



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

Second Regular Session

House Bill No. 10745



Introduced by

Presley C. De Jesus, PhilRECA Party-List Representative

Sergio C. Dagooc, APEC Party-List Representative

EXPLANATORY NOTE

The Philippines continues to face the challenge of ensuring an electricity supply that is affordable, reliable, secure, and resilient. Advances in solar photovoltaic generation and battery energy storage technologies now provide households, businesses, health facilities, educational institutions, government establishments, and other electricity end-users with greater opportunities to generate and store electricity primarily for their own use.

Behind-the-meter (BTM) solar generation and battery energy storage systems (BESS) can enable consumers to reduce their dependence on electricity purchased from the distribution system, manage peak electricity consumption, improve energy resilience, and make greater use of electricity generated within their premises. Battery storage is particularly valuable because it allows electricity generated or purchased during periods of lower demand to be stored for use during periods of higher demand or interruptions in grid supply.

However, the adoption of these technologies should not be hindered by unnecessary or disproportionate regulatory requirements. At the same time, simplification must be accompanied by appropriate safeguards to protect consumers, electrical workers, distribution utilities, and the reliability and safety of the electric power system.

The Sariling Kuryente Act therefore establishes a proportionate and risk-

1 based framework for BTM solar generation and BESS. It provides simplified
2 regulatory treatment for standardized, low-risk systems and streamlines
3 procedures for qualified zero-export systems, while preserving necessary
4 technical, electrical, structural, fire, environmental, and distribution-system
5 safety requirements.

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7 The measure also strengthens consumer protection by requiring covered solar
8 and storage equipment to comply with applicable Philippine National
9 Standards and conformity-assessment requirements. It requires the
10 installation and commissioning of covered systems to be undertaken by duly
11 accredited installers and establishes appropriate accountability
12 requirements, including mandatory liability insurance or other financial
13 security, to protect consumers from unsafe installations, defective
14 workmanship, and unqualified or unscrupulous service providers.

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16 The bill further protects the ability of end-users to install BTM generation and
17 energy storage systems on property they own or exclusively control, while
18 allowing reasonable restrictions necessary for structural safety, public safety,
19 and the protection of common property.

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21 The bill also prioritizes energy storage as a means of increasing self-
22 consumption, reducing peak demand, and supporting distribution-system
23 reliability and resilience. It likewise recognizes the need to account for the
24 adoption of BTM systems in electricity planning while preventing
25 unreasonable cost shifting to consumers who do not have such systems. It
26 also authorizes the development of appropriate financing programs,
27 incentives, and targeted financial assistance for qualified end-users adopting
28 BESS and integrated solar-plus-storage systems, with priority given to
29 measures that support energy storage, reduce or shift peak demand, improve
30 electricity reliability and resilience, and assist low-income or underserved
31 consumers, subject to the availability of funds and applicable laws.

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33 By reducing unnecessary regulatory barriers while maintaining appropriate
34 safety, technical, environmental, and consumer-protection safeguards, the
35 Sariling Kuryente Act seeks to make consumer-owned solar generation and
36 energy storage simpler, faster, safer, and more accountable.

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

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43 **REP. PRESLEY C. DE JESUS**
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AN ACT

PROMOTING BEHIND-THE-METER SOLAR ENERGY GENERATION AND BATTERY ENERGY STORAGE SYSTEMS FOR OWN-USE, ESTABLISHING A STREAMLINED REGULATORY, SAFETY, AND CONSUMER PROTECTION FRAMEWORK, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE "ELECTRIC POWER INDUSTRY REFORM ACT OF 2001," AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as the "Sariling Kuryente Act."

