

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

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 10481



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

AN ACT
TO FURTHER PROMOTE THE ADOPTION OF ROOFTOP SOLAR
TECHNOLOGY AMONG END-USERS, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 9513, OTHERWISE KNOWN AS THE "RENEWABLE
ENERGY ACT OF 2008," AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines continues to face some of the highest electricity prices in Southeast Asia, placing considerable financial pressure on households and businesses while affecting the country's economic competitiveness. At the same time, the country's growing electricity demand, recurring supply constraints, and increasing exposure to volatile fuel prices underscore the urgent need to accelerate the deployment of indigenous, affordable, and sustainable energy resources. Among these, rooftop solar photovoltaic (PV) systems have emerged as one of the most practical and cost-effective solutions for expanding clean energy generation while enhancing consumer participation in the energy transition.¹

The rapid advancement of solar technology over the past decade has significantly reduced installation costs while improving system efficiency and reliability. In the Philippines, these developments have been complemented by the continued expansion of distributed energy resources, greater public awareness of renewable energy, and sustained government efforts to diversify the country's energy mix. Falling technology costs, coupled with persistently high retail electricity rates experienced by Filipino consumers in 2026, have made rooftop solar an increasingly attractive investment for residential, commercial, industrial, and institutional end-users seeking long-term savings and greater energy security.²

¹ Department of Energy (DOE), Philippine Energy Plan (PEP) 2023–2050; International Energy Agency (IEA), Philippines 2023 Energy Sector Review; Energy Regulatory Commission (ERC), Net-Metering Program for Renewable Energy.

² DOE, PEP 2023–2050; International Renewable Energy Agency (IRENA), Renewable Power Generation Costs in 2023 (published 2024); IEA, Renewables 2024.

The country likewise possesses abundant solar resources, with average daily solar irradiation ranging from approximately 4.5 to 5.5 kilowatt-hours per square meter across much of the archipelago. This natural advantage presents a significant opportunity to harness distributed solar generation to supplement conventional power supply, reduce dependence on imported fossil fuels, mitigate greenhouse gas emissions, and strengthen the resilience of the national power system. Rooftop solar installations also lessen pressure on transmission infrastructure by generating electricity at or near the point of consumption, thereby contributing to a more efficient and reliable electric grid.³

Existing policies under Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008, particularly the Net-Metering Program, have laid the groundwork for consumer participation in renewable energy generation. Recent reforms, including the implementation of the Green Energy Auction Program, the Green Energy Option Program, amendments to the Renewable Portfolio Standards, and policies encouraging greater private sector participation in renewable energy development, demonstrate the government's commitment to accelerating the country's clean energy transition. Nevertheless, barriers remain, including regulatory complexity, inconsistent permitting processes, financing constraints, and limitations affecting the broader adoption of distributed generation technologies.⁴

Despite the country's substantial renewable energy potential, Filipino consumers continue to shoulder some of the highest electricity prices in the region. Rising generation costs, dependence on imported fuel, transmission charges, and supply shortages have contributed to elevated power rates that affect both household budgets and business operations. These circumstances reinforce the need to empower consumers to generate a portion of their own electricity through rooftop solar systems, thereby reducing electricity expenses while contributing excess clean energy to the distribution grid.⁵

This measure integrates several proposed measures to amend and improve the Renewable Energy Act of 2008, the country's primary law encouraging the development and integration of Renewable Energy, which aim to strengthen the existing legal framework by promoting the wider adoption of rooftop solar technology among residential, commercial, and industrial end-users. Specifically, it seeks to remove regulatory barriers to distributed generation, improve the fairness and efficiency of the net-metering framework, standardize permitting and licensing requirements nationwide, and institutionalize accessible financing mechanisms for solar installations. These reforms will encourage greater private investment, enhance energy affordability, improve energy security, and support the country's

³ World Bank Group and ESMAP, *Where Sun Meets Water: Floating Solar Market Report* (Philippines solar resource data); DOE, *National Renewable Energy Program (NREP) 2020–2040*.

⁴ Republic Act No. 9513 (Renewable Energy Act of 2008); Department of Energy, *Green Energy Auction Program (GEAP)*; DOE, *Green Energy Option Program (GEOP)*; Energy Regulatory Commission, *Net-Metering Rules*.

⁵ IEA, *Electricity Market Report 2025*; DOE, *PEP 2023–2050*; Manila Electric Company (MERALCO), *public advisories on electricity rate adjustments during 2025–2026*.

commitments to climate resilience and sustainable development.

By empowering Filipino consumers to become active participants in electricity generation, the proposed measure will contribute to a more decentralized, resilient, and environmentally sustainable power sector while helping mitigate the impact of persistently high electricity prices. It will likewise support the realization of the State's constitutional duty to protect and advance the people's right to a balanced and healthful ecology, while fostering inclusive economic growth through greater access to affordable and reliable clean energy.

