

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10967



Introduced by

***Representatives Anna Victoria Veloso-Tuazon, Lolita T. Javier, Niko Raul S.J. Daza,
Reynolds Michael T. Tan, Stephen James T. Tan, Edwin Ongchuan, and
Carl Nicolas C. Cari***

Explanatory Note

The Philippine energy sector is principally governed by Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and Republic Act No. 9513, otherwise known as the Renewable Energy Act of 2008 (RE Act). EPIRA seeks to ensure reliable, secure, and affordable electricity while promoting private sector participation and the utilization of indigenous and renewable energy resources. Likewise, the RE Act establishes a framework for accelerating the development and use of renewable energy sources to achieve greater energy self-reliance and sustainability. Over the past years, the Department of Energy (DOE), the Energy Regulatory Commission (ERC), and other governmental agencies have implemented various programs to encourage renewable energy development intended to expand the country's renewable energy capacity. These policies reflect the State's commitment to enhancing energy security, improving electricity affordability, and increasing the share of renewable energy in the national energy mix.

Despite these advancements and programs, Qualified End-users remain predominantly dependent on centralized generation and distribution systems. While existing laws recognize the value of renewable energy, they do not provide a comprehensive framework specifically designed to empower ordinary Filipino households and local communities to become active participants in electricity generation for their own consumption through distributed renewable energy systems. Ordinary Filipinos continue to face fragmented permitting requirements, inconsistent local government processes, limited access to affordable financing, insufficient technical support, lengthy certification procedures, administrative delays, and other environmental attributes. As a result, many Qualified End-users remain unable to fully realize

the benefits of generating electricity for their own use despite the availability of increasingly accessible renewable energy technologies.

This Act seeks to strengthen and complement the policy objectives of EPIRA and the RE Act by establishing a comprehensive framework that empowers Qualified End-users to generate, consume, store, and share electricity from distributed renewable energy systems primarily for self-consumption. Drawing strength from the core principles of our national energy statutes, this bill introduces critical structural enhancements:

1. **Whole-of-Government Facilitation and Regulatory Streamlining:** It mandates the Department of Trade and Industry (DTI), the Bureau of Customs (BOC), local government units (DILG) and other concerned agencies to establish streamlined procedures, Green Lane mechanisms, and standardized permitting systems with clear timelines and deemed-approved provisions to reduce unnecessary administrative burdens.
2. **True Consumer Empowerment:** It scales up hosting and renewable energy (RE) absorption capacity targets, ensuring that distribution networks can seamlessly accommodate distributed generation.
3. **Improved Net-Metering Framework:** It streamlines net-metering mechanisms on a direct kilowatt-hour (kWh) to kilowatt-hour equivalence offset, ensuring that Qualified End-users receive fair value for clean energy exported to the grid.
4. **Expanded Access to Financing:** It activates accessible financing windows via the RE Trust Fund for LGUs, dedicated green loans through the SSS and GSIS, and specialized credit facilities from the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) to support the acquisition and installation of distributed renewable energy systems.

By facilitating the widespread adoption of distributed renewable energy systems, this measure is expected to expand Qualified End-user participation in the energy sector and strengthen the country's transition toward a more resilient, decentralized, and sustainable energy system. The proposed reforms will enable households, communities, small businesses, and LGUs to reduce their exposure to fluctuating electricity costs, improve energy reliability, and increase access to clean and locally generated electricity.

Ultimately, this measure recognizes that the energy security is no longer solely the responsibility of large power producers and utilities. It is likewise a shared responsibility and opportunity for every Filipino household, community, and local government. By granting Filipinos greater freedom and capacity to generate their own clean and affordable electricity, the State promotes energy independence, consumer empowerment, economic sustainability, and national resilience in the face of an increasingly uncertain global energy environment.

By decentralizing power generation and placing clean energy directly into the hands of, Qualified End-users, this bill empowers citizens and communities to lower their utility expenses, insulates our domestic economy from external geopolitical shocks and achieves true national energy self-sufficiency and security.

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



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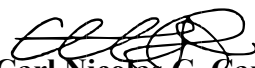
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AN ACT

PROMOTING "SARILING KURYENTE" BY ADVOCATING THE RIGHTS OF HOUSEHOLDS, COMMUNITIES, AND OTHER QUALIFIED END-USERS TO GENERATE, STORE, CONSUME, AND SHARE ELECTRICITY FROM DISTRIBUTED RENEWABLE ENERGY SOURCES PRIMARILY FOR SELF-CONSUMPTION, PROVIDING ACCESSIBLE FINANCING MECHANISMS, INCENTIVES, AND REGULATORY REFORMS THEREFOR, 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 of 2026*".

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect and promote the right of the people to an affordable, reliable, sustainable, and secure supply of electricity. Recognizing that exorbitant electricity rates place an undue burden on Filipino households and industries and acknowledging the vulnerability of the national energy supply to volatile global markets, geopolitical conflicts, and external disruptions, the State shall actively foster energy self-reliance and security at the grassroots level.

Towards this end, the State shall promote Qualified End-user empowerment by encouraging the development and utilization of distributed renewable energy resources for self-consumption, consistent with the principles of energy security, affordability, sustainability,

technology neutrality, competition, public safety, engineering standards, environmental protection, and reliable operation of the electric power system. The State shall remove unnecessary regulatory and administrative barriers and promote policies that enable Qualified End-users to generate, store, consume, and share electricity from distributed renewable energy resources in accordance with this Act.

SECTION 3. *Guiding Principles.* — The implementation of this Act shall be guided by the principles of: (a) Qualified End-user empowerment; (b) technology neutrality; (c) least-cost energy transition; (d) energy security and resilience; (e) grid reliability and power quality; (f) public safety; (g) regulatory transparency and accountability; (h) fair and non-discriminatory access to distributed renewable energy; and (i) environmental sustainability.

