

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 11259



Introduced by Rep. ROBERT NAZAL

**AN ACT PROMOTING THE WIDESPREAD USE OF SOLAR POWER AMONG
FILIPINOS, PROVIDING INCENTIVES FOR SOLAR ENERGY ADOPTION,
ESTABLISHING THE SOLAR POWER ACCESS PROGRAM, AND
APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

The Philippines, as an archipelago situated in the tropical Pacific, is among the most solar-rich countries in the world, receiving an average solar irradiance of approximately 4.5 to 5.5 kilowatt-hours per square meter per day. Despite this immense natural endowment, solar energy remains significantly underutilized, with millions of Filipinos — particularly those in rural, remote, and island communities — still lacking access to reliable and affordable electricity.

According to the Department of Energy, the Philippines' total installed solar capacity stands at approximately 3,600 megawatts, a fraction of the country's enormous solar potential estimated at over 150,000 megawatts. The Philippine Development Plan and the National Renewable Energy Program have set ambitious targets for renewable energy, yet the pace of solar adoption — especially at the household and community levels — remains far too slow to meet these goals.

The high upfront cost of solar power systems remains the single greatest barrier to adoption for ordinary Filipino families. A basic residential rooftop solar installation costs between Php 150,000 to Php 400,000 — far beyond the reach of most households, particularly the estimated 22 million Filipinos living below the poverty line. Compounding this is the lack of accessible financing options, insufficient consumer protection, and the absence of a comprehensive national framework targeting solar adoption among ordinary citizens.

Meanwhile, the country continues to suffer from high electricity rates, among the highest in Southeast Asia, which disproportionately burden low-income families and undermine the competitiveness of Filipino businesses. Frequent power outages, dependence on imported fossil fuels, and the devastating impacts of climate change — to which the Philippines is acutely vulnerable as one of the world's most disaster-prone nations — underscore the urgency of accelerating the transition to solar energy.

The enactment of Republic Act No. 9513 or the Renewable Energy Act of 2008 and subsequent Net Metering Rules were significant milestones. However, these laws have largely benefited middle- and upper-income consumers and businesses, leaving behind the very Filipinos who stand to gain the most from cheaper, cleaner electricity. There is presently no dedicated law that comprehensively addresses the barriers to solar adoption for low-income households, geographically isolated communities, and small enterprises.

In response to this urgent need, this bill — the Solar Power Access and Adoption Act of the Philippines or the SolarPH Act — seeks to establish a comprehensive legal and institutional framework for the widespread adoption of solar energy among all Filipinos. Specifically, the bill aims to:

First, establish the Solar Power Access Program (SolarPH Program) — a government-led initiative that will provide subsidized and affordable solar power systems to low-income households, fund community solar installations in public schools and health centers, and ensure the full electrification of geographically isolated and disadvantaged areas (GIDAs) through off-grid solar solutions;

Second, provide a robust package of fiscal incentives — including a 25% income tax credit, VAT exemptions, customs duty exemptions, and low-interest concessional loans — to make solar power genuinely affordable for ordinary Filipino households and small businesses;

Third, strengthen and expand the Net Metering Program to enable more Filipino solar prosumers to sell excess electricity back to the grid, transforming households from passive consumers into active participants in the energy market;

Fourth, mandate local government units to play an active role in promoting solar energy adoption within their jurisdictions, streamlining permitting processes, and funding community solar projects;

Fifth, promote the development of a local solar industry through domestic manufacturing incentives, a TESDA certification program for solar technicians, and government-funded research and development; and

Sixth, establish strong consumer protection mechanisms, including mandatory product standards, warranty requirements, and a licensing system for solar installers, to safeguard Filipino consumers.

The Philippines cannot afford to delay its solar transition. Every year without comprehensive solar policy is a year of continued dependence on expensive imported oil, continued exposure to fuel price volatility, continued carbon emissions, and continued energy poverty for millions of our countrymen. The sun shines generously on every Philippine island — this bill ensures that its light and warmth reach every Filipino home.

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



ROBERT NAZAL
Representative

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

ARTICLE I
GENERAL PROVISIONS

Section 1. Short Title. — This Act shall be known as the "Solar Power Access and Adoption Act of the Philippines" or the "SolarPH Act."