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to:

- (a) Promote the adoption of behind-the-meter (BTM) solar energy generation systems, battery energy storage systems (BESS), and integrated solar-plus-storage systems for own-use by households and other electricity end-users;
- (b) Simplify, harmonize, and expedite the permitting, registration, notification, inspection, commissioning, and operation of qualified BTM systems while maintaining necessary safety and reliability

- 1 requirements;
- 2 (c) Promote battery energy storage to increase self-consumption, reduce
- 3 and shift peak electricity demand, improve consumer resilience, and
- 4 support the reliability, stability, and efficient operation of the electric
- 5 power system;
- 6 (d) Protect consumers and electrical workers from unsafe installations,
- 7 hazardous back-feeding, substandard equipment, and unqualified or
- 8 fraudulent suppliers and installers;
- 9 (e) Protect the right of electricity end-users to install qualified BTM systems
- 10 on property they own or exclusively control, subject to reasonable
- 11 requirements for structural safety, public safety, and the protection of
- 12 common property; and
- 13 (f) Establish proportionate regulatory requirements for BTM systems
- 14 based on their characteristics and potential impact on the distribution
- 15 system.

16 **SEC. 3. Definition of Terms.** – For purposes of this Act:

- 17 (a) **Battery Energy Storage System (BESS)** refers to equipment or
- 18 technologies capable of storing electrical energy for subsequent use,
- 19 including batteries, battery management systems, inverters, and
- 20 associated control systems.
- 21 (b) **Behind-the-Meter (BTM) System** refers to an electricity generation
- 22 system, energy storage system, or integrated generation and storage
- 23 system located on the end-user's side of the applicable point of
- 24 connection with the distribution system.
- 25 (c) **Micro-Solar System (MSS)** refers to a standardized small-scale solar
- 26 generation system intended for own-use, consisting of:
- 27 (1) photovoltaic (PV) modules with a total direct current (DC) nameplate
- 28 capacity not exceeding one thousand watts (1,000 W) or one kilowatt
- 29 (1 kW);
- 30 (2) a factory-set, grid-tied micro-inverter with a maximum alternating
- 31 current (AC) output of eight hundred watts (800 W) or zero point
- 32 eight kilowatts (0.8 kW), equipped with an automatic anti-islanding
- 33 disconnection safety mechanism; and
- 34 (3) a standard connection designed for connection through a standard
- 35 household wall outlet or circuit in accordance with the Philippine
- 36 Electrical Code (PEC) and applicable safety standards.
- 37 (d) **Own-Use** refers to the primary utilization of the generated energy by the
- 38 owner, occupant, or user of the residential, commercial, or industrial
- 39 property where the facility is installed, intended solely for own-use
- 40 consumption without the export of electricity to the distribution system.
- 41 (e) **Self-Generating Facility Zero-Export System (SGF ZESS)** refers to

1 solar PV installations of any capacity that are intended solely for own-
2 use and are not for the export of electricity to the distribution system,
3 and are equipped with appropriate control, protection, and isolation
4 mechanisms designed and configured to prevent the export of electricity
5 to the distribution system.

- 6 (f) **Accredited Supplier** refers to any person or entity accredited under
7 this Act that sells, supplies, imports, distributes, designs, installs,
8 commissions, maintains, repairs, or provides related services for BTM
9 solar energy generation systems, BESS, or associated equipment. An
10 Accredited Supplier shall maintain its own qualified team of installers
11 and shall be directly accountable for the entire supply, installation,
12 commissioning, warranty, and after-sales service of the BTM System.

13 **SEC. 4. Scope.** — This Act shall apply to behind-the-meter solar energy
14 generation systems, battery energy storage systems, and integrated solar-
15 plus-storage systems installed primarily for the own-use of electricity end-
16 users, subject to applicable laws, rules, regulations, and technical standards.

17 Systems capable of exporting electricity to the distribution system shall
18 remain subject to applicable laws and regulations governing interconnection
19 and authorized electricity export.

20 **SEC. 5. Amendment to Republic Act No. 9136.** — Section 6 of
21 Republic Act No. 9136, otherwise known as the “Electric Power Industry
22 Reform Act of 2001,” is hereby amended by adding the following paragraphs:

23 **“An electricity end-user that installs, owns, or operates a qualified**
24 **behind-the-meter electricity generation or energy storage system**
25 **primarily for own-use shall not, solely by reason thereof, be considered**
26 **a generation company or be subject to regulatory requirements**
27 **applicable exclusively to commercial generation or participation in the**
28 **electricity market, provided that such system complies with applicable**
29 **safety, technical, and other requirements under existing laws and**
30 **regulations.”**

31 **SEC. 6. Regulatory Framework.** – The DOE, in coordination with the
32 ERC, DTI, DILG, and other concerned government agencies within their
33 respective mandates, shall establish a proportionate and risk-based
34 regulatory framework for BTM Systems. The DOE shall lead the accreditation
35 framework for Suppliers under this Act, in coordination with the DTI and
36 DILG.

