

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 11070



Introduced by: **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

The Philippines continues to face the challenges of high electricity costs, grid congestion, energy security, and the need to accelerate the adoption of renewable energy and energy storage technologies.

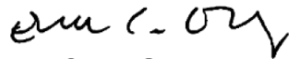
Behind-the-meter electricity generation and energy storage systems, including rooftop solar photovoltaic systems and battery energy storage systems, enable households, businesses, and other electricity end-users to generate and store electricity primarily for their own consumption. These systems can reduce dependence on electricity supplied through the distribution system, improve energy resilience, and contribute to the reduction of system losses and peak demand.

Existing regulatory and administrative requirements, however, may unnecessarily increase the cost and delay the installation of such systems, particularly where the system is designed and equipped to prevent the export of electricity to the distribution system.

This Act seeks to remove unnecessary regulatory and administrative barriers while preserving legitimate electrical, structural, fire, environmental, and public safety requirements. It distinguishes between behind-the-meter systems that are incapable of exporting electricity and systems capable of exporting electricity to the distribution system, subjecting the latter to appropriate interconnection requirements.

Accordingly, this measure promotes consumer choice, encourages private investment in distributed energy resources, strengthens energy security, and facilitates the wider adoption of renewable energy and energy storage technologies.

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


ERIC L. OLIVAREZ

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**“AN ACT
PROMOTING THE INSTALLATION OF BEHIND-THE-METER ELECTRICITY
GENERATION AND ENERGY STORAGE SYSTEMS, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE
"ELECTRIC POWER INDUSTRY REFORM ACT OF 2001”**

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

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

SECTION 2. Generation Sector. - Section 6 of Republic Act No. 9136 is hereby amended to read as follows:

"SEC. 6. Generation Sector. - Generation of electric power, a business affected with public interest, shall be competitive and open.

Upon the effectivity of this Act, any new generation company shall, before it operates, secure from the Energy Regulatory Commission (ERC) a certificate of compliance pursuant to the standards set forth in this Act, as well as health, safety and environmental clearances from the appropriate government agencies under existing laws.

AN END-USER THAT INSTALLS AND OPERATES A BEHIND-THE-METER ELECTRICITY GENERATION OR ENERGY STORAGE SYSTEM FOR ITS OWN USE SHALL NOT, BY REASON THEREOF, BE CONSIDERED A GENERATION COMPANY. A "BEHIND-THE-METER ELECTRICITY GENERATION OR ENERGY STORAGE SYSTEM" REFERS TO A SYSTEM INSTALLED ON THE END-USER'S SIDE OF THE POINT OF CONNECTION WITH THE DISTRIBUTION SYSTEM AND INTENDED PRIMARILY TO GENERATE OR STORE ELECTRICITY FOR THE END-USER'S OWN USE.

A SYSTEM USING EQUIPMENT CERTIFIED UNDER STANDARDS RECOGNIZED BY THE ERC TO PREVENT THE EXPORT OF ELECTRICITY TO THE DISTRIBUTION SYSTEM SHALL NOT REQUIRE

A CERTIFICATE OF COMPLIANCE OR OTHER PRIOR AUTHORIZATION FROM THE ERC.

NOTHING IN THIS SECTION SHALL BE CONSTRUED AS EXEMPTING AN END-USER FROM APPLICABLE ELECTRICAL, BUILDING, FIRE, STRUCTURAL, ENVIRONMENTAL, OR OTHER PUBLIC SAFETY STANDARDS AND REQUIREMENTS, EXCEPT AS EXPRESSLY PROVIDED UNDER THIS ACT OR ITS IMPLEMENTING RULES AND REGULATIONS.

x x x.”

SECTION 3. Functions of Distribution Utilities. - Section 23 of Republic Act No. 9136 is hereby amended to read as follows:

"SEC 23. Functions of Distribution Utilities. - A distribution utility shall have the obligation to provide distribution services and connections to its system for any end-user within its franchise area consistent with the Distribution Code.

Any entity engaged therein shall provide open and non-discriminatory access to its distribution system to all users. Any distribution utility shall be entitled to impose and collect distribution wheeling charges and connection fees from such end-users as approved by the ERC. A distribution utility shall have the obligation to supply electricity in the least-cost manner to its captive market, subject to the collection of retail rate duly approved by the ERC.