Section 2. Declaration of Policy. — It is hereby declared the policy of the State to:

- (a) Promote the development and utilization of solar energy as a clean, renewable, and sustainable source of electricity for all Filipinos, particularly for low-income households, rural communities, and underserved areas;
- (b) Reduce the country's dependence on fossil fuels and lower greenhouse gas emissions in line with the Philippines' commitments under the Paris Agreement and its Nationally Determined Contributions;
- (c) Ensure energy security, affordability, and access to electricity across all regions of the archipelago, including islands and geographically isolated and disadvantaged areas (GIDAs);
- (d) Create sustainable livelihood opportunities through the growth of the local solar energy industry; and
- (e) Encourage public and private sector participation in the adoption and expansion of solar power technology.

Section 3. Scope and Coverage. — This Act shall apply to all residential, commercial, industrial, and government users of electricity throughout the Philippines, with special emphasis on programs for low-income households and remote communities.

Section 4. Definition of Terms. — For purposes of this Act, the following terms shall mean:

- (a) "Solar Energy" refers to radiant light and heat from the sun that is harnessed using photovoltaic (PV) panels, solar thermal collectors, or other solar energy technologies;
- (b) "Solar Power System" means the complete set of equipment used to convert solar energy into usable electricity, including solar panels, inverters, charge controllers, batteries, mounting systems, and related components;
- (c) "Net Metering" refers to the arrangement whereby a qualified end-user who generates electricity from an eligible on-site renewable energy (RE) facility and operates in parallel with the distribution grid is allowed to deliver excess electricity to the distribution grid and be credited therefor;
- (d) "Qualified End-User" refers to any electricity end-user who installs an eligible on-site RE facility for self-generation;
- (e) "Geographically Isolated and Disadvantaged Areas (GIDAs)" refers to communities not connected to the main power grid, located in remote or far-flung areas, islands, and mountainous regions;
- (f) "SolarPH Program" refers to the Solar Power Access Program established under this Act; and
- (g) "Department" refers to the Department of Energy (DOE).

ARTICLE II

SOLAR POWER ACCESS PROGRAM

Section 5. Establishment of the SolarPH Program. — There is hereby established the Solar Power Access Program, hereinafter referred to as the "SolarPH Program," under the administration of the Department of Energy, in coordination with the Department of Finance (DOF), the Department of Social Welfare and Development (DSWD), the Department of Agriculture (DA), the Department of Public Works and Highways (DPWH), and local government units (LGUs).

Section 6. Objectives of the SolarPH Program. — The SolarPH Program shall aim to:

- (a) Provide affordable or subsidized solar power systems to low-income households identified under the Listahanan or the National Household Targeting System for Poverty Reduction;
- (b) Establish community solar installations in barangays, public schools, rural health centers, and government offices;
- (c) Electrify all GIDAs through off-grid solar solutions within a period of ten (10) years from the effectivity of this Act;
- (d) Train and capacitate local technicians, cooperatives, and community organizations in solar system installation, maintenance, and operation; and
- (e) Develop a National Solar Power Roadmap in coordination with relevant agencies.

Section 7. Priority Beneficiaries. — The SolarPH Program shall prioritize:

- (a) Households classified as poor or near-poor under the Listahanan;
- (b) Communities in GIDAs, indigenous peoples communities, and island municipalities;
- (c) Public elementary and secondary schools without reliable electricity access;
- (d) Rural health centers and barangay health stations; and
- (e) Disaster-prone areas and municipalities declared under a state of calamity.

Section 8. Minimum Solar Installation Targets. — Within five (5) years from the effectivity of this Act, the government shall ensure that:

- (a) At least fifty percent (50%) of all public school buildings and government buildings are equipped with solar power systems;
- (b) All barangay halls and health centers in GIDAs are powered by solar energy; and
- (c) A cumulative solar capacity of at least five thousand (5,000) megawatts is installed nationwide, with at least twenty percent (20%) allocated to residential installations of low-income households.