37 The framework shall provide simplified procedures for standardized, low-risk
38 systems, including qualified micro-solar and zero-export systems, while

1 providing appropriate technical requirements for systems whose
2 characteristics or configuration may materially affect the safety, operation, or
3 reliability of the distribution system.

4 The specific technical standards, system classifications, thresholds,
5 documentary requirements, accreditation requirements, and procedures shall
6 be prescribed pursuant to this Act and applicable laws.

7 **SEC. 7. *Simplified Treatment of Micro-Solar Systems.*** — Qualified
8 Micro-Solar Systems (MSS) within the capacity limits prescribed in this Act
9 shall be subject to simplified regulatory treatment, subject to applicable safety
10 and technical requirements.

11 For qualified MSS installed for own-use, the accreditation of the Supplier and
12 the required Notice of Installation shall, subject to applicable safety and
13 technical standards, be in lieu of additional local permits, clearances, or
14 approvals required solely for the installation of the system.

15 The implementing rules and regulations shall prescribe the applicable
16 notification, accreditation, inspection, registration, commissioning, and other
17 procedures for qualified MSS, including the requirements that may be
18 simplified or dispensed with for standardized, low-risk systems.

19 **SEC. 8. *Distribution Utility Requirements and Charges.*** – A
20 distribution utility shall not impose an interconnection, technical
21 assessment, meter replacement, study, fee, or other requirement solely by
22 reason of the installation of a qualified non-exporting BTM System, except
23 when such requirement is authorized by law or applicable ERC rules and is
24 reasonably necessary to address a documented and demonstrated safety,
25 technical, billing, or reliability concern.

26 Any authorized requirement or charge shall be reasonable, transparent,
27 proportionate, and uniformly and non-discriminatorily applied.

28 **SEC. 9. *Service Capacity.*** – The approved service capacity of an end-
29 user shall not be reduced solely because of the installation of a qualified BTM
30 System.

31 Any modification of service capacity, transformer allocation, or service
32 connection shall be based on a demonstrated technical or safety requirement
33 and shall comply with applicable ERC rules.

34 **SEC. 10. *Protection Against Unreasonable Restrictions.*** – No
35 homeowners' association, subdivision developer, property manager, or similar
36 entity shall unreasonably prohibit or effectively prevent the installation of a

qualified BTM solar energy generation system, BESS, or integrated solar-plus-storage system on property owned or exclusively controlled by an end-user.

Reasonable requirements or restrictions may be imposed only when necessary to address structural safety, electrical safety, fire safety, public safety, or the protection, integrity, or proper use of common property. Such requirements or restrictions shall not be applied in an unreasonable, arbitrary, or discriminatory manner so as to effectively prohibit the installation or operation of a qualified BTM System.

The DOE, in coordination with the Department of Human Settlements and Urban Development (DHSUD), Department of the Interior and Local Government (DILG), Bureau of Fire Protection (BFP), and other concerned agencies within their respective mandates, shall develop appropriate guidelines or model rules for the implementation of this Section.

SEC. 11. *Safety and Technical Requirements.* – All BTM Systems shall comply with applicable electrical, structural, fire, occupational, environmental, product-safety, and distribution-system safety requirements.

Every BTM System electrically connected to the distribution system shall incorporate appropriate anti-islanding, export-control, isolation, or equivalent protective mechanisms to prevent unintended energization or back-feeding of the distribution system.

Where required by applicable technical standards, the BTM System shall be equipped with an accessible and lockable manual disconnect, double-throw switch, or equivalent means of physical isolation.

BTM Systems shall be appropriately labeled and identified to enable distribution utility personnel, electrical workers, emergency responders, and other authorized persons to safely identify and isolate the system.

