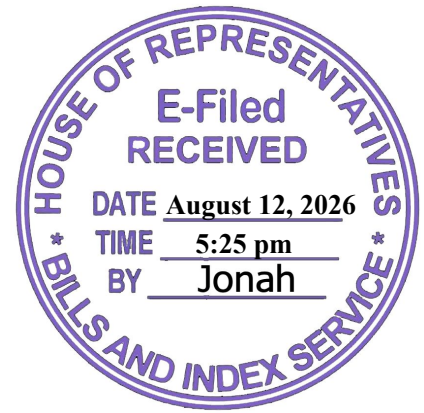


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS

Second Regular Session

House Bill No. 10759



Introduced by Representative Timothy Joseph Cayton

EXPLANATORY NOTE

Cumulative net-metered capacity stood at 157 megawatts as of May 2025, the yield of twelve years of the programme. Independent analysis of market generation data suggests that roughly 600 megawatts of rooftop solar were added in the twelve months to April 2026 alone. Households are now installing generation faster than the approval system can process it, and the greater part of that capacity sits outside the statutory scheme altogether. The framework no longer describes the industry it governs.

This bill closes that gap through a single classification rule, drawn from the Electric Power Industry Reform Act, which ties regulatory obligation to sale into the market: an end-user who generates power for personal consumption is not a generation company. The operative architecture follows from that premise. Qualified non-exporting systems require no prior approval and no certificate of compliance. Distribution utilities may not demand technical studies, meter replacement, agreements or added charges. Notification follows installation rather than preceding it. And homeowners' associations, developers and property managers may not prohibit installations on property the end-user owns or exclusively controls.

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


ATTY. TIMOTHY JOSEPH E. CAYTON, PhD.
Representative

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

Twentieth Congress
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House Bill No. **10759**

Introduced by Representative Timothy Joseph Cayton

AN ACT PROMOTING AND SAFEGUARDING THE INSTALLATION AND OPERATION OF BEHIND-THE-METER ELECTRICITY GENERATION AND ENERGY STORAGE SYSTEMS FOR PERSONAL CONSUMPTION, 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 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 the policy of the State to ensure the reliable, secure, affordable and environmentally sustainable supply of electricity, to accelerate the development of renewable energy resources, and to protect the interest of the consuming public.

SEC. 3. *Definitions.* — For purposes of this Act:

- (a) “**Behind-the-meter system**” refers to a generation facility, an energy storage facility, or both, located on the premises of an end-user and connected on the end-user’s side of the metering point.
- (b) “**Distribution utility**” refers to any electric distribution utility as defined in Republic Act No. 9136, including electric cooperatives.
- (c) “**Export-limiting device**” refers to equipment, certified under standards recognized by the Energy Regulatory Commission (ERC), that prevents the flow of electricity from a behind-the-meter system into the distribution system, including reverse-power relays, zero-export controllers and equivalent means.
- (d) “**Non-exporting system**” refers to a behind-the-meter system equipped with a certified export-limiting device.

- (e) **“Personal consumption”** refers to the use of electricity by the end-user on the premises where the system is located, and includes use by members of the end-user’s household or by the end-user’s own business operations on those premises, but does not include the sale, resale or supply of electricity to any other person.
- (f) **“Exporting system”** refers to a behind-the-meter system that delivers electricity into the distribution system under the net metering programme established by Republic Act No. 9513, the distributed energy resources programme, or any successor mechanism.

SEC. 4. *Self-Generation Not a Generation Business.* — An end-user who owns or operates a behind-the-meter system solely for personal consumption shall not, by reason thereof, be considered a generation company, a supplier, an aggregator or a person engaged in the generation business under Republic Act No. 9136, and shall not be required to secure a certificate of compliance, a license, a franchise or any other authorization from the ERC in respect of such system.

Section 6 and the related provisions of Republic Act No. 9136 are hereby amended accordingly.

SEC. 5. *No Prior Approval for Non-Exporting Systems.* — The installation and energization of a non-exporting system shall not require the prior approval of the distribution utility or of the ERC.

No distribution utility shall require, as a condition to the installation, energization or continued operation of a non-exporting system:

- (a) any prior authorization, clearance or permit from the utility;
- (b) any additional technical, impact or interconnection study;
- (c) the replacement, reconfiguration or upgrading of the existing meter;
- (d) the execution of an interconnection, net metering or similar agreement;
or
- (e) the payment of any fee, deposit, bond, insurance premium or charge not imposed on other end-users of the same customer class.

SEC. 6. *Notification After Energization.* — Within thirty (30) days from energization, the end-user or the end-user’s installer shall notify the distribution utility of the existence of the non-exporting system, using a standard form prescribed by the Department of Energy (DOE), stating the system capacity, the protection and export-limiting devices installed, the certification thereof, and the name and accreditation of the installer.

Notification shall be free of charge, may be made electronically, and shall not be a condition to the operation of the system. Failure to notify shall subject the end-user to an administrative fine of not more than Five thousand pesos (P5,000.00), which shall not be a ground for disconnection of electric service.

SEC. 7. *Inspection and Correction.* — The distribution utility may inspect a non-exporting system within thirty (30) days from notification, upon reasonable prior notice and at no cost to the end-user.

The utility may require correction only of a demonstrated failure to comply with a standard referred to in Section 8, stated in writing and identifying the specific standard and deficiency. The end-user may contest the finding before the ERC, which shall resolve the matter within thirty (30) days.

SEC. 8. *Safety Standards Not Affected.* — The exemptions granted under this Act are exemptions from economic and market regulation only.