SECTION 4. *Objectives.* — The primary objectives of this Act are:

- (a) To Mitigate High Electricity Costs: To reduce electricity costs and improve Qualified End-user welfare through self-generation from renewable energy sources as well as encourage greater participation in the energy sector, foster competition, reduce pressure on the power grid, and improve the overall efficiency of electricity delivery and consumption.
- (b) To Achieve Consumer Energy Self-Sufficiency: To empower Qualified End-users to generate, store, consume and share electricity from distributed renewable energy resources primarily for self-consumption.
- (c) To Accelerate Renewable Energy Adoption: To accelerate the deployment of distributed renewable energy systems, energy storage systems and other emerging clean energy technologies through simplified regulatory processes, appropriate incentives, and financing mechanisms.
- (d) To Insulate Against External Disruptions: To strengthen national energy security and resilience against fuel price volatility, supply disruptions, natural disasters, and other emergencies by expanding distributed renewable energy resources.
- (e) To Integrate Distributed Energy Resources and Smart Grid Technologies: Promote the modernization of the electric power system through the integration of distributed energy resources, smart grid technologies, energy storage systems, and other enabling technologies.
- (f) To Promote Active Energy Participation: Promote active Qualified End-user participation in the energy transition through fair access to distributed renewable energy, net metering, renewable energy markets, and other lawful mechanisms.

SECTION 5. *Scope and Application.* – This Act shall apply to all Qualified End-users within the Philippines who generate or intend to generate electricity primarily for their own

consumption using distributed renewable energy systems, as well as other similarly situated persons or entities as may be determined by the Department of Energy (DOE) through the Implementing Rules and Regulations (IRR) of this Act.

This Act shall govern the planning, installation, ownership, operation, maintenance, upgrading, and use of decentralized renewable energy systems primarily intended for self-consumption, subject to the following parameters:

(a) **Eligible Technologies:**

This Act shall apply to all forms of distributed renewable energy systems, including but not limited to solar photovoltaic (PV), micro-wind turbines, run-of-river micro-hydro systems, micro-biomass, and domestic battery energy storage systems (BESS), fuel cells, renewable hydrogen, vehicle-to-home (V2H), vehicle-to-grid (V2G), thermal storage and other future RE technologies capable of producing and/or storing electricity for own use and consumption.

(b) **Application to the Grid:**

This Act shall apply to both off-grid (standalone) self-generation systems and grid-tied systems. Grid-tied systems covered under this Act shall remain eligible to participate in net-metering schemes and other compensation mechanisms authorized by law or ERC rules or any subsequent peer-to-peer energy trading, virtual net metering and community energy programs when authorized by law.

Nothing herein shall be construed to authorize the generation, transmission, distribution, supply, or sale of electricity as a public utility or regulated electricity business without the licenses, permits, franchises, or other authorizations required under existing laws.

SECTION 6. *Rights of Qualified End-users.* – Qualified End-users shall have the right to install, own, operate, maintain, upgrade, interconnect, generate, store, consume, and, where authorized by law, export or share electricity generated from distributed renewable energy systems, subject only to reasonable technical, safety, reliability, and environmental requirements established by law or regulation.

SECTION 7. *Technical Compliance.* – All systems installed under this Act shall comply with the Philippine Electrical Code, Fire Code of the Philippines, applicable DOE, ERC, DTI and other mandatory technical standards. Nothing in this Act shall be construed to exempt any person from compliance with applicable technical, safety, environmental, and interconnection requirements.

SECTION 8. *Non-Application / Exclusions.* – This Act shall not apply to large-scale commercial power generation facilities, independent power producers (IPPs), or any generation facility developed, financed and constructed primarily to engage in the business of generating electricity for sale to third parties.

SECTION 9. *Definition of Terms* –

- (a) “Battery Energy Storage System” (BESS) refers to a system with all related equipment essential to its functioning as a single entity which is capable of storing electrical energy through reactions from which it is able to charge or discharge electrical energy to the power system.
- (b) “Community Renewable Energy System” (CRES) refers to a renewable-energy-based Distributed Energy Resource System established for collective ownership, participation, or benefit of a community.
- (c) “Distributed Energy Resources” (DER) refers to power sources connected to the Distribution System or electrical system of the End-Users that could be aggregated to meet a demand.
- (d) “Distributed Renewable Energy System” (DRES) under this Act refers to a micro-to-small scale renewable energy generation facility—including, but not limited to, solar photovoltaic, wind, biomass, or hybrid systems—owned or operated by private residential, commercial, or industrial Qualified End-users, installed within or adjacent to their premises, connected either on-grid or off-grid, primarily aimed at meeting the energy consumption of the Qualified End-user and/or exporting or sharing excess generation in accordance with national distribution and interconnection standards.
- (e) “Energy Storage System” (ESS) refers to a facility acting as a load and a generator, which is designed to receive, store and convert such energy to electricity.
- (f) “Grid Interconnection” refers to the connection of a Community Renewable Energy System, renewable energy facility, energy storage system, or distributed energy resource to the transmission system or distribution system for purposes of delivering, receiving, sharing, wheeling, importing, or exporting electricity, subject to applicable technical, safety, and reliability requirements.
- (g) “Hosting Capacity” refers to the maximum amount of electric generation, energy storage, demand-side resource, electric load, or other distributed energy resource that can be interconnected to a transmission or distribution system, or a specific portion thereof, without adversely affecting safety, reliability, power quality, or operational performance and without requiring material system upgrades.
- (h) “Net Metering” refers to a system, appropriate for distributed generation, in which a distribution grid user has a two-way connection to the grid and is only charged for his net electricity consumption and is credited for any overall contribution to the electricity grid.

- (i) “Off-Grid System” refers to a local electricity supply system independent of the national transmission and distribution grid, utilized by Qualified End-users who reside in remote areas.
- (j) “Renewable Energy Resources” refer to energy resources that do not have an upper limit on a national scale and that continuously replenish themselves through natural ecological cycles, including, but not limited to, solar energy, wind, biomass, geothermal, ocean energy, and hydropower.
- (k) “Qualified End-user” under this Act refers to any person or entity that consumes electricity for its own domestic, residential, commercial, institutional, agricultural, industrial, or governmental use and is authorized under this Act to install, own, operate, and maintain distributed renewable energy systems for self-generation and self-consumption.

