



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL No. **3403**

Introduced by BAYAN MUNA
Reps. CARLOS ISAGANI T. ZARATE and NERI JAVIER COLMENARES

AN ACT
PROVIDING FOR INCENTIVES AND CREDIT FACILITIES
FOR CONSUMERS OF SMALL SOLAR POWER SYSTEMS IN THE PHILIPPINES

EXPLANATORY NOTE

In an era of increasingly high prices and foreseeable decline of the global oil supply, government should at the soonest develop fuel alternatives and accelerate the exploration and utilization of renewable sources of energy. In 2008, Congress enacted Republic Act no. 9513 or the Renewable Energy Act to encourage investments in renewable energy. To complement this measure, it is also necessary to encourage demand and provide incentives especially to purchasers of small renewable energy systems.

The Philippines will greatly benefit from using renewable sources of energy because of its clean and sustainable character. In particular, solar technology can be an immediate and sustainable way to deal with the country's energy problems, especially with the abundance of solar energy throughout the country and the modular nature of solar energy systems.

Besides the country being second in Southeast Asia in terms of irradiation and insolation, we already have the foundation to become a renewable energy leader in the region owing to the strong semiconductor industry and the manpower base serving in the manufacturing and service sectors, especially the installers sub-sector.

With government harnessing the solar resources of the country and providing for incentives for massive deployment of solar energy systems, the prospects of attaining energy independence from oil companies and significantly lowering electricity prices in the medium-term are realizable.

This bill provides for incentives and financing facilities to encourage the use of solar energy by ordinary electricity consumers like residences, offices and small to medium business establishments. It is hoped that through this, the demand for clean solar energy, as well as the opportunities for local manufacturing and related solar energy products and services, will increase.

The government should invest in solar power to promote energy stability and independence from imported energy sources, mitigate global warming and air pollution and encourage industry growth that will lead to more jobs and lower electricity bills.

In view of the foregoing, immediate approval of this measure is sought.

Approved,


Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-list


Rep. NERI JAVIER COLMENARES
Bayan Muna Party-list

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

SECTION 1. *Short Title* – This Act shall be known as the “One Million Solar Roofs Act of 2011.”

SECTION 2. *Declaration of Policy* - It is the policy of the State to promote the utilization of renewable energy resources to reduce dependence on imported energy from fossil fuels, take into account public health and the environment and generate additional jobs and local businesses for a sustainable national growth.

In pursuit of said policy, the state encourages the use of small solar power systems especially in residences and offices where the portability and flexibility of solar power technology can be maximized.

SECTION 3. *Definition of Terms* – as used in this Act, the following terms shall mean:

- (a) **“Small Solar Power System”** – rooftop-installed solar-powered equipment, devices and systems, not exceeding 10 kilowatts (kw) for residential and 500 kw for businesses, used to generate electricity, light, or heat water;
- (b) **“Eligible Participant”** – any individual or entity, such as an owner of a home, business or school, that the government determines to be appropriate pursuant to the purposes of this Act;
- (c) **“Installed Nameplate Capacity”** - maximum output or amount of energy a facility or equipment, such as a solar power system, is designed to produce and sustain;

- (c) **“Local content”**- the use of Filipino manpower, technology, materials and other services;
- (d) **“Installation Target”** – the share of solar power in the total energy mix in the next 10 years;
- (e) **“Net metering”** – a system, appropriate for distributed generation, in which a distribution grid user has a two-way connection to the grid and is only charged for his net electricity consumption and is credited for any overall contribution to the electricity grid;
- (f) **“Malampaya Funds”** – Government share in the revenues derived from the Malampaya oil field in Palawan.

SECTION 4. *Installation of Solar Power Systems* – The government, through the Department of Energy, the National Renewable Energy Board (NREB) and the Housing and Urban Development Coordinating Council (HUDCC), shall encourage the installation of small solar energy systems in homes and business establishments all over the country, targeting a million rooftops in the next ten years.

SECTION 5. *Approval of Eligible Participants and Solar Power Systems* – The NREB shall formulate and implement the eligibility criteria for qualified participants who may avail of the various incentives and programs under this Act. The NREB shall likewise determine the minimum standards for small solar power systems, taking into account installed nameplate capacity as well as local content, which should be at least fifty percent (50%).

SECTION 6. *Soft Loans and Other Incentives for the Purchase and Installation of Small Solar Power Systems and the Generation of Solar Electricity* – There is hereby established under this Act a program, to be jointly administered by the NREB, the Pag-IBIG Fund, the Government Service Insurance System (GSIS), and the Social Security System (SSS), which shall provide for a solar rooftop credit and financing program, accessible to all eligible Pag-IBIG, GSIS and SSS members. Such program includes but is not limited to the installation of small solar power systems as an allowable expense for home construction and improvement.

SECTION 7. *Fiscal Incentives* – Subject to existing laws, rules and regulations, incentives granted to renewable energy developers as provided for in Republic Act no. 9513 or the Renewable Energy Act shall be applied to eligible participants using small solar power systems.

SECTION 8. *Net Metering* – Users of small solar power systems shall be qualified to enter into net-metering agreements with distribution utilities, as mandated by Sec. 10 of Republic Act no. 9513. No unreasonable technical, fiscal, and administrative barriers, either national or local, shall be imposed upon the participants. The NREB shall ensure that systems for this purpose are put in place within one year from the effectivity of this Act.

SECTION 9. *Implementing Rules and Regulations*. – The NREB shall, in consultation with the stakeholders such as homeowners, small businesses, factories and renewable energy providers, issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 10. *Appropriations* - Necessary funds for the purposes of this Act shall be taken from the proceeds of the Malampaya funds. Budgetary support for administrative expenses shall be taken from the Renewable Energy Trust Fund created under Republic Act no. 9513 or the Renewable Energy Act.

SECTION 11. *Repealing Clause* - All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 12. *Separability Clause* - If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue to be in full force and effect.

SECTION 13. *Effectivity* - This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,