



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH (20th) CONGRESS
1st Regular Session

HOUSE BILL NO. 9817

Introduced by
REP. HENRY "INDY" F. OAMINAL JR.
REP. SANCHO FERNANDO "ANDO" F. OAMINAL
REP. JASON PAREDES ALMONTE

EXPLANATORY NOTE

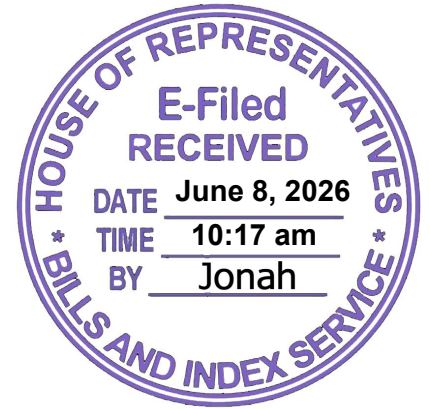
Energy is a key component of progress for a society. It is an essential tool for nation-building and an effective weapon against poverty. In the Philippines, while access to electricity has expanded across most of the country, it unfortunately remains inaccessible for many, especially those who need it most.

The data is uncontestable. Despite an electrification level of 91.1% as of mid-2023, approximately 2.45 million Filipino households remain without power. The majority of them are in remote and off-grid areas,¹ including in-city and off-city resettlement sites occupied by Informal Settler Families (ISFs). The lack of reliable and affordable electricity in resettlement sites also compromises the government's program because ISFs find it difficult, if not impossible, to remain in homes where there is no access to basic service such as electricity.

Millions of Filipino households, especially resettlement sites, remain in the dark because of two primary reasons. First, private utility companies require at least 90% occupancy of subdivisions before connection to the grid is allowed.² Second, alternatives

¹ Department of Energy, Phil., 2023–2032 National Total Electrification Roadmap (2023), *accessed at* https://legacy.doe.gov.ph/sites/default/files/pdf/electric_power/2023-2032-NTER-2023-2032-Annexes.pdf.

² Ballesteros and Egana, Efficiency and Effectiveness Review of the National Housing Authority (NHA) Resettlement Program, PIDS Discussion Paper No. 2013-28, at 13 (Phil. Inst. for Dev. Studies 2013), *accessed at* https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1328_rev.pdf.



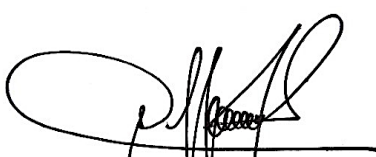
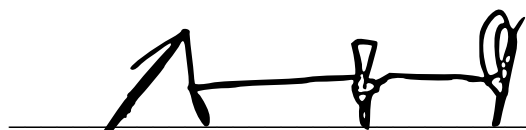
that bypass the requirement of private utility companies, such as solar power, are prohibitively expensive.

Solar Home System (SHS) – defined as a stand-alone or grid-tied photovoltaic system designed to supply electricity for lighting, communications, and basic appliances in a residential unit – can help solve this problem. It can, whenever applicable, exist independently from grid connection, and effectively bypass the dependence of households on private public utility companies as providers of access to electricity.

Unfortunately, while solar technology offers a solution, the next barrier is the cost which is prohibitive. Currently, solar energy loans reach up to PhP 500,000.³ ISFs cannot afford this. The remedy then is to spread out the obligation into manageable tranches and include them as part of existing housing loans offered by the government, subject to reasonable and favorable terms for the target beneficiaries.

By aligning new initiatives with – and enhancing – existing government programs, the problem of households (especially ISFs) deprived of access to affordable electricity could finally be solved. The importance of this initiative cannot be understated, given our country’s vulnerability to external shocks, causing the costs of energy to shoot up, as the recent geopolitical conflict in the Middle-East demonstrated.

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


REP. JASON PAREDES ALMONTE
Misamis Occidental, 1st District
REP. SANCHO FERNANDO "ANDO" F. OAMINAL
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REP. HENRY "INDY" F. OAMINAL JR.
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³ Government Service Insurance System, Ginhawa Solar Energy Loan, <https://www.gsis.gov.ph/ginhawa-solar-energy-loan/>.



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REP. SANCHE FERNANDO "ANDO" F. OAMINAL
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AN ACT
CREATING 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.”*

Section 2. Declaration of Policy. – The State recognizes its constitutional duty to make decent housing with basic services available at affordable cost to underprivileged and homeless citizens in urban centers and resettlement areas. Electricity is indispensable to health, education, safety, and economic participation.

Informal settler families (ISFs) displaced by government infrastructure projects, urban renewal programs, or disaster risk reduction measures are disproportionately excluded from grid electricity. Connection costs and occupancy-based service requirements make grid power inaccessible to most resettlement communities, negating the material benefits of resettlement.

Consistent with the State's policy of achieving energy self-reliance through sustainable development, solar home systems are a proven, cost-effective solution for off-grid and transitional housing communities. It is therefore the policy of the State to integrate solar home system financing into socialized housing programs so that every resettlement housing unit is delivered with a secure, clean, and affordable energy supply.

Section 3. *Definition of Terms.*

(a) ***"Civil Society Organizations"*** or ***"CSOs"*** refer to non-government organizations, people's organizations, ISF homeowners' associations, renewable energy advocacy groups, housing cooperatives, trade unions, and foundations that are non-profit and organized primarily for social or economic development purposes.