The specific protection, equipment, testing, commissioning, maintenance, labeling, and other technical requirements shall be prescribed pursuant to applicable laws, rules, regulations, codes, and technical standards.

SEC. 12. *Equipment Standards and Certification.* – Solar photovoltaic (PV) modules, inverters, batteries, BESS equipment, protection devices, and other covered equipment shall comply with applicable Philippine National Standards and mandatory product-safety and conformity-assessment requirements.

The Department of Trade and Industry (DTI), through the Bureau of Philippine Standards (BPS), shall administer applicable product standards and

1 conformity-assessment requirements for covered equipment, in coordination
2 with the DOE and other concerned agencies within their respective mandates.

3 No person shall knowingly sell, distribute, import, install, or represent as
4 compliant covered equipment that does not comply with applicable mandatory
5 standards.

6 **SEC. 13. Accreditation and Accountability of Suppliers.** – No
7 person or entity shall undertake the supply, design, installation,
8 commissioning, maintenance, repair, or other regulated installation services
9 for BTM Systems covered by this Act unless duly accredited as a Supplier
10 under this Act or otherwise authorized under applicable law.

11 No person or entity shall represent itself as an Accredited Supplier, use the
12 accreditation of another Supplier, or undertake installation through an
13 unauthorized or unregistered installation team.

14 The DOE, in coordination with the DTI, DILG, ERC, and other concerned
15 agencies within their respective mandates, shall establish and maintain an
16 accreditation system for Suppliers of BTM solar generation and BESS systems
17 and associated equipment.

18 Accreditation shall be granted only to Suppliers that demonstrate the required
19 business registration, technical competency, financial capacity, equipment
20 compliance, and other qualifications prescribed under this Act and its
21 implementing rules and regulations.

22 An Accredited Supplier shall maintain its own qualified team of installers and
23 shall be directly and fully accountable for the entire supply, installation,
24 testing, commissioning, warranty, maintenance, and after-sales service of the
25 BTM System.

26 The DOE, in coordination with the DTI and DILG, shall maintain a publicly
27 accessible registry of Accredited Suppliers and their authorized installation
28 teams.

29 **SEC. 14. Prevention of Fly-by-Night Suppliers and Substandard**
30 **Installations.** – No person or entity shall advertise, offer, represent, or
31 provide BTM System supply or installation services as an Accredited Supplier
32 unless duly accredited under this Act.

33 An Accredited Supplier shall ensure that all BTM Systems supplied, installed,
34 tested, or commissioned by it comply with applicable Philippine National
35 Standards, the Philippine Electrical Code, fire and safety requirements, and
36 other applicable technical standards.

1 An Accredited Supplier shall be responsible for correcting, at its own expense,
2 any defective or substandard installation attributable to its acts or omissions,
3 without prejudice to applicable warranty, insurance, civil, or administrative
4 remedies.

5 The DOE, in coordination with the DTI, DILG, ERC, and other concerned
6 agencies, shall establish measures to prevent fly-by-night suppliers,
7 unauthorized operators, misrepresentation of accreditation, fraudulent or
8 misleading representations, and substandard installations.

9 The implementing rules and regulations shall prescribe appropriate
10 requirements for supplier verification, installation records, warranties,
11 consumer complaints, corrective measures, and other mechanisms necessary
12 to protect consumers and ensure the quality and safety of BTM Systems.

13 **SEC. 15. Continuity of Supplier Obligations.** – An Accredited
14 Supplier that intends to cease, suspend, or discontinue its supply or
15 installation activities for BTM Systems shall notify the DOE and other
16 concerned government agencies within the period prescribed by the
17 implementing rules and regulations.

18 Such notification shall include measures for the orderly disposition of its
19 outstanding obligations, including warranties, maintenance, after-sales
20 service, and pending consumer complaints.

21 The cessation, suspension, or discontinuance of business shall not extinguish
22 the Supplier's obligations arising from BTM Systems previously supplied,
23 installed, or commissioned, including applicable warranty and consumer
24 protection obligations.

25 The implementing rules and regulations shall prescribe the notification
26 period, transition requirements, and procedures for the continued servicing
27 of systems previously supplied or installed by a Supplier that ceases
28 operations.