ARTICLE III **INCENTIVES AND FINANCIAL SUPPORT**

Section 9. Financial Incentives for Households and Businesses. — To encourage the adoption of solar power among Filipinos, the following incentives are hereby granted:

- (a) **Tax Credit.** — Individual taxpayers and businesses that install solar power systems shall be entitled to an income tax credit equivalent to twenty-five percent (25%) of the total cost of the solar power system, including installation, for a period of five (5) years from the date of installation;
- (b) **Value-Added Tax (VAT) Exemption.** — The sale, importation, and installation of solar power systems and components, including solar panels, inverters, batteries, mounting hardware, and monitoring systems, shall be exempt from the value-added tax;
- (c) **Customs Duty Exemption.** — The importation of solar power equipment, components, and accessories not locally manufactured shall be exempt from customs duties; and
- (d) **Local Tax Exemption.** — LGUs are hereby authorized and encouraged to exempt solar power installations from real property tax assessments and local business taxes for a period of ten (10) years.

Section 10. Concessional Loans and Financing Schemes. — The Department of Finance, in coordination with the Land Bank of the Philippines, the Development Bank of the Philippines, and participating private financial institutions, shall:

- (a) Offer low-interest loans at a maximum rate of three percent (3%) per annum for the purchase and installation of solar power systems for residential, commercial, and agricultural use;
- (b) Provide loan guarantees for qualified borrowers who cannot meet standard collateral requirements; and
- (c) Develop solar financing programs accessible through micro-finance institutions, cooperatives, and rural banks.

Section 11. Net Metering Enhancement. — The Energy Regulatory Commission (ERC) shall, within six (6) months from the effectivity of this Act, issue rules and regulations to:

- (a) Expand the existing Net Metering Program to allow prosumers with solar installations of up to one hundred kilowatts (100 kW) to participate;
- (b) Mandate distribution utilities to process net metering applications within thirty (30) calendar days;
- (c) Establish a fair and transparent pricing mechanism for excess electricity fed back into the grid; and
- (d) Prohibit unreasonable fees, charges, and technical barriers to net metering participation.

Section 12. Solar Home Ownership Program. — The Social Housing Finance Corporation (SHFC) and the National Housing Authority (NHA) shall incorporate solar power systems as a standard feature of all new socialized housing projects funded or subsidized by the government.

ARTICLE IV

LOCAL GOVERNMENT SUPPORT AND COMMUNITY SOLAR

Section 13. Role of Local Government Units. — LGUs shall:

- (a) Develop local solar energy plans consistent with the National Solar Power Roadmap;
- (b) Establish expedited permitting processes for solar power installations, with a maximum processing period of fifteen (15) working days for residential applications;
- (c) Designate Solar Energy Officers within their respective offices to coordinate and oversee local solar programs;
- (d) Allocate a portion of their local development funds for community solar projects; and
- (e) Enforce compliance with building codes that require solar-readiness in new construction projects.

Section 14. Community Solar Projects. — The Department shall promote community solar projects whereby multiple households or enterprises share the output of a single solar installation. Guidelines for community solar arrangements, including cost-sharing, ownership structures, and electricity credit allocation, shall be issued within one (1) year from the effectivity of this Act.

Section 15. Barangay Solar Electrification Fund. — A Barangay Solar Electrification Fund is hereby established under the management of the DOE, which shall provide grants to barangays with zero or partial electricity access to fund community solar installations. Eligible barangays shall be determined based on criteria established by the DOE.

ARTICLE V

LOCAL SOLAR INDUSTRY DEVELOPMENT

Section 16. Promotion of Local Manufacturing. — The Department of Trade and Industry (DTI), in coordination with the DOE, shall formulate a Philippine Solar Manufacturing Roadmap to:

- (a) Develop local capacity for the manufacture of solar panels, inverters, batteries, and other solar components;
- (b) Provide incentives to domestic manufacturers under the Philippine Innovation Act and related laws; and
- (c) Establish quality standards and certification requirements for solar products sold in the Philippines.

Section 17. Solar Technician Training and Certification. — The Technical Education and Skills Development Authority (TESDA) shall:

- (a) Develop and implement a national competency standard for solar photovoltaic installation and maintenance;
- (b) Accredite training providers for solar technician courses; and
- (c) Issue National Certificates to qualified solar technicians under the Philippine TVET Qualifications Framework.

