

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10777



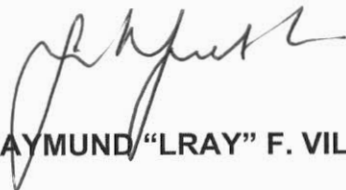
Introduced by HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

**AN ACT
ESTABLISHING THE SOLAR HOME SYSTEM FINANCING FOR SOCIAL HOUSING
PROGRAM, AND PROVIDING FUNDS THEREFOR**

This bill seeks to establish a solar home system financing program that can be integrated into social housing financing programs payable in 25-30 years. This is to take advantage of the declining costs of solar energy and the need to address problems in accessing electricity.

The scale of social housing financing projects has good potential for renewable energy installation. The program is intended for the socialized housing sector who usually cannot afford the investment for renewables. The government can help defray this initial cost by establishing renewable energy financing programs that are normally inaccessible to the poor.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

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AN ACT
ESTABLISHING THE SOLAR HOME SYSTEM FINANCING FOR SOCIAL HOUSING
PROGRAM, AND PROVIDING FUNDS THEREFOR

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

Section 1. *Short Title.* – This Act shall be known as the "Solar Home System Financing for Social Housing Program Act."

Sec. 2. *Declaration of Policy.* – The Constitution mandates that the State shall protect and promote the right of people to decent housing with basic services at affordable cost. The informal settler families (ISFs), particularly those located in danger zones and those displaced by government infrastructure projects and calamities deserve no less than habitable resettlement areas as well as climate-resilient communities.

Recognizing the right to have quality, reliable, affordable, safe and regular supply of electric power vis-a-vis the vulnerability of the Philippine archipelago and its local communities, particularly the poor, women, and children, to potential dangerous consequences of climate change, the State shall strengthen, integrate, consolidate and institutionalize initiatives to address climate change in the context of sustainable development, such as the prioritization of renewable sources in energy generation to reduce greenhouse gas emissions.

Sec. 3. *Definition of Terms.*

- a) *Solar Energy.* – refers to the energy derived from solar radiation that can be converted into useful thermal or electricity energy.
- b) *Solar Energy Systems.* – refers to energy systems which convert solar energy into thermal or electrical energy.

- c) *Solar Home System (SHS)*. – refers to a stand-alone photovoltaic system that offers a cost-effective mode of supplying amenity power for lighting and appliances to remote off-grid households. Depending on viability, SHS may be grid-tie, off-grid or hybrid solar PV.
- d) *Net Metering*. – refers to a system, appropriate for distributed generation, in which a distribution grid user has a two-way connection to the grid and only charged for his/her net electricity consumption and is credited for any overall contribution to the electricity grid.
- e) *Off-grid Systems*. – refers to electrical systems not connected to the wires and related facilities of the On-Grid Systems of the Philippines.
- f) *On-grid Systems*. – refers to electrical systems composed of interconnected transmission lines, distribution lines, substations, and related facilities for the purpose of conveyance of the bulk power on the grid of the Philippines.
- g) *Renewable Energy Systems*. – refer to energy systems which convert RE resources into useful energy forms, like electrical, mechanical, etc.
- h) *Rural Electrification*. – refers to the delivery of basic electricity services, consisting of power generation, sub-transmission, and/or extension of associated power delivery system that would bring about important social and economic benefits to the countryside.

Sec. 4. *Creating the solar home systems financing for social housing program*. – All current and future social housing financing programs shall require the integration of the SHS financing program to defray up-front investment of poor families and communities on solar PV installations to provide secure, dean, and environmental-friendly power services in both in-city and off-city resettlement sites. The annual target for solar housing units shall be based on the combined annual social housing targets of the LGUs, NHA and SHFC. Per housing unit, a corresponding budget will be allocated for SHS financing based on the prevailing cost of solar home systems in the market on top of the cost for the production of the housing units. The terms of the financing program, which may be in the form of loans, grants and equity contributions from the shelter agencies shall be designed so that electricity-related expenditures of households over the medium term will not be greater than expenditures they would incur if they were connected to the electricity grid.

The annual target for solar housing units shall be based on the combined annual social housing targets of the NHA and SHFC. Per housing unit, a corresponding budget will be allocated for SHS financing based on the prevailing cost of solar home systems in the market on top of the cost for the production of the housing units.

Sec. 5. *Promotion of solar home systems as an affordable, viable, accessible, clean and cheaper energy source for social housing programs*. – The NHA and SHFC shall incorporate education and information dissemination immediately in the first phase of the implementation of resettlement projects to orient ISFs about the SHS financing program.

Sec. 6. *Appropriations*. – The amount necessary for the implementation of this Act shall be included in the annual General Appropriations Act.

Sec. 7. *Implementing Rules and Regulations.* – The Department of Housing and Sustainable Urban Development (DHSUD), NHA and the SHFC, in coordination with the Department of Energy (DOE), Department of Interior and Local Government (DILG), and other government agencies concerned, shall promulgate the necessary implementing rules and regulations within thirty (30) days upon the effectivity of this Act.

Sec. 8. *Separability Clause.* – If any provision, section or part of this Art shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other provisions, sections or parts thereof.

Sec. 9. *Repealing Clause.* – All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with this Art is hereby repealed, amended or modified accordingly.

Sec. 10. *Effectivity.* – This Art shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation of in the *Official Gazette*.

Approved,