The term includes without limitation to, households, condominium corporations, homeowners' associations (HOAs), micro, small and medium enterprises (MSMEs), cooperatives, farmers' organizations, indigenous peoples' communities (IPCs), local government units (LGUs), government agencies, government-owned or -controlled corporations (GOCCs), educational institutions, religious institutions, non-stock and non-profit organizations, and other similarly situated entities.

SECTION 10. *Recognition of Qualified End-user Self-Generation Rights.* – The State recognizes the inherent right of Qualified End-Users to participate in energy generation through clean and renewable technologies. Qualified End-users shall be recognized as active energy participants ("prosumers") with full legal authorization to construct, install, own, and operate distributed renewable energy systems within their premises, without being classified as commercial generation companies under the EPIRA, provided that the electricity generated is intended primarily for self-consumption.

The DOE, ERC, and all local distribution utilities and electric cooperatives shall ensure that administrative policies, technical standards, and institutional frameworks foster rather than hinder this right.

Every Qualified End-user shall have the unfringed right to install, own, finance, operate, or participate in end-user self-generation facilities from renewable energy sources primarily intended to meet their electricity requirements. In exercising this right, Qualified End-users shall be entitled to:

- (a) Generate electricity from renewable energy and other qualified energy resources;
- (b) Utilize safely, within end-user premises, generated renewable energy directly to supply their internal electrical loads without arbitrary disconnections, unwarranted technical restrictions, or punitive standby charges from distribution utilities or electric

cooperatives, provided the installation complies with the Philippine Electrical Code (PEC) and national safety standards;

- (c) Store excess electricity through appropriate energy storage technologies;
- (d) Manage electricity consumption through energy efficiency and demand-side management measures;
- (e) Connect their distributed renewable energy systems safely to the distribution grid through a streamlined, transparent, and non-discriminatory net-metering or equivalent interconnection framework;
- (f) Adopt innovative renewable energy technologies that promote energy independence; and
- (g) Share electricity generated from distributed renewable energy systems with other end-users through peer-to-peer energy transactions.

No Qualified End-user shall be prohibited from developing a lawful distributed renewable energy facility solely on the basis that the end-user is connected to an existing electricity supplier or distribution network.

SECTION 12. *Sources of Funds and Financing Mechanisms.* — To effectively carry out the objectives of this Act, the funding and financial assistance required for the deployment of distributed renewable energy systems intended primarily for self-consumption for Qualified End-users shall be sourced and institutionalized through the following mechanisms:

- (a) Renewable Energy Trust Fund (RE Trust Fund) for Local Government Units: Subject to Republic Act No. 9513 and existing budgetary laws, the Department of Energy (DOE) is hereby mandated to allocate and utilize a portion of the RE Trust Fund, established under Republic Act No. 9513, specifically to extend grants and financial support exclusively to LGUs.

This fund shall be utilized to install distributed renewable energy systems in public buildings and structures, including but not limited to, provincial/city/municipal capitol buildings, public schools, public markets, transport terminals, health centers, public hospitals, recreational and community facilities, public water systems, evacuation centers and disaster response facilities, among eligible projects to reduce public operational costs and model energy self-sufficiency.

- (b) Dedicated Qualified End-user Distributed Renewable Energy Technologies Financing Programs through SSS and GSIS: The Social Security System (SSS) and the Government Service Insurance System (GSIS) are hereby encouraged and

authorized, consistent with their respective charters, to establish and maintain dedicated, low-interest, and non-burdensome RE technology financing and green loan programs, loan guarantees, and credit enhancements. These programs shall provide Qualified End-users accessible credit options with highly competitive interest rates and extended amortization terms, exclusively designated for the procurement, installation, and integration of micro-generation and small-scale renewable energy systems for own-use, including the purchase of battery energy storage systems and the replacement of major components.

The SSS and GSIS shall formulate simplified procedures and reasonable repayment terms to encourage the participation of members in self-generated electricity initiatives, ensuring that loan processing is streamlined and integrated with existing member-benefit platforms.

- (c) **Public Financing and Specialized Credit Facilities via LBP and DBP:** The Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) are hereby directed to establish and maintain dedicated financing windows, loan facilities, guarantee programs, credit enhancements, and other financial assistance mechanisms to support the acquisition, installation, expansion, and maintenance of micro-generation and small-scale renewable energy systems, including the purchase of battery energy storage systems and the replacement of major components, for own-use by Qualified End-users, subject to applicable banking laws, credit evaluation and risk management policies.
- (d) **Additional Sources of Financing:** The programs established under this Act may likewise be supported through grants, subsidies, concessional financing, official development assistance, climate finance facilities, ESG funds, blended finance mechanisms, green bonds, public-private partnerships, carbon finance mechanisms, and such other lawful sources as may be authorized by existing laws and regulations.

The DOE is hereby authorized to develop, access, mobilize, and facilitate the utilization of international climate finance and other funding mechanisms from bilateral, multilateral, and international development partners, for the implementation of programs and projects under this Act.

SECTION 13. *Incentives and Benefits for Qualified End-users.* — Qualified End-users who install, own, and operate on-site distributed renewable energy systems under this Act shall be entitled to the following direct economic, technical, and market-based incentives:

- (a) **Kilowatt-Hour to Kilowatt-Hour (kWh-to-kWh) Equivalent Net-Metering Scheme:** Pursuant to the objectives of Republic Act No. 9513 and to maximize financial relief from volatile power utility pricing, Qualified End-users participating in the Net-

Metering Program shall be credited based on a direct kilowatt-hour (kWh) to kilowatt-hour equivalence offset for excess electricity exported back to the distribution grid.

