EV charging station accreditation assigned to bureau of Energy dep't

THE Department of Energy (DoE) said on Monday that it placed one of its bureaus in charge of registering electric vehicle charging stations (EVCS) and accrediting suppliers.

In an advisory dated June 23, the Energy department said EVCS provider accreditation and equipment registration applications will be taken by the Energy Utilization Management Bureau.

The registration rules require that the EVCS be "interconnected with the same electrical branch circuit system, located in the same unit building/floor and bounded by the same building, (otherwise) separate applications will be required," the DoE said.

It said multiple EVCS points will be considered one registration if on the same floor; within the same facility and connected to one electrical branch circuit.

However, the DoE said that only DoE-accredited "own-use charging stations" and "commercial-use charging stations" will be allowed to register.

The DoE said the accreditation of EVCS suppliers will help accelerate the adoption of EVs.

The DoE has set an EV rollout target of 10% of all vehicle fleets, double the 5% required by Republic Act No. 11697, or the Electric Vehicle Industry Development Act.

It said that for 2023-2028, the EV fleet target is 2.45 million cars, tricycles, motorcycles, and buses, and 65,000 EV charging stations.

For the 2029-2034 period, the DoE said it will target an additional 1.85 million EVs and 42,000 charging stations.

At the end of 2021, the DoE had registered about 9,000 EVs, of which 378 were public utility vehicles, as well as 327 charging stations. — **Ashley Erika O. Jose**

Ground broken on final three commuter rail projects

THE Department of Transportation (DoTr) said on Monday that initial work has started on the last three segments of the South Commuter Railway (SCR), with the segments valued at P73.25 billion.

"This groundbreaking for three contract packages of the South Commuter Railway is another major milestone of the mother project, the North South Commuter Railway (NSCR)," Transport Secretary Jaime J. Bautista said at the groundbreaking ceremony.

"We hope these three contract packages of the SCR will (lead to) the timely completion of the NSCR and open the gates for the renaissance of the railway industry in the Philippines," he added.

The last three segments traversing Alabang to Calamba, Laguna, are part of a 146.26-kilometer line that will link Clark in Central Luzon to Calamba.

The three civil contract packages consist of railway viaduct structures and elevated stations.

Contract packages S-04, S-05, and S-06 had been awarded to the joint venture of Hyundai Engineering & Construction Co. Ltd. and Dong-Ah Geological Engineering Co. Ltd.

Contract package S-04 covers works in Alabang and Muntinlupa, S-05 the San Pedro, Pacita, Biñan, and Sta. Rosa, Laguna stations, and S-06 the Cabuyao, Banlic and Calamba, Laguna stations.

The SCR project aims to reduce travel time from Metro Manila to neighboring provinces to less than two hours from up to four and a half hours, transforming transportation in the Southern Tagalog region.

The full line will ultimately have 35 stations and be serviced by 51 commuter train sets and seven express train sets. It is expected to serve 600,000 passengers daily when full operations commence.

According to Ahn Meg Adonis, project manager of the NSCR, the entire line is expected to be fully operational by the second quarter of 2029.

"The project that commenced officially on June 30 in the segment Cabuyao to Calamba with a total length of 8.75 kilometers will be open by the second quarter of 2028 and the entire NSCR system is expected to be fully operational by the second quarter of 2029," Ms. Adonis said.

On June 9, the DoTr awarded CP S-03a of the NSCR project to the joint venture of Leighton Contractors (Asia) Ltd. and First Balfour, Inc. It awarded CP S-03c to the joint venture of PT Adhi Karya (Persero) Tbk. and PT PP (Persero) Tbk.

CP S-03a, which has a total contract price of P21.39 billion and $19.42 million, covers the civil engineering works for the 7.9-kilometer at grade and viaduct railway track structure at Buendia, EDSA and Senate stations.

Meanwhile, CP S-03c, which has a total contract price of P15.75 billion and $49.52 million, covers the civil engineering works for the 5.8-kilometer at grade and viaduct railway track structure at Bicutan and Sucat. — **Justine Irish D. Tabile**

Few takers for second round of Green Energy Auction

THE Department of Energy (DoE) said the second round of the Green Energy Auction (GEA) resulted in successful applications amounting to less than a third of the 11,600 megawatts (MW) in renewable energy (RE) capacity on offer.

The successful bids were equivalent to 3,580.76 MW of RE capacity, or 30.9% of the capacity up for grabs.

"We will review, and we will also have discussions with the auction participants. We will decide on the unsubscribed capacity after our discussions with the auction participants," Energy Undersecretary Rowena Cristina L. Guevara said in a Viber message.

The DoE said the GEA second round resulted in successful applications for 1,968.98 MW worth of ground-mounted solar for the 2024 to 2026 period.

About 9.39 MW was committed in the rooftop solar industry for 2024 and 2025, while 90 MW was committed in the floating solar segment in 2026. Some 1,512.38 MW was committed in the onshore wind segment between 2025 and 2026.

Biomass and waste-to-energy projects attracted no commitments, the DoE said.

