

Republic of the Philippines
House of Representatives

Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10480



INTRODUCED BY REP. PATRICK MICHAEL "PM" D. VARGAS

AN ACT
REDUCING ELECTRICITY COSTS IN GOVERNMENT AGENCY BUILDINGS
AND OFFICES BY PROMOTING THE DEVELOPMENT AND UTILIZATION
OF SOLAR ENERGY THEREIN, PROVIDING FUNDS THEREFOR, AND
FOR OTHER PURPOSES

EXPLANATORY NOTE

Republic Act No. 9513, or the "Renewable Energy Act of 2008," established the State's policy of accelerating the development and utilization of renewable energy to strengthen energy security, reduce dependence on imported fuels, and promote sustainable power sources. Among these, solar energy has emerged as one of the most viable and cost-effective options, given the Philippines' abundant solar resources and advances in photovoltaic technology.

Despite these gains, electricity costs in the Philippines remain among the highest in Southeast Asia, driven largely by reliance on imported fossil fuels and structural constraints in the energy sector. These high costs not only burden households and businesses but also significantly increase government expenditures, placing pressure on public funds.

The enactment of the New Government Procurement Act of 2024 provides a strategic opportunity to accelerate solar adoption in the public sector. By enabling modern procurement approaches—such as lifecycle costing, performance-based specifications, and energy service contracting—government agencies can invest in solar energy systems that deliver long-term savings and improved efficiency.

The national government is well-positioned to lead this transition. Many government buildings, including offices, schools, and hospitals, have suitable spaces for solar installations. Harnessing these assets can reduce electricity expenses, improve energy resilience, and allow savings to be redirected toward essential services.

This bill seeks to institutionalize the installation and utilization of solar energy systems in government facilities, consistent with procurement reforms under the New Government Procurement Act of 2024. It mandates the Department of Public Works and Highways, in coordination with the Department of Energy and other agencies, to implement solar projects using cost-effective and sustainable procurement strategies.

By lowering electricity costs, improving fiscal efficiency, and advancing clean energy adoption, this measure supports a more resilient and sustainable public sector.

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



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Fifth District, Quezon City

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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 Energy in National Government Facilities Act."

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to promote the development and utilization of renewable energy resources, particularly solar energy, in government facilities as a means of ensuring a reliable, cost-efficient, and sustainable supply of electricity. Toward this end, the State shall reduce public expenditure on electricity, enhance energy security, and advance environmental sustainability and climate resilience through the adoption of solar energy systems in the public sector.

SEC. 3. Coverage. – This Act shall apply to all national government agencies (NGAs), including their regional offices, attached agencies, government-owned or -controlled corporations (GOCCs), and state universities and colleges (SUCs): Provided, That local government units (LGUs) are encouraged to adopt similar measures in their respective jurisdictions.

SEC. 4. Lead Implementing Agencies. The Department of Energy (DOE) shall serve as the lead implementing agency of this Act. The DOE shall, in coordination with the Department of Public Works and Highways (DPWH), the Department of Budget and Management (DBM), and other concerned agencies, oversee the planning, installation, and monitoring of solar energy systems in government facilities.

SEC. 5. Establishment of Solar Energy Systems in National Government Agency Buildings and Offices. – All covered government agencies shall, subject

to technical and financial feasibility, undertake the installation or expansion of solar energy systems in their respective buildings and offices: Provided, That within one (1) year from the effectivity of this Act, agencies shall commence implementation based on a phased and prioritized approach.

For purposes of this Act, "Solar Energy Systems" shall refer to systems or technologies that convert solar energy into electrical or thermal energy, including photovoltaic panels, inverters, mounting structures, and, where applicable, energy storage systems.

SEC. 6. Feasibility Assessment and Energy Audit. Prior to installation, all covered agencies shall conduct energy audits and feasibility studies, including structural integrity assessments, load requirements, and cost-benefit analyses, in coordination with the DOE and DPWH.

SEC. 7. Procurement and Implementation Modalities. The procurement, installation, operation, and maintenance of solar energy systems shall be undertaken in accordance with the New Government Procurement Act of 2024 and its implementing rules and regulations.

Government agencies are hereby authorized to utilize modern and strategic procurement approaches, including but not limited to lifecycle costing, performance-based specifications, framework agreements, and energy service contracting, as well as public-private partnerships and other innovative financing mechanisms, in order to ensure cost efficiency, long-term savings, and timely implementation of solar energy systems.

SEC. 8. Lifecycle Costing. – In the procurement of solar energy systems, all covered agencies shall adopt lifecycle cost analysis, taking into account capital costs, operations and maintenance, system efficiency, and long-term energy savings, in accordance with the New Government Procurement Act of 2024.

SEC. 9. Net Metering and Grid Integration. – Covered government agencies are hereby authorized and encouraged to participate in net-metering and other renewable energy programs pursuant to Republic Act No. 9513, or the Renewable Energy Act of 2008, and its implementing rules and regulations, to maximize the utilization of excess generated power.

SEC. 10. General Guidelines. – For the purposes of this Act, the following shall be the general guidelines for solar energy systems in national government buildings and offices:

- a. Establishment and construction shall immediately commence to supply power to national government agency buildings or offices;
- b. The installation of solar energy systems shall be undertaken in a cost-efficient and sustainable manner;
- c. The Department of Finance shall apply the appropriate provisions of Chapter VII (General Incentives) of Republic Act No. 9513, or the Renewable Energy Act of 2008, to the renewable energy systems established and constructed for government agencies; and

- d. Government agencies shall enjoy the privileges granted to qualified end-users as certified by the DOE-Renewable Energy Management Bureau, as provided in Sections 10 and 12 of Republic Act No. 9513.
- e. Agencies shall coordinate with the DOE for certification as qualified end-users where applicable; and
- f. Priority shall be given to high-energy-consuming government facilities such as hospitals, schools, and major administrative offices.

SEC. 11. Minimum Standard. – Subject to technical and financial feasibility, solar energy systems installed pursuant to this Act shall supply at least five percent (5%) of the electric power requirements of each covered facility within three (3) years from the effectivity of this Act: *Provided, That* this requirement shall increase by five percent (5%) every five (5) years thereafter; *Provided, further,* That nothing in this Act shall preclude the expansion of existing solar energy systems installed in government buildings and offices.

SEC. 12. Reporting and Monitoring. All covered agencies shall submit an annual report to the DOE detailing the status of implementation, energy generated, cost savings achieved, and other relevant performance indicators. The DOE shall consolidate and submit a comprehensive report to Congress annually.

SEC. 13. Congressional Oversight. – Upon the effectivity of this Act, the Joint Congressional Energy Commission shall exercise oversight powers over its implementation.

SEC. 14. Funding. – The amount necessary for the immediate implementation of this Act shall be charged against any available funds of the government agencies covered by this Act. Thereafter, such sums as may be necessary shall be included in the General Appropriations Act (GAA).

SEC. 15. Implementing Rules and Regulations. – The DOE, in coordination with DPWH, DBM, DOF and other concerned agencies, shall issue the necessary implementing rules and regulations for the effective implementation of this Act within ninety (90) days from its approval.

SEC. 16. Separability Clause. – If any provision or part of this Act is held invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

SEC. 17. Repealing Clause. – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule, or regulation inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

SEC. 18. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,