Section 18. Solar Energy Research and Development. — The Department of Science and Technology (DOST) shall allocate funds for research and development on solar energy technologies suited to Philippine conditions, including:

- (a) High-efficiency solar cells adapted for tropical climates;
- (b) Energy storage solutions for off-grid solar applications; and
- (c) Agri-solar systems integrating solar power generation with agricultural production.

ARTICLE VI

CONSUMER PROTECTION AND STANDARDS

Section 19. Solar Product Standards. — The Bureau of Philippine Standards (BPS) under the DTI shall issue mandatory Philippine National Standards (PNS) for solar power products sold in the country. No solar product that does not meet the PNS shall be sold, distributed, or installed in the Philippines.

Section 20. Consumer Rights. — Consumers who purchase and install solar power systems shall be entitled to:

- (a) A minimum performance warranty of twenty-five (25) years on solar panels and five (5) years on inverters and other components;
- (b) Transparent disclosure of all costs, financing terms, and projected energy savings prior to purchase;
- (c) Access to a fair dispute resolution mechanism through the ERC and the DTI; and
- (d) Protection from unfair trade practices by solar system suppliers and installers.

Section 21. Solar Installer Licensing. — No person or entity shall engage in the business of installing solar power systems without a valid license from the Professional Regulation Commission (PRC) or a valid accreditation from TESDA, as applicable. The PRC and TESDA shall issue the implementing rules for this provision within one (1) year from the effectivity of this Act.

ARTICLE VII

ADMINISTRATION AND IMPLEMENTATION

Section 22. Lead Agency. — The Department of Energy shall be the lead agency for the implementation of this Act. The DOE Secretary shall chair an inter-agency Solar Power Coordinating Council (SPCC) composed of representatives from the DOF, DSWD, DTI, DOST, TESDA, NHA, SHFC, ERC, and representatives from the private sector and civil society.

Section 23. National Solar Power Roadmap. — Within one (1) year from the effectivity of this Act, the DOE shall prepare and publish the National Solar Power Roadmap, which shall include:

- (a) Current baseline data on solar energy adoption and capacity;
- (b) Short-term (five-year) and long-term (twenty-year) solar energy targets;
- (c) Strategies for achieving universal solar access in GIDAs; and
- (d) Annual monitoring and evaluation indicators.

Section 24. Annual Report. — The DOE shall submit an annual report to Congress on the status of solar power adoption, program implementation, fund utilization, and progress toward targets set under this Act. The report shall be publicly available on the DOE website.

Section 25. Monitoring and Evaluation. — The DOE, in coordination with the National Economic and Development Authority (NEDA), shall conduct a comprehensive mid-term and final evaluation of this Act's implementation within the first five (5) and ten (10) years, respectively, from its effectivity.

ARTICLE VIII

PENALTIES

Section 26. Penalties. — Any person or entity that violates any provision of this Act or its implementing rules and regulations shall be subject to the following penalties:

- (a) For individuals: A fine of not less than Fifty Thousand Pesos (Php 50,000.00) but not more than Five Hundred Thousand Pesos (Php 500,000.00), 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) For corporations and partnerships: A fine of not less than Five Hundred Thousand Pesos (Php 500,000.00) but not more than Five Million Pesos (Php 5,000,000.00), and the cancellation of their business permits and licenses; and
- (c) For government officials or employees who willfully obstruct the implementation of this Act: Administrative sanctions in accordance with Civil Service laws, without prejudice to criminal prosecution.

ARTICLE IX

FUNDING

Section 27. Appropriations. — The sum of Ten Billion Pesos (Php 10,000,000,000.00) is hereby appropriated from the General Appropriations Act for the initial implementation of this Act. Thereafter, such amounts as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

Section 28. Solar Power Trust Fund. — A Solar Power Trust Fund is hereby created under the management of the DOE, to be funded by:

- (a) Annual appropriations under the General Appropriations Act;
- (b) Grants, donations, and contributions from foreign governments, international organizations, and the private sector;
- (c) Climate finance and green bonds; and
- (