In June the Energy Regulatory Commission (ERC) issued the final green energy auction reserve (GEAR) price for the second round at P4.40 per kilowatt-hour (kWh) for ground-mounted solar; P4.87 per KWh for rooftop solar; P5.39 per kWh for floating solar; P5.85 per kWh for onshore wind; P5.40 for biomass and P6.27 per kWh for biomass waste-to-energy. — **Ashley Erika O. Jose**

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link <bit.ly/GreenEnergy070423>

BW FILE PHOTO

NGCP grid plan aligns with gov't RE targets

THE National Grid Corp. of the Philippines (NGCP) said its Transmission Development Plan (TDP) is compliant with the Department of Energy's (DoE) renewable energy (RE) target of 50% RE integrated with the grid by 2040.

In a statement on Monday, the NGCP said its TDP incorporates developments in the variable renewable energy (VRE) industry, in anticipation of committed renewable energy plants which are due to be connected to the grid in the next few years.

"The annual TDP prepared by NGCP and presented to stakeholders in public consultations is aligned with the Department of Energy's National Renewable Energy Program 2020-2040. This targets 50% integration of renewables in the grid's installed capacity by 2040," the NGCP said.

The NGCP added that integrating additional RE into the grid will also require "reinforcement in both policy and support infrastructure."

"The entry of more conventional, nonvariable generation and energy storage systems to support VRE installations must be planned simultaneously," the NGCP said.

The company said the State Grid Corp. of China (SGCC) which owns a 40% stake in NGCP, can deploy grid technologies that can support green and sustainable power grids.

"With its access to SGCC's technology, NGCP is more than capable of accommodating increasing integration of renewable energy into the grid for a more sustainable energy mix," the NGCP said.

NGCP capital expenditure (capex) requires the approval of the Energy Regulatory Commission (ERC) under Republic Act No. 9136, or the Electric Power Industry Reform Act.

"The ERC, among all agencies, will be centrally crucial to the success of all this. The DoE itself has recognized that transmission projects to support their recent offshore wind projects have not been included in NGCP's 5th regulatory period application with the ERC," it added.

ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta said the Commission defers to the DoE for the design and implementation of offshore wind (OSW) projects.

"Once the DoE clears the plan and tasks of the building of transmission projects for OSW projects, we shall evaluate the applications filed for such network enhancements without delay," Ms. Dimalanta said in a Viber message.

The NGCP said access to funding was not an issue. However, it cited regulatory constraints like capex approvals, the protracted permit process at local government unit level, and right-of-way issues as the "main roadblocks" to completing the company's projects.

"If the ERC will allow us to spend the capital needed to support this laudable push towards green energy, we are very confident that NGCP will be able to deliver," the NGCP said.

"We hope for the government and regulator's support in drafting policies and allowing NGCP to have enough capex to fund the required projects to support RE. This move towards a greener and more sustainable grid requires a holistic approach and we hope for synergy among all the energy players to ensure the fruition of these efforts," it added. — **Ashley Erika O. Jose**

OPINION

Simplified requirements and policies for VAT refund applications

LET'S TALK TAX
JOHN PAULO D. GARCIA

Value-added tax (VAT) refund administration presents many challenges. Taxpayers often face frustration due to inefficient procedures and strict requirements even for legitimate refund claims.

In the Philippines, VAT is imposed on the value added at each production stage using an invoice-based method, i.e., VAT on output or sales less the VAT paid on goods and services consumed during production. If a taxpayer, for instance, is engaged in sales transactions subject to VAT at 0% (like export transactions and sales to entities enjoying fiscal incentives) but is paying the 12% on its production inputs, the taxpayer will normally be in excess input VAT credit position. The excess input VAT credits should be refunded to the taxpayer lest the VAT become a tax paid on production and investment, which can be discouraging for taxpayers and investors. Hence, VAT refund policies and processes should be efficient.

Fortunately, conscious efforts are being undertaken by the Bureau of Internal Revenue (BIR) to simplify the requirements and procedures for VAT refunds. Recently, the BIR issued Revenue Memorandum Circular (RMC) No. 71-2023 and Revenue Memorandum Order (RMO) No. 23-2023 which streamline the rules and requirements for VAT refund claims. The simpler procedures apply to VAT refund applications filed starting July 1, 2023.

Here are the updates introduced by the BIR in the new RMC and RMO, specifically for VAT refund applications of excess input taxes attributable to zero-rated sales.

VENUE FOR FILING VAT REFUND CLAIMS

Claims for VAT refund of direct exporters, regardless of the percentage of export sales to total sales and whose claims are anchored under Section 112 (A) of the Tax Code of 1997, may still be filed with the VAT Credit Audit Division (VCAD) at the BIR National Office.

However, claims of other taxpayers like indirect exporters or those engaged in other VAT zero-rated activities, other than direct exports, may now be filed with the Large Taxpayers VAT Audit Unit (LTVAU) of the Large Taxpayers Service (LTS) for large taxpayers or the VAT Audit Section (VATAS) in the Regional Assessment Division or respective Revenue District Office (RDO) where the taxpayer is registered, if without VATAS, for non-large taxpayers.