Every kilowatt-hour exported by a Qualified End-user to the distribution system shall directly offset an equivalent kilowatt-hour consumed from the grid during the corresponding billing cycle. The ERC shall establish a fair, transparent and Qualified End-user-responsive compensation mechanism for electricity exported to the grid.

- (b) **Ownership and Monetization of Renewable Energy Certificates (RECs):** Qualified End-users owning or operating eligible distributed renewable energy systems and technologies shall retain full legal ownership of the Renewable Energy Certificates (RECs) and/or similar instruments arising from the generation of renewable electricity by such systems. The RECs and/or and similar instruments corresponding to the renewable electricity generated, whether consumed on-site or exported to the grid pursuant to applicable laws, rules, and regulations, shall accrue exclusively to the Qualified End-user unless expressly transferred, assigned, sold, or otherwise disposed of through a written agreement.

The Department of Energy (DOE), the Energy Regulatory Commission (ERC), and the Independent Electricity Market Operator of the Philippines (IEMOP) shall establish streamlined and accessible administrative frameworks enabling Qualified End-users to aggregate, hold, and trade their RECs through the Renewable Energy Market (REM), either directly or through accredited aggregators recognized under applicable laws, rules, and regulations. This mechanism shall convert private renewable energy generation into a viable, direct secondary revenue stream, empowering ordinary citizens to actively participate in and benefit from national environmental compliance markets.

The DOE or ERC may prescribe reasonable minimum aggregation thresholds, registration requirements, and participation rules for the aggregation, trading, transfer, or monetization of Renewable Energy Certificates (RECs) and other environmental attributes by Qualified End-users, taking into consideration market efficiency, consumer protection, and the promotion of distributed renewable energy systems.

- (c) **Priority Access to Future Incentive Programs:** Qualified End-users shall be eligible to participate in future government programs involving renewable energy credits, carbon markets, distributed energy resource markets, green financing, incentive schemes, demand-side management programs, demand response programs, flexibility services, ancillary services, energy storage programs, and other market-based or regulatory mechanisms established to promote renewable energy development, grid reliability, energy security, and consumer participation in the electric power sector.

The DOE or ERC shall promulgate the necessary rules and regulations to enable and facilitate the participation of Qualified End-users, whether individually or through

aggregation, in such programs and markets, including those that may be established in the future.

- (d) **Protection Against Unjust Disqualification:** No Qualified End-user shall be denied, restricted, or otherwise discriminated against in the availment of incentives, credits, certificates, financing programs, interconnection services, permitting processes, or other benefits solely by reason of generating electricity primarily for personal consumption rather than commercial sale.

No government agency, local government unit, distribution utility, electric cooperative, financial institution, market participant, or other entity shall impose discriminatory requirements, conditions, charges, procedures, timelines, or technical standards on Qualified End-users that are not uniformly applied to similarly situated persons or entities. Technical, engineering, safety, interconnection, inspection, and operational requirements shall be fair, reasonable, transparent, non-discriminatory, and consistently applied.

SECTION 14. *Consumer Right to Grid Interconnection.* — Qualified End-users utilizing distributed renewable energy systems capable of exporting power shall have the right to connect to the distribution grid. Distribution utilities and electric cooperatives must act on complete interconnection applications within the period prescribed by laws, rules, or regulations.

SECTION 15. *Consumer Right to Non-Discriminatory Treatment.* — Every Qualified End-user under this Act shall have the right to fair and equal treatment in permitting, financing, interconnection, net-metering, incentives, and access to government support programs. No Qualified End-user shall be denied, delayed, or subjected to unreasonable requirements solely because it generates electricity primarily for its own consumption.

SECTION 16. *Interconnection Dispute Resolution.* — Any unjustified and unreasonable delay, discrimination, unauthorized technical demand, arbitrary fees, or refusal by distribution utilities or electric cooperatives regarding distributed renewable energy systems shall be subject to immediate summary action and penalties by the ERC to protect prosumer rights. The ERC shall establish an expedited dispute resolution mechanism to protect the rights of Qualified End-Users and facilitate the timely connection of renewable energy systems to the grid.

SECTION 17. *Battery Energy Storage Incentives.* — Qualified End-users who install and integrate battery energy storage systems together with their renewable energy systems shall be eligible for financing assistance, incentives, and other support programs under this Act to improve energy reliability, resilience, and self-sufficiency.

SECTION 18. *Community Renewable Energy Projects and Association Freedom.* — Qualified End-Users may voluntarily join, organize, or participate in community renewable

energy projects, homeowners' associations, cooperatives, or similar groups for the shared development, ownership, operation, and use of renewable energy systems, subject to applicable laws and regulations.

SECTION 19. *Government Agency Mechanisms and Inter-Agency Responsibilities.*

— The following agencies shall perform the duties prescribed under this Act:

- (a) Department of Energy (DOE): The DOE shall act as the primary lead agency tasked with formulating and promulgating the comprehensive Implementing Rules and Regulations (IRR) of this Act.

The DOE shall exercise overall policy coordination and implementation monitoring functions under this Act and shall work closely with the Office of the President, ERC, the Department of Trade and Industry (DTI), the Bureau of Customs (BOC), the Technical Education and Skills Development Authority (TESDA), the Department of the Interior and Local Government (DILG), government financial institutions, and other concerned agencies to ensure the effective and coordinated implementation of this Act. Nothing in this Act shall be construed to diminish or interfere with the statutory independence, powers, or functions of the ERC or any other constitutional or independent regulatory body.

The DOE shall establish a monitoring and evaluation system to assess compliance with this Act and publish on its official website, an annual implementation report containing information on program accomplishments, agency compliance, deployment of distributed renewable energy systems, financing availments, challenges encountered, and policy recommendations.

The DOE shall conduct a comprehensive review of the implementation and effectiveness of this Act every three (3) years and, as necessary, recommend legislative, regulatory, or policy measures to further strengthen citizen-generated electricity and distributed renewable energy development in the country.

