

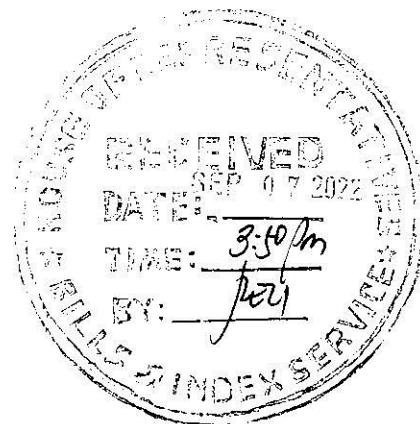


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS

First Regular Session

HOUSE BILL No. 4550



Introduced by **HONORABLE ERNESTO "ERNIX" M. DIONISIO, JR.**

EXPLANATORY NOTE

In 2021, the Department of Energy stated that despite efforts there are still 1.62 million households that have still no access to electricity.¹ Further still, despite the improvements ushered in by the government, the country still face an energy insecurity problem due to dependence on non-renewable energy, a growing national population which increases demand for electricity, and the impact of climate change, which render Filipinos living in disaster-risk areas vulnerable to displacement.² But the problem with electricity is not limited to access, there is also the adjoining problem of affordability. With these two combined, the hardest hit are informal settler families and the displaced.

There are an estimated 11 million people in the Philippines affected by energy poverty and the majority of them are urban poor and energy poor households.³ According Miss. Maitet Diokno of the Center for Power Issues Initiative, "poor communities are behind when we talk of power not only in the political and economic sense, but also in the field of electricity."

To combat the cost of electricity, resorting to renewable sources of energy like solar power is critical to ensuring that the marginalized have a steady and affordable source to power their homes. Exploiting renewable energy technology like solar power will shield indigent Filipinos from the financial burden of electricity costs and allow them to have habitable homes and communities. Further, solar power is a sustainable option for the environment due to reduce carbon emissions.

With this, the passage of this bill is highly sought.

¹ <https://business.inquirer.net/315918/93-of-filipino-homes-now-have-access-to-electricity>

² <https://www.adb.org/sites/default/files/publication/529771/adbi-wp1009.pdf>

³ <https://philippines.fes.de/e/tilting-the-power-balance-thru-green-power>



ERNESTO "ERNIX" M. DIONISIO, JR.
Assistant Majority Floor Leader

Congressman
First Congressional District of Manila



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 4550

Introduced by HONORABLE ERNESTO "ERNIX" M. DIONISIO, JR.

AN ACT
PROVIDING FOR A SOLAR HOME FINANCING SYSTEM FOR INFORMAL
SETTLER FAMILIES AND SOCIAL HOUSING BENEFICIARIES AND PROVIDING
FUNDS THEREFOR

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 "Solar Home System Financing for Informal Settler Families and Social Housing Beneficiaries Act."

SECTION 2. Declaration of Policy. – It shall be the policy of the state to undertake measures to uplift the conditions of the underprivileged in urban areas and resettlement areas by making decent and affordable the cost of housing and basic services.

The State recognizes the importance of electrification in the welfare of the people and the sound development of the Philippines. Hence, the State shall promote and encourage the use of renewable sources of energy to sustain the energy needs of vulnerable and marginalized sectors.

SECTION 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 that convert solar energy into thermal or electrical energy.
- c) Solar Home System – 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, solar home systems 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 – refer 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.

SECTION 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 Social Home System financing program to defray up-front investment of poor families and communities on solar PV installations to provide secure, clean, and environment-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 housing targets of the local government units (LGUs), National Housing Authority (NHA) and the Social Housing Finance Corporation (SHFC). Per housing unit, a corresponding budget will be allocated for solar home system 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 solar housing system 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.

SECTION 5. Promotion of Solar Home Systems as an Affordable, Viable, Accessible, Clean, and Cheaper Energy Source. – The NHA and SHFC shall incorporate education and information dissemination immediately in the first phase of the implementation of resettlement projects to orient informal settler families and social housing beneficiaries about the solar home system financing program.

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

SECTION 7. Implementing Rules and Regulations. – The Department of Human Settlement and Urban Development (DHSUD), the NHA, and the SHFC, in coordination with the Department of Energy (DOE), the Department of Interior and Local Government (DILG), and other relevant government agencies concerned shall

promulgate the necessary implementing rules and regulations within sixty (60) days upon the effectivity of this Act.

SECTION 8. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 9. Effectivity Clause. – This Act shall take effect on the fifteenth (15) day following its publication in at least two (2) national papers of general circulation.