A BEHIND-THE-METER ELECTRICITY GENERATION OR ENERGY STORAGE SYSTEM USING EQUIPMENT CERTIFIED UNDER STANDARDS RECOGNIZED BY THE ERC TO PREVENT THE EXPORT OF ELECTRICITY TO THE DISTRIBUTION SYSTEM SHALL NOT REQUIRE THE PRIOR APPROVAL OF, OR ANY AGREEMENT, STUDY, METER REPLACEMENT, OR CHARGE IMPOSED BY THE DISTRIBUTION UTILITY. THE END-USER MAY BE REQUIRED ONLY TO GIVE NOTICE OF THE INSTALLATION IN THE FORM AND MANNER PRESCRIBED BY THE ERC, WHICH NOTICE SHALL NOT CONSTITUTE AN APPLICATION FOR APPROVAL OR INTERCONNECTION AND SHALL NOT BE USED BY THE DISTRIBUTION UTILITY AS A BASIS TO DELAY, DENY, OR CONDITION THE INSTALLATION.

THE DISTRIBUTION UTILITY SHALL NOT DELAY, CONDITION, OR OTHERWISE RESTRICT THE INSTALLATION OF A SYSTEM COVERED BY THIS PARAGRAPH THROUGH ANY REQUIREMENT, PROCEDURE, INSPECTION, STUDY, AGREEMENT, EQUIPMENT SPECIFICATION, OR CHARGE NOT EXPRESSLY AUTHORIZED BY THE ERC.

AN APPLICATION FOR THE INTERCONNECTION OF A SYSTEM CAPABLE OF EXPORTING ELECTRICITY TO THE DISTRIBUTION

SYSTEM SHALL BE ACTED UPON WITHIN TEN (10) WORKING DAYS FROM RECEIPT OF THE COMPLETE REQUIREMENTS PRESCRIBED BY THE ERC. UPON THE LAPSE OF SUCH PERIOD WITHOUT ACTION, THE APPLICATION SHALL BE DEEMED APPROVED: PROVIDED, THAT THE DISTRIBUTION UTILITY SHALL NOT DECLARE AN APPLICATION INCOMPLETE ON THE BASIS OF ANY REQUIREMENT NOT EXPRESSLY PRESCRIBED BY THE ERC.

NO DISTRIBUTION UTILITY MAY IMPOSE ANY REQUIREMENT, PROCEDURE, STUDY, INSPECTION, EQUIPMENT SPECIFICATION, OR CHARGE NOT AUTHORIZED UNDER UNIFORM RULES PROMULGATED BY THE ERC.

ANY DISPUTE ARISING FROM THE IMPLEMENTATION OF THIS SECTION SHALL BE RESOLVED IN ACCORDANCE WITH THE RULES AND PROCEDURES PRESCRIBED BY THE ERC.

x x x."

SECTION 4. Powers and Functions of the Department of Energy. - Section 37 of Republic Act No. 9136 is hereby amended by adding a new paragraph (r), to read as follows:

"SEC. 37. Powers and Functions of the DOE, - x x x

(p) Formulate such rules and regulations as may be necessary to implement the objectives of this Act;

(q) Exercise such other powers as may be necessary or incidental to attain the objectives of this Act: AND

(R) PROMOTE THE WIDESPREAD ADOPTION OF BEHIND-THE-METER ELECTRICITY GENERATION AND ENERGY STORAGE SYSTEMS; COORDINATE THE REMOVAL OF NATIONAL AND LOCAL ADMINISTRATIVE BARRIERS TO THEIR INSTALLATION; FACILITATE ACCESS TO FINANCING, QUALIFIED INSTALLERS, AND RELIABLE EQUIPMENT; AND DEVELOP AND DISSEMINATE INFORMATION AND TECHNICAL GUIDANCE NECESSARY FOR THEIR DEVELOPMENT."

SECTION 5. Protection Against Unreasonable Restrictions. - No homeowners' association, subdivision developer, property manager, or similar entity shall prohibit the installation of a behind-the-meter electricity generation or energy storage system on property owned or exclusively controlled by an end-user.

No prior approval, consent, or authorization from such entity shall be required as a condition for the installation of a system covered by this Act, except for reasonable requirements that are necessary to address documented structural safety, public safety, or the protection of common property. Such requirements shall not be used to prohibit or unreasonably delay the installation of the system. For this purpose, the Department of Energy shall develop and publish model rules that such entities may adopt.

SECTION 6. Implementing Rules and Regulations. - Within ninety (90) days from

the effectivity of this Act, the Department of Energy, in consultation with the Energy Regulatory Commission and other relevant government agencies and stakeholders, shall promulgate the implementing rules and regulations of this Act.

The ERC shall establish uniform, simplified, and technology-neutral rules for the notice, certification, and interconnection of behind-the-meter electricity generation and energy storage systems, including clear standards for equipment capable of preventing the export of electricity to the distribution system.

The implementing rules and regulations shall not impose requirements, procedures, or charges inconsistent with the provisions of this Act.

SECTION 7. Separability Clause. - If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 8. Repealing Clause. - All laws, decrees, executive orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 9. Effectivity. - This Act shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

Approved.