The DOE shall likewise publish annually on its official website a report on the status, collections, allocations, disbursements, beneficiaries, and utilization of the Renewable Energy Trust Fund and other financing mechanisms established or utilized under this Act, subject to applicable transparency, auditing, and accountability requirements.

- (b) Department of Trade and Industry (DTI): The DTI, through the Bureau of Philippine Standards (BPS), is mandated to streamline, standardize, and accelerate the certification and registration requirements applicable to distributed renewable energy systems, such as solar energy systems and components and other renewable energy technologies, including photovoltaic panels, inverters, batteries, charge controllers, mounting systems, wind energy equipment, biomass energy systems, micro-hydropower

components, energy storage systems, electric vehicle charging infrastructure, and other related equipment.

The DTI shall adopt and implement internationally recognized product standards, including applicable International Electrotechnical Commission (IEC), International Organization for Standardization (ISO), or equivalent standards, to ensure product quality, safety, reliability, and interoperability.

The DTI shall establish Green Lanes and designate dedicated personnel or offices to process applications involving renewable energy equipment, products, suppliers, installers, and service providers. Administrative processing of complete applications shall be subject to prescribed timelines. Failure to act within such timelines shall result only in the administrative processing stage being deemed approved, without prejudice to the conduct and completion of the required technical, safety, quality, testing, or compliance evaluations.

The DTI shall ensure that certification and trade facilitation processes are administered in a manner that facilitates, rather than hinders, the deployment of distributed renewable energy systems.

The DTI shall maintain and publish on its official website a regularly updated registry of accredited renewable energy equipment, certified products, registered suppliers, manufacturers, distributors, installers, service providers, testing laboratories, and certification bodies authorized to operate under applicable laws and regulations.

- (c) Bureau of Customs (BOC): The Bureau of Customs shall establish dedicated Green Lanes and expedited customs processing procedures for the importation of distributed renewable energy equipment, components, spare parts, energy storage systems, and other renewable energy technologies covered by this Act. Declarations and consignments complying with standard safety certifications shall be processed on a priority basis with minimum documentary delays and "deemed approved" release parameters upon lapse of statutory working limits.

The BOC shall designate dedicated personnel or office to process, facilitate, and prioritize applications, declarations, clearances, and shipments involving distributed renewable energy equipment. The BOC shall likewise maximize the use of electronic processing systems, digital documentation, risk-based assessment mechanisms, and pre-arrival clearance procedures to expedite customs processing and reduce administrative delays.

Shipments of distributed renewable energy equipment that comply with applicable customs, safety, security, and other regulatory requirements shall be processed on a priority basis and within prescribed processing timelines. Nothing in this Act shall be construed to exempt any importation from the requirements of the

Customs Modernization and Tariff Act, customs laws, public safety regulations, national security measures, or other applicable laws and regulations.

The BOC shall ensure that customs procedures facilitate, rather than unnecessarily hinder, the timely importation and deployment of renewable energy technologies intended for use by qualified end-users under this Act.

- (d) Technical Education and Skills Development Authority (TESDA): TESDA shall formulate, expand, and implement nationwide technical-vocational education, training, assessment, certification, and workforce development programs to build the technical capacity of renewable energy professionals, including solar designers, photovoltaic installers, electricians, technicians, inspectors, operators, maintenance personnel, and battery energy storage system installers and technicians. This ensures a safe, highly skilled, and standardized labor force available across all regions to support Qualified End-users transitioning to self-generation.

TESDA shall coordinate with DOE, the Professional Regulation Commission (PRC), the Commission on Higher Education (CHED), industry associations, and other relevant stakeholders to align competency standards, training regulations, curriculum requirements, and professional qualifications with national and international best practices and industry needs.

TESDA shall establish continuing competency assessment, upskilling, reskilling, and certification programs to ensure that renewable energy practitioners maintain the knowledge, skills, and qualifications necessary to safely design, install, operate, maintain, and inspect distributed renewable energy systems and related renewable energy technologies. TESDA shall likewise develop and administer an installer accreditation and competency certification program for renewable energy systems and energy storage technologies, consistent with applicable laws, technical standards, and industry requirements.

To ensure equitable access nationwide, TESDA shall promote the decentralization of renewable energy training, assessment, and certification services through regional, provincial, and local training centers, accredited institutions, mobile training programs, and digital learning platforms, with priority given to underserved, off-grid, geographically isolated, and disadvantaged areas. TESDA shall ensure the availability of a skilled, competent, and regionally accessible renewable energy workforce capable of supporting the safe and efficient deployment, operation, and maintenance of distributed renewable energy systems throughout the country.

- (e) Department of the Interior and Local Government (DILG) and Local Government Units (LGUs): The DILG, in coordination with DOE and LGUs, shall establish and enforce a uniform, streamlined, and standardized permitting process for distributed renewable energy systems covered by this Act. The DILG shall issue a nationwide permitting

template prescribing uniform documentary requirements, application forms, procedures, and processing timelines applicable to all LGUs. The total processing period for applications shall not exceed fifteen (15) working days from the submission of complete requirements. Failure of the concerned LGU to act within the prescribed period shall render the application administratively deemed approved; Provided, That such deemed approval shall not apply to applications requiring technical, structural, electrical, environmental, or fire safety evaluations, inspections, certifications, or clearances, nor shall it exempt any applicant from complying with applicable safety and engineering standards. No LGU shall require permits, clearances, certificates, endorsements, fees, or documentary requirements that are not expressly authorized by national law, this Act, or its Implementing Rules and Regulations.

Congress may, through existing tax laws or subsequent legislation, grant such fiscal and non-fiscal incentives as may be necessary to further promote the deployment of distributed renewable energy systems by Qualified End-users.

