non- integrated motor and VSD.

- Switched-reluctance drives – These machines consist of a switched- reluctance motor and dedicated electronic controller. Their performance is similar to that of a conventional induction motor and VSD. In addition, they are capable of every high-speed operation (up to 100,000rpm). These devices have an energy efficiency performance similar to, and in some cases exceeding, that of an induction motor with a VSD.

- DC drives – These machines consist of a DC motor and dedicated electronic controller. DC motors/drives operate from a different type of electrical supply than AC motors/drives and as such have different characteristics. Efficiency-wise, the performance of DC drives is similar to that of a conventional induction motor with a VSD. DC drives were the main form of variable speed control before the advent of VSDs. They are still in use today in specialist applications where high starting torques and variable speeds are required, such as pulsating loads, shears, bending rolls, plunger pumps, conveyors, elevators and crushers.

III. Chillers

Compressor Chillers with variable-frequency drives – centrifugal chillers with a variable-frequency drive offer high efficiency over a wide range of cooling loads. High-efficiency chillers often can reduce cooling energy requirements by 30% to 50% annually.

RESOLVED FINALLY, that the Energy Efficiency Guidelines shall take effect immediately upon publication in a newspaper of general circulation, and three (3) certified copies thereof shall be filed with the Office of the

National Administrative Register (ONAR), University of the Philippines (UP) Law Center, Diliman, Quezon City pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

26 February 2018, Makati, Philippines.

By the Authority of the Board:

(SGD) DR. CEFERINO S. RODOLFO
DTI Undersecretary and BOI Managing Head

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