(b) ***Informal Settler Families (ISFs)*** refer to households living in a lot, whether private or public, without the consent of the property owner; or those without legal claim over the property they are occupying; or those living in danger areas such as esteros, railroad tracks, garbage dumps, riverbanks, shorelines, and waterways;

(c) ***"Program"*** refers to the Solar Home System Financing for Social Housing Program established under Section 4 of this Act.

(d) ***"Socialized Housing Beneficiary"*** refers to an individual or household that qualifies for and is allocated a socialized housing unit under the programs of the National Housing Authority (NHA) or the SHFC (Social Housing Finance Corporation).

(e) ***"Socialized Housing Unit"*** refers to a housing unit provided under the programs of the NHA or the SHFC with a selling price at or below the ceiling prescribed under Republic Act No. 7279 and its implementing rules, as may be adjusted from time to time.

(f) ***"Solar Home System"*** or ***"SHS"*** refers to a stand-alone or grid-tied photovoltaic system designed to supply electricity for lighting, communications, and basic appliances in a residential unit. An SHS includes, at minimum, solar photovoltaic panels, a charge controller or inverter, a battery storage system or grid-tie interface, and associated wiring and mounting hardware.

(g) “SHS Loan” refers to the financing component bundled into a socialized housing loan to cover the cost of procuring and installing a solar home system on the beneficiary’s housing unit.

Section 4. Solar Home System Financing for Social Housing Program. –

(a) Establishment. The NHA and the SHFC shall establish and administer the Solar Home System Financing for Social Housing Program. Under the Program, every socialized housing unit in a new or ongoing resettlement project shall include a solar home system as an integral component of the housing package delivered to the beneficiary.

(b) Financing Structure. The cost of the solar home system shall be incorporated into the beneficiary’s housing loan as an SHS Loan component, subject to the following:

- (1) The SHS Loan shall be amortized over the same term as the housing loan, not to exceed thirty (30) years.
- (2) The SHS Loan shall bear the same concessional interest rate applicable to the housing loan.
- (3) No separate down payment for the SHS Loan shall be required of the beneficiary.
- (4) The combined monthly amortization of the housing loan and SHS Loan shall not exceed the affordability threshold prescribed under the beneficiary’s housing program.

(c) Procurement. The NHA and SHFC shall procure solar home systems through competitive public bidding under Republic Act No. 9184, as amended. The procurement shall prioritize systems that meet the minimum technical specifications prescribed under Section 6 of this Act and carry a manufacturer’s warranty of not less than ten (10) years on photovoltaic panels and five (5) years on all other components.

(d) Installation and Commissioning. The NHA and SHFC shall ensure that each solar home system is installed and commissioned prior to the turnover of the housing unit to the beneficiary. Installation shall be performed by contractors accredited by the Department of Energy or the Energy Regulatory Commission, as applicable.

188 **(e) Maintenance Reserve Fund.** Each resettlement project covered under the
189 Program shall maintain a maintenance reserve fund, financed from a fixed monthly
190 contribution incorporated into the SHS Loan amortization. The fund shall be
191 administered by the implementing agency and used exclusively for routine upkeep and
192 component replacement of solar home systems within the project.

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194 **Section 5. Eligibility.** – A beneficiary qualifies for the Program if the beneficiary:

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196 **(a)** Is a qualified socialized housing beneficiary of the NHA or the SHFC;

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198 **(b)** Is allocated a unit in an in-city or off-city resettlement site where grid
199 electricity is unavailable, unreliable, or where grid-connection costs exceed the
200 affordability threshold prescribed by the DHSUD; and

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202 **(c)** Does not hold an existing solar energy system loan from any government
203 financing institution covering the same housing unit.

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205 **Section 6. Technical Standards.** – The Department of Energy shall, within sixty (60)
206 days from the effectivity of this Act, issue minimum technical specifications for solar
207 home systems eligible for financing under the Program.

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209 **Section 7. Community Orientation.** – Before relocating beneficiaries, the NHA and
210 SHFC shall, in coordination with CSOs, orient each resettlement community on the
211 operation and maintenance of the solar home system, the terms of the SHS Loan, and the
212 procedures for reporting defects and disputes.

213
214 **Section 8. Annual Report.** – The NHA and SHFC shall jointly report to the
215 Committees on Housing and Urban Development of both chambers on or before March
216 30 of each year, covering the number of solar home systems installed, SHS Loan releases
217 and collections with delinquency rates, maintenance reserve fund balances per project,
218 and technical or operational issues with the corrective measures taken.

219
220 **Section 9. Appropriations.** – The amount necessary for the initial implementation of
221 this Act shall be charged against the existing appropriations of the NHA and SHFC.
222 Thereafter, the funds necessary for the full implementation of this Act shall be included
223 in the annual General Appropriations Act.

224
225 **Section 10. Implementing Rules and Regulations.** – Within ninety (90) days from the
226 effectivity of this Act, the Secretary of the Department of Human Settlements and Urban

Development, as Chairperson, together with the authorized representatives of the NHA, SHFC, National Home Mortgage Finance Corporation, Department of Energy, and Department of the Interior and Local Government, shall jointly promulgate the implementing rules and regulations necessary to carry out the provisions of this Act. At least five (5) members of the drafting committee, selected by the DHSUD Secretary, shall come from CSOs.

Section 11. *Separability Clause.* – If any provision or part of this Act is declared unconstitutional or invalid, the remaining provisions shall continue in full force and effect.

Section 12. *Repealing Clause.* – All laws, executive orders, issuances, and rules and regulations inconsistent with this Act are hereby repealed, amended, or modified accordingly.

Section 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation or in the Official Gazette.

Approved,