For purposes of real property taxation, the concerned LGU shall assess the attributable real property tax (RPT), if any, on distributed renewable energy systems installed, used, or operated by Qualified End-users for personal consumption. In lieu of direct payment of RPT by the Qualified End-user, the corresponding amount shall be sourced from the Local Government Support Fund (LGSF) and remitted to the concerned LGU through such mechanism as may be established by the Office of the President and the Department of Budget and Management (DBM), subject to existing budgeting, accounting, auditing, and other applicable laws, rules, and regulations.

- (f) Inter-Agency Coordinating Council on Sariling Kuryente Act: There is hereby created an Inter-Agency Coordinating Council, hereinafter referred to as the "Council," to be chaired by the Secretary of Energy and composed of representatives from the DTI, DILG, BOC, TESDA, ERC, Anti-Red Tape Authority (ARTA), DBP, LANDBANK, and assisted by such other agencies as may be necessary for the effective implementation of this Act. The Council shall include as advisers one (1) representative each from a recognized end-user organization, the renewable energy industry, and distribution utilities or electric cooperatives.

The Council shall serve as the primary inter-agency coordination mechanism for the implementation of this Act and shall be responsible for policy coordination, regulatory streamlining, inter-agency collaboration, monitoring of agency compliance, and the prompt resolution of implementation issues and bottlenecks. It shall submit an annual report, and such other reports as may be necessary, to the Office of the President detailing the status of implementation, accomplishments, challenges, and policy recommendations.

The Joint Congressional Power Commission (JCPC) created under Republic Act No. 9136, shall exercise continuing oversight over the implementation of this Act

and may require the submission of reports, conduct reviews, and recommend such legislative or policy measures as may be necessary to achieve the objectives of this Act.

SECTION 20. *Expansion of Renewable Energy (RE) Absorption Capacity and Grid Integration Mandate.* — The Department of Energy (DOE), the Energy Regulatory Commission (ERC), the National Grid Corporation of the Philippines (NGCP), the National Transmission Corporation (TransCo), and all distribution utilities (DUs) shall, within their respective mandates, adopt measures to progressively increase grid hosting and system absorption capacity for renewable energy, particularly variable renewable energy (VRE), distributed generation, rooftop solar photovoltaic systems, and other Distributed Renewable Energy Systems (DRES).

In formulating policies, plans, standards, and investment programs, the DOE and ERC shall encourage the development of transmission and distribution infrastructure, operational protocols, and interconnection standards capable of accommodating substantially higher levels of renewable energy penetration, with the objective of enabling the power system to support increased variable renewable energy integration.

The DOE and ERC shall likewise review and update existing distribution code provisions, interconnection requirements, and connection standards to promote transparent, objective, and non-discriminatory assessment of renewable energy interconnection applications, and to ensure that claims of grid constraints, hosting capacity limitations, or system saturation are supported by verifiable technical evidence.

SECTION 21. *Prohibited Acts.* — The following acts are hereby prohibited:

- (a) **Willful Refusal.** Willfully refusing, obstructing, or imposing undue conditions on the installation, operation, maintenance, upgrading, or interconnection of a qualified distributed renewable energy systems intended primarily for self-consumption, except on legitimate legal, technical, safety, reliability, or security grounds established by law or regulation.
- (b) **Discriminatory Treatment.** Subjecting owners or operators of qualified distributed renewable energy systems to discriminatory charges, fees, technical requirements, permitting requirements, interconnection conditions, or other regulatory burdens not imposed on similarly situated consumers as well as discrimination in billing, metering, inspections, and processing times.
- (c) **Imposition of Unlawful Charges.** Imposing fees, taxes, penalties, standby charges, minimum consumption requirements, unauthorized interconnection fees and unreasonable upgrade charges, or other financial obligations that have the purpose or effect of discouraging or impairing the exercise of the right to generate, store, consume, or share renewable energy, unless expressly authorized by law or ERC regulation.

- (d) Anti-Competitive Conduct. Engaging in any act or practice that restricts, prevents, or unfairly limits participation in renewable energy self-generation, community energy projects, energy sharing arrangements, abuse of dominant position by regulated utilities, or the sale of excess renewable energy as allowed under this Act.
- (e) Unauthorized Interference. Tampering with, disconnecting, damaging, disabling, or otherwise interfering with any authorized distributed renewable energy facilities and systems, smart meter, distributed energy resource, energy storage system, battery energy storage systems, smart inverters, or associated equipment without lawful authority, and unauthorized remote access or disabling of systems.
- (f) False or Misleading Representations. Knowingly making false, fraudulent, deceptive, or misleading statements, financing, warranties and performance guarantees regarding the performance, safety, certification, capacity, eligibility, environmental attributes, or economic benefits of renewable energy systems covered by this Act. This shall cover installers, suppliers, financiers and marketers.
- (g) Unauthorized Access or Energy Theft. Unauthorized access to, diversion of manipulation of, or theft of electricity produced by authorized distributed renewable energy facilities and systems or energy storage facility.
- (h) Falsification of Records. Falsifying applications, permits, certifications, metering data, energy production records, billing records, or other documents required under this Act.
- (i) Misappropriation of Incentives. Obtaining or attempting to obtain any subsidy, grant, tax incentive, credit, or benefit under this Act through fraud, misrepresentation, or concealment of material facts.
- (j) Any Other Act. Any act that defeats, circumvents, or frustrates the rights, objectives, and policies established under this Act, as may be determined by the appropriate regulatory authority after due notice and hearing.

SECTION 22. *Prohibition Against Retaliatory Acts.* — No distribution utility, electric cooperative, retail electricity supplier, grid operator, government agency, or any of their officers, employees, or agents shall engage in any retaliatory, discriminatory, or punitive act against an End-user on account of the installation, operation, ownership, or use of a distributed renewable energy system, participation in net-metering or similar programs, or the exercise of any right granted under this Act.

Any person aggrieved by a violation of this Section may file a complaint with the Energy Regulatory Commission, which shall have the authority to order corrective measures and impose appropriate administrative sanctions in accordance with existing laws and regulations.