29 **SEC. 16. Penalties and Administrative Sanctions.** – Any Accredited
30 Supplier that violates this Act, its implementing rules and regulations,
31 applicable safety and technical standards, or the conditions of its
32 accreditation shall be subject to administrative penalties, without prejudice
33 to civil or criminal liability under existing laws.

34 (a) **First Offense.** – A fine in an amount to be prescribed under the
35 implementing rules and regulations and suspension of accreditation for
36 a period to be prescribed by the DOE;

37 (b) **Second Offense.** – A higher fine as may be prescribed under the

1 implementing rules and regulations and suspension of accreditation for
2 a longer period;

3 (c) **Third Offense.** – Revocation of accreditation and disqualification from
4 re-accreditation for a period to be prescribed by the DOE.

5 The penalties shall be imposed only after notice and opportunity to be heard
6 and in accordance with due process. The implementing rules and regulations
7 shall establish the schedule of fines, periods of suspension, grounds for
8 revocation, procedures for investigation and adjudication, and rules for
9 determining whether violations are separate offenses or continuing violations.

10 **SEC. 17. System Planning and Consumer Protection.** – The DOE
11 and ERC shall, within their respective mandates, ensure that the adoption of
12 BTM generation and energy storage is appropriately considered in electricity
13 demand forecasting, distribution planning, and power supply planning,
14 consistent with existing contractual and regulatory obligations.

15 Nothing in this Act shall authorize the modification, impairment, or avoidance
16 of valid existing contracts or obligations. The appropriate government
17 agencies shall take into account the effects of BTM adoption on system costs
18 and shall ensure, consistent with applicable law, that the implementation of
19 this Act does not result in unreasonable or unjustified cost shifting to
20 electricity consumers who do not have BTM systems.

21 **SEC. 18. Environmental Compliance and End-of-Life Management.**
22 – The installation, operation, maintenance, decommissioning, removal,
23 collection, transport, recycling, treatment, and disposal of solar photovoltaic
24 modules, batteries, BESS, and related equipment shall be undertaken in
25 compliance with applicable environmental laws, rules, regulations, and
26 standards.

27 The Department of Environment and Natural Resources (DENR), in
28 coordination with the DOE and other concerned agencies within their
29 respective mandates, shall prescribe appropriate environmental and end-of-
30 life management requirements for covered equipment, consistent with
31 existing law.

32 **SEC. 19. Financing and Government Support.** — The DOE, in
33 coordination with the Department of Budget and Management (DBM),
34 Department of Finance (DOF), and other concerned agencies within their
35 respective mandates, shall establish financing programs, targeted financial
36 assistance, incentives, or other forms of support for qualified end-users
37 adopting battery energy storage systems or integrated solar-plus-storage
38 systems for own-use.

1 Priority shall be given to measures that promote energy storage, reduce or
2 shift peak electricity demand, improve electricity reliability and resilience, and
3 support low-income or underserved consumers, subject to the availability of
4 funds and applicable laws.

5 No subsidy or financial assistance under this section shall be charged to
6 electricity consumers through distribution utility rates or charges unless
7 otherwise authorized by law.

8 **SEC. 20. Implementing Rules and Regulations.** – Within ninety (90)
9 days from the effectivity of this Act, the DOE, in coordination with the ERC,
10 DTI, DENR, DILG, DPWH, DHSUD, BFP, and other concerned agencies within
11 their respective mandates, shall promulgate the rules necessary for the
12 implementation of this Act.

13 **SEC. 21. Separability Clause.** — If any provision of this Act is
14 declared unconstitutional or invalid, the other provisions not affected thereby
15 shall remain in full force and effect.

16 **SEC. 22. Repealing Clause.** — All laws, decrees, executive orders,
17 rules, regulations, circulars, orders, and other issuances, or parts thereof,
18 inconsistent with the provisions of this Act are hereby repealed, amended, or
19 modified accordingly.

20 **SEC. 23. Effectivity.** — This Act shall take effect fifteen (15) days after
21 its publication in the Official Gazette or in a newspaper of general circulation.

22 Approved.