Previously, these VAT refund applications had been filed with the LT Audit Division in the LTS or RDO where the taxpayer is registered, for large taxpayers and non-large taxpayers, respectively.

REDUCED REQUIREMENTS

One of the most welcome changes is the significant reduction of the number of documentary requirements needed tfor submission in a VAT refund application. The previous checklist of documentary requirements had 30 documents, which have been reduced to 22 under the new rules. Some of the requirements included in the checklist may not be applicable depending on the types of transactions the claimant is engaged in.

The revised checklist notably excludes some documents already available in the BIR's records and database. For example, Quarterly VAT returns and Annual Income Tax Returns covering the period of the claim are no longer part of the checklist, as well as a copy of Audited Financial Statements (AFS), together with the complete notes to AFS, if the AFS was already submitted by the taxpayer via the BIR's eAFS facility. However, taxpayers can still submit copies of these documents to help the BIR officers in the timely processing of the claim.

The Delinquency Verification Certificate (DVC) issued by Collection Division of the BIR's Regional Office for non-large taxpayers or by the Large Taxpayers (LT) Collection Enforcement Division/LT Division Cebu/Davao for large taxpayers are no longer required for submission. Only the DVC issued by the Accounts Receivable Monitoring Division (ARMD) of the BIR National Office must be secured by the taxpayer and submitted during the application for VAT refund.

For claims with input VAT on imports, a certification from DoF-OSS Center that the claimant has not filed a similar claim/s covering the same period has been deleted from the checklist due to the abolition of the DoF-OSS Center. Moreover, proof of payment of input VAT on imports, like the Statement of Settlement of Duties and Taxes (SSDT) is no longer required as the VAT Payment Certification to be issued by the BoC Revenue Accounting Division (RAD) is deemed sufficient.

ORIGINAL COPIES OF DOCUMENTS

In the latest RMC and RMO, the BIR now requires only the original of the duplicate copies of sales invoices or official receipts issued for sales transactions, and the original copies of suppliers' sales invoices or official receipts and other supporting documents for the input VAT from purchases. Under the previous policy of the BIR, soft copies of the documents stored in a separate memory device should also be submitted, in addition to the original copies.

However, would it have been more practical for taxpayers to submit soft copies only or at least give the taxpayers a choice whether they would like to submit either the original copies or the soft copies of the documents?

One concern on the submission of original copies of the documents is the adequacy of storage space in the BIR offices in anticipation of the volume of documents to be stored. It should also be ensured that the original documents remain intact and complete while in BIR custody, since taxpayers will still most likely be requiring the documents in the future. For instance, the taxpayer may be subjected to a BIR audit which will require the submission of proof of sales and expense transactions to refute any BIR findings, or, in case of denial of the VAT refund claim by the BIR, the taxpayer will also have to present the same documents to the courts if the claim is elevated to the judiciary.

OTHER POLICIES

The old policy of the BIR that only applications with complete documentary requirements are to be accepted remains has been retained in the new RMC and RMO. Thus, taxpayers should plan their applications accordingly and ensure that all applicable documents on the checklist are secured and available for submission to the BIR.

The new RMO provides that in cases where a taxpayer files VAT refund claims beyond the two-year prescriptive period, the application will be accepted but will be for outright denial, for the claimant to avail of judicial remedy. Previously, claims that are not filed within the prescriptive period were not accepted by the BIR.

However, I think that it is prudent for taxpayers to still strictly observe the two-year prescriptive period to apply for the administrative claim for VAT refund. It is worth noting that the two-year prescriptive period is expressly provided for in our Tax Code. Moreover, the Court of Tax Appeals and Supreme Court have consistently ruled that the filing of the VAT refund claim within two years after the close of the taxable quarter when the sales were made is one of the requisites in order to validly claim a refund of unutilized input VAT.

Regarding taxpayers with tax delinquencies, the previous policy of the BIR was to not receive VAT refund applications where the Delinquency Verification Certificate (DVC) submitted shows delinquent accounts other than VAT. The claimant must first settle the tax liabilities so that a DVC with no tax liabilities can be issued by the DVC-issuing office.

In the latest RMO, the BIR allows such claims to be accepted. However, the tax liability will be offset against any approved VAT refund, to allow the collection, either fully or partially, of the outstanding delinquent tax liability, subject to existing tax laws and issuances on the enforcement and settlement of delinquent accounts.

I laud our tax authorities for taking another step towards ease of doing business through these new issuances. Admittedly, VAT refund administration can be a tricky exercise. Strategies and processes must be in place to ensure that only legitimate VAT refund claims are granted. At the same time, these strategies and processes should not erode taxpayer confidence in the VAT refund system. When the right balance is struck, it's a win for both the government and the taxpayers.

Let's Talk Tax is a weekly newspaper column of P&A Grant Thornton that aims to keep the public informed of various developments in taxation. This article is not intended to be a substitute for competent professional advice.

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