SECTION 23. *Protection of End-User Energy Data.* — Metering, consumption, generation, export, and other energy usage data of an End-user shall be treated as confidential and shall not be disclosed, sold, shared, transferred, processed, or used for commercial, marketing, or any other purpose without the prior written consent of the end-user, except where disclosure is required by law, authorized by the Energy Regulatory Commission, or necessary for billing, system operations, grid reliability, cybersecurity, or other legitimate regulatory purposes.

Distribution utilities, electric cooperatives, retail electricity suppliers, aggregators, service providers, and other entities with access to such data shall implement appropriate measures to ensure its security, confidentiality, and protection against unauthorized access, use, disclosure, alteration, or destruction.

SECTION 24. *Protection Against Unauthorized Disconnection.* — No distribution utility, electric cooperative, retail electricity supplier, or other electricity service provider shall disconnect, refuse electric service to, or otherwise impair the provision of electric service to an End-user solely on the ground that the end-user has installed, owns, operates, or uses a distributed renewable energy system, energy storage system, or other self-generation facility authorized under this Act.

SECTION 25. *Non-Compliance with Lawful Orders.* — Willful failure or refusal to comply with any lawful order, directive, rule, regulation, or decision issued pursuant to this Act shall constitute a violation of this Act. The Department of Energy and the Energy Regulatory Commission shall have the authority to impose administrative fines and other appropriate sanctions, including the suspension or revocation of permits, licenses, accreditations, or operating authority, without prejudice to the filing of civil or criminal actions under applicable laws.

SECTION 26. *Obstruction of Inspections and Investigations.* — No person or entity covered by this Act shall obstruct, impede, delay, refuse, or otherwise interfere with any lawful inspection, audit, monitoring activity, inquiry, or investigation conducted by the Department of Energy, the Energy Regulatory Commission, or any duly authorized government authority in the exercise of its powers under this Act.

Any person or entity found to have violated this Section shall be subject to the administrative, civil, or criminal penalties provided under this Act and other applicable laws.

SECTION 27. *False Claims of Accreditation or Certification.* — It shall be unlawful for any person or entity to forge, falsify, alter, use, present, or misrepresent any accreditation, certification, license, permit, qualification, or similar credential required under this Act, or to falsely claim eligibility to perform activities regulated herein.

Violations of this Section shall constitute a ground for the denial, suspension, or revocation of any accreditation, certification, license, permit, or authorization issued under this Act, in addition to any applicable administrative, civil, or criminal penalties.

SECTION 28. *Penalties.* —

- (a) Any person who commits any prohibited act under this Act shall, upon conviction, be punished with a fine of not less than One Hundred Thousand Pesos (PHP100,000.00) but not more than Five Million Pesos (PHP5,000,000.00) or imprisonment of not less than six (6) months but not more than six (6) years, or both, at the discretion of the court.
- (b) Where the violation consists of a willful refusal, delay, obstruction, discriminatory treatment, or imposition of unlawful charges by a distribution utility, electric cooperative, retail electricity supplier, homeowners' association, condominium corporation, local government unit, or other juridical entity, the responsible entity shall be liable for a fine of not less than Five Hundred Thousand Pesos (PHP500,000.00) but not more than Ten Million Pesos (PHP10,000,000.00) for each violation, without prejudice to the issuance of corrective orders and administrative sanctions by the appropriate regulatory authority.
- (c) Any person who knowingly falsifies records, submits fraudulent documents, misrepresents technical or financial information, tampers with metering equipment, steals electricity, or unlawfully obtains incentives under this Act shall suffer a fine of not less than Five Hundred Thousand Pesos (PHP500,000.00) but not more than Ten Million Pesos (PHP10,000,000.00), or imprisonment of not less than two (2) years but not more than eight (8) years, or both, at the discretion of the court.
- (d) If the offender is a corporation, partnership, association, cooperative, distribution utility, electric cooperative, or other juridical entity, the president, general manager, chief executive officer, members of the governing board, or other officers directly responsible for the violation shall be held liable, without prejudice to the imposition of administrative penalties upon the entity itself.
- (e) If the offender is a public officer or employee, the maximum penalty shall be imposed, without prejudice to administrative liability and disqualification from holding public office in accordance with applicable laws.
- (f) Each day that a continuing violation persists after receipt of a lawful order to comply shall constitute a separate offense.
- (g) The penalties provided under this Act shall be without prejudice to the application of other civil, criminal, or administrative remedies and penalties provided under existing laws.

- (h) The DOE is further empowered to impose administrative fines and penalties for any violation of the provisions of this Act, its IRR and other issuances relative to this Act. This is without prejudice to the penalties provided for under existing environmental regulations prescribed by the DENR and/or any other concerned government agency.

SECTION 29. *Administrative Enforcement.* — The Department of Energy, the Energy Regulatory Commission, and other competent government agencies shall have the authority to investigate violations of this Act, conduct administrative proceedings, issue compliance orders, and impose such administrative sanctions as may be authorized under this Act and other applicable laws, rules, and regulations.

SECTION 30. *Administrative Complaint Mechanism.* — Any person aggrieved by a violation of this Act may first file a complaint with the Department of Energy, the Energy Regulatory Commission, or the appropriate government agency exercising jurisdiction over the matter.

The filing of an administrative complaint shall not prejudice the right of the complainant to seek judicial relief after exhaustion of administrative remedies or upon unreasonable delay by the concerned agency in resolving the complaint, as may be provided by law or regulation.

SECTION 31. *Promotion of Mediation and Alternative Dispute Resolution.* — It is the policy of the State to encourage the amicable settlement of technical, interconnection, metering, billing, and other disputes arising under this Act through mediation and alternative dispute resolution mechanisms. Resort to such mechanisms shall not prejudice the right of any party to pursue the appropriate administrative or judicial remedies available under law.