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



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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 "*Pangmasang Solar Energy Act.*"

SEC. 2. Declaration of Policy. –The State recognizes that affordable, reliable, and sustainable energy is indispensable to national development, economic competitiveness, and the welfare of the Filipino people. It likewise affirms the need to accelerate the transition toward clean and indigenous energy sources to strengthen energy security, reduce dependence on imported fuels, and uphold the constitutional right of the people to a balanced and healthful ecology.

To this end, the State shall promote the widespread adoption of rooftop solar technology among residential, commercial, and industrial end-users by fostering an enabling regulatory environment, removing barriers to distributed renewable energy, and encouraging greater consumer participation in clean energy generation. In doing so, the State aims to lower electricity costs, improve grid resilience, and advance the country's renewable energy and climate objectives.

SEC. 3. Expansion of the Definition of Distributed Generation. – Section 4 of Republic Act No. 9513 is hereby amended to read:

"(j) Distributed Generation refers to a system of small generation entities supplying directly to the distribution grid, ~~anyone of which shall not exceed one hundred kilowatts (100 kw) in capacity;~~ **OR TO END-USERS, AND WHICH ARE PRIMARILY USED TO MEET OR AUGMENT THE ELECTRICITY REQUIREMENTS OF END USERS.**"

SEC. 4. Amendment to Net-Metering for Renewable Energy. – Section 10 of the same Act is amended to read:

"Section 10. *Net-Metering for Renewable Energy*. Subject to technical considerations and without discrimination and upon request by distribution end-users, the distribution utilities shall enter into net-metering agreements with qualified end-users who will be installing RE systems.

The ERC, in consultation with the NREB and electric power industry participants, shall:

- a. establish net-metering interconnection standards, pricing methodology, and other commercial arrangements necessary to ensure the success of the net-metering program within one (1) year from the effectivity of this Act;
- b. determine, every two (2) years, the maximum power capacity that can qualify for net-metering in distributed generation as defined in Section 4(j) of this Act, considering the following factors:
 - i. stability of the distribution grid;
 - ii. retail rates of captive customers; and
 - iii. other policies under this Act and Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), such as retail competition and open access.

IN ESTABLISHING A PRICING METHODOLOGY, THE ERC SHALL ENSURE THAT THE SAME REFERENCE PRICE SHALL BE APPLIED TO BOTH ELECTRICITY IMPORTED FROM AND EXPORTED TO THE DISTRIBUTION GRID BY END-USERS

The distribution utility shall be entitled to any Renewable Energy Certificate resulting from a net-metering arrangement with the qualified end-user who is using an RE resource to provide energy, and the distribution utility shall be able to use this RE certificate in compliance with its obligations under RPS.

The DOE, ERC, TRANSCO or its successors-in-interest, DUs, PEMC and all relevant parties are hereby mandated to provide the mechanisms for the physical connection and commercial arrangements necessary to ensure the success of the Net-metering for Renewable Energy program, consistent with the Grid and Distribution Codes."

SEC. 5. Standardization of Permits and Licensing Requirements. – The DOE, in coordination with the DILG, relevant distribution utilities, and local government units, shall standardize and streamline permitting and licensing requirements for rooftop solar installations.

The permitting process and licensing requirements shall be uniform across all distribution utilities and local government units, provided that all applications for net-metering shall be acted upon within thirty (30) days from the complete submission of correct and valid requirements.

A standard net-metering agreement between the distribution utility and end-users shall be included in the Implementing Rules and Regulations of this Act and shall be deemed integrated into every application of end-users for net-metering.

SEC. 6. Solar Installation Loans. – The Board of Trustees under Republic Act No. 9679 (Home Development Mutual Fund Law of 2009) shall develop a loan program for qualified members for the acquisition and installation of solar panels as part of home improvement or as a component of a housing unit, subject to existing Pag-IBIG Fund rules and regulations.

SEC. 7. Installation of Solar Panels on Government Buildings. – All government agencies, in coordination with the DOE, shall install solar energy systems in their respective offices and buildings.

The solar panels shall supply at least five percent (5%) of the electric power requirements of each government office or building within three (3) years from the effectivity of this Act. This requirement shall increase by five percent (5%) every five (5) years thereafter.

SEC. 8. Congressional Oversight. – Upon the effectivity of this Act, the Joint Congressional Energy Commission shall exercise oversight powers over its implementation.

SEC. 9. Appropriations. – Such funds as may be necessary to carry out the provisions of this Act shall be included in the annual appropriations of the Department of Energy.

SEC. 10. Implementing Rules and Regulations. – The DOE, NREB, ERC, and DILG, in consultation with stakeholders in the electric power and renewable energy industry, shall jointly promulgate the implementing rules and regulations within ninety (90) days from the effectivity of this Act.

SEC. 11. 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. 12. 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. 13. 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,