Nothing in this Act shall be construed to exempt any behind-the-meter system, or any person installing, owning or operating one, from:

- (a) the Philippine Electrical Code;
- (b) the National Building Code and its implementing rules and regulations;
- (c) the requirements of local building officials and electrical inspectors;
- (d) the Philippine Distribution Code and the Philippine Grid Code, as applicable; or
- (e) any anti-islanding, reverse-power protection, equipment certification, fire safety, energy storage handling or installer accreditation standard prescribed by the ERC, the DOE or the Bureau of Fire Protection.

A behind-the-meter system found, after inspection, to be capable of energizing a de-energized portion of the distribution system shall be disconnected from the premises wiring until corrected. Disconnection under this paragraph shall not affect the end-user's supply of electricity from the distribution utility.

SEC. 9. *Homeowners' Associations, Developers and Property Managers.* — No homeowners' association, subdivision developer, condominium corporation, property manager, lessor or similar entity shall prohibit, or impose an unreasonable restriction upon, the installation or operation of a behind-the-meter system on property owned or exclusively controlled by the end-user.

Such entities may prescribe reasonable rules addressed to structural loading, fire safety, public safety, the integrity of shared or common facilities, and the appearance of installations visible from common areas, provided that

such rules are published in advance, are applied uniformly, and do not have the effect of substantially increasing the cost of, or substantially decreasing the efficiency of, the system.

A rule, covenant, deed restriction or contractual stipulation contrary to this Section shall be void. The Department of Human Settlements and Urban Development shall hear and resolve disputes under this Section within sixty (60) days.

SEC. 10. *Exporting Systems; Deemed Approval.* — For an exporting system, the distribution utility shall act on a complete application within ten (10) working days from receipt.

Failure to act within that period shall be deemed approval of the application, and the distribution utility shall install the necessary metering facility within fifteen (15) working days thereafter.

A distribution utility that denies an application shall state the technical grounds in writing within the same period. The denial shall be appealable to the ERC, which shall resolve the appeal within thirty (30) days.

SEC. 11. *Local Government Permits.* — Local government units shall adopt the standard application forms prescribed by the DOE and the Department of the Interior and Local Government, shall issue electrical permits for behind-the-meter systems within three (3) working days and certificates of final electrical inspection within seven (7) working days from receipt of a complete application, and shall not impose any requirement not contained in the standard form.

Failure to act within the prescribed periods shall be deemed approval upon presentation of proof of filing and of payment of the prescribed fees, without prejudice to the administrative liability of the responsible official under existing law.

SEC. 12. *Non-Diminution of Net Metering and Related Rights.* — Nothing in this Act shall be construed to diminish any right, benefit or entitlement available to an end-user under Republic Act No. 9513, the net metering rules of the ERC, or any DOE policy extending renewable energy certificate ownership, multi-site or aggregate net metering, or similar benefits to qualified end-users.

An end-user who operates a non-exporting system under this Act may subsequently apply to export under Section 10 without penalty or re-registration of the entire system.

SEC. 13. *Promotion of Behind-the-Meter Systems.* — The DOE shall promote the wider adoption of behind-the-meter generation and energy storage, and shall:

- (a) identify and remove national and local administrative barriers to installation;
- (b) in coordination with the Bangko Sentral ng Pilipinas, the Development Bank of the Philippines, the Land Bank of the Philippines and other financial institutions, improve access to financing, including on-bill and cooperative-based financing arrangements suited to low- and middle-income households;
- (c) maintain and publish a register of accredited installers and of certified equipment, including certified export-limiting devices; and
- (d) conduct public information campaigns on system safety, maintenance, and the rights of end-users under this Act.

SEC. 14. *Technical Assistance to Electric Cooperatives.* — The National Electrification Administration, in coordination with the DOE and the ERC, shall provide electric cooperatives with the technical assistance, training, personnel support and equipment necessary to discharge the notification, inspection and application-processing functions under this Act within the periods prescribed.

SEC. 15. *Existing Issuances.* — Circulars, resolutions, joint memorandum circulars and other issuances of the DOE, the ERC and other agencies that are consistent with this Act shall remain in force until amended or revoked. Where such an issuance prescribes a period shorter than, or a requirement less burdensome than, that provided in this Act, the issuance shall prevail.

SEC. 16. *Prohibited Acts and Penalties.* — It shall be unlawful for a distribution utility, or any of its officers or employees, to refuse, delay or condition the supply of electricity to an end-user by reason of the installation or operation of a behind-the-meter system in accordance with this Act, or to impose any charge, requirement, classification or tariff prohibited under Sections 5 and 10.

Violation shall subject the distribution utility to a fine of not less than One hundred thousand pesos (P100,000.00) nor more than One million pesos (P1,000,000.00) for each offense, imposed by the ERC after notice and hearing, without prejudice to the administrative liability of the responsible officer and to the restoration of service and refund of any charge collected in violation of this Act.

SEC. 17. *Implementing Rules and Regulations.* — Within ninety (90) days from the effectivity of this Act, the DOE and the ERC shall jointly promulgate the implementing rules and regulations, in consultation with the Department of the Interior and Local Government, the National Electrification

Administration, distribution utilities, electric cooperatives, consumer organizations and the renewable energy industry.

SEC. 18. *Separability Clause.* — If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall continue in full force and effect.

SEC. 19. *Repealing Clause.* — All laws, decrees, orders, rules and regulations, or parts thereof, inconsistent with this Act are hereby repealed, amended or modified accordingly.

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

Approved,