SECTION 32. *Whistleblower Protection.* — Any person who, in good faith, reports a suspected violation of this Act shall be protected from retaliation. It shall be unlawful for any person or entity to take or threaten any adverse action against a whistleblower on account of such report or participation in an investigation, inspection, audit, administrative proceeding, or judicial action arising under this Act.

The identity of a whistleblower shall be kept confidential to the fullest extent permitted by law, unless disclosure is required by due process, court order, or with the whistleblower's written consent.

Any retaliatory act committed in violation of this Section shall constitute a separate and distinct offense and shall be subject to the penalties provided under this Act, without prejudice to any other remedies available under existing laws.

SECTION 33. *Mitigation for Voluntary Compliance.* — The voluntary disclosure and prompt correction of a violation before the initiation of a formal investigation or enforcement

action may be considered a mitigating circumstance for purposes of determining administrative penalties under this Act. Such disclosure or correction shall not extinguish liability but may warrant a reduction of administrative sanctions, subject to rules to be prescribed by the appropriate regulatory authority.

SECTION 34. *Education, Capacity Building, and Protection of Renewable Energy Prosumers.* — The State shall promote public awareness, technical literacy, consumer protection, and capacity building to enable qualified persons and entities to exercise their rights under this Act and to participate effectively in renewable energy self-generation, self-consumption, energy storage, energy sharing, and related activities.

To this end, the Department of Energy (DOE), in coordination with the Energy Regulatory Commission (ERC), the National Electrification Commission (NEA), the Department of Trade and Industry (DTI), Department of the Interior and Local Government (DILG), Cooperative Development Authority (CDA), National Commission on Indigenous Peoples (NCIP), Department of Agriculture (DA), Department of Science and Technology (DOST), distribution utilities, electric cooperatives, academic institutions, and other relevant government agencies, shall develop and implement programs specifically for:

- (a) Private citizens and households, to increase awareness of renewable energy technologies, energy efficiency practices, consumer rights, available incentives, financing options, system safety, and opportunities for self-generation and self-consumption;
- (b) The Department of Human Settlements and Urban Developments (DHSUD) shall support the development and management of shared, community-based, and common-area renewable energy systems, including guidance on governance, financing, operation, maintenance, and energy sharing arrangements of Homeowners' Associations (HOAs);
- (c) The Department of Trade and Industry (DTI) shall facilitate the adoption by Micro, Small, and Medium Enterprises (MSMEs) of distributed renewable energy systems through technical assistance, business advisory services, financing information, workforce development, and access to government support programs;
- (d) The Department of Agriculture (DA) shall encourage and promote the use of renewable energy for irrigation, post-harvest facilities, cold storage, processing operations, rural electrification, and other productive agricultural activities of Agricultural Cooperatives and Farmers' Organizations;
- (e) The Department of the Interior and Local Government (DILG) shall strengthen local planning, permitting, investment promotion, climate resilience initiatives, and the integration of distributed renewable energy systems into local development programs of the various Local Government Units;

- (f) The National Commission on Indigenous Peoples (NCIP) shall encourage, assist and strengthen the adoption, implementation and maintenance of Indigenous Peoples' Communities of community-owned distributed renewable energy systems and sustainable energy access, in a manner consistent with their rights, customs, traditions, and self-determined development priorities, including capacity-building programs;
- (g) Other similarly situated groups and organizations that may benefit from renewable energy self-generation, self-consumption, and community energy projects.
- (h) The Department of Energy (DOE) shall establish consumer education materials, technical assistance platforms, and public information campaigns to provide accessible, accurate, and up-to-date information regarding renewable energy systems, applicable standards, interconnection procedures, available incentives, consumer rights, and complaint mechanisms.

No person or entity engaged in the sale, installation, financing, leasing, or operation of distributed renewable energy systems shall engage in deceptive, fraudulent, or misleading marketing, advertising, pricing, or contractual practices. The Department of Energy (DOE), in coordination with the Department of Trade and Industry (DTI) and other appropriate agencies, shall adopt measures to protect consumers from unfair practices and ensure access to effective dispute resolution mechanisms.

SECTION 35. *Periodic Review.* — The DOE and the ERC shall jointly undertake a comprehensive review of the implementation of this Act every three (3) years and submit to Congress a report on their findings, including recommendations for legislative, regulatory, or policy measures necessary to improve the effectiveness of this Act and to address emerging technical, economic, and market developments affecting distributed renewable energy.

SECTION 36. *Non-Impairment and Grandfathering of Existing Systems.* — Existing distributed renewable energy installations and net-metering participants lawfully operating prior to the adoption of any subsequent regulatory change shall be grandfathered and allowed to continue operating under the rules, rates, benefits, and interconnection arrangements in effect at the time of their approval, unless the owner voluntarily elects to migrate to a new regulatory regime.

No regulatory change shall be applied retroactively so as to impair vested rights or materially diminish benefits previously granted under this Act.

SECTION 37. *Appropriations.* — Such sums as may be necessary for the initial implementation of this Act shall be taken from the current appropriations of the DOE. Thereafter, the fund necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act.

SECTION 38. *Implementing Rules and Regulations.* — Within ninety (90) days from the effectivity of this Act, the Department of Energy (DOE), in coordination with the Energy Regulatory Commission (ERC), Department of the Interior and Local Government (DILG) and National Electrification Administration (NEA) and other concerned agencies, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

Failure of the concerned agencies to promulgate the IRR within the prescribed period shall not prevent the implementation and enforcement of this Act.

SECTION 39. *Congressional Oversight.* — Upon the effectivity of this Act, the Joint Congressional Power Commission created under Section 62 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" shall exercise oversight powers over the implementation of this Act.

SECTION 40. *Separability Clause.* — If any provision, section, or part of this Act is declared unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force and effect.

SECTION 41. *Repealing Clause.* — All laws, presidential decrees, executive orders, letters of instruction, administrative rules and regulations, or parts thereof contrary to or inconsistent with the provisions of this Act are hereby repealed, modified, or amended accordingly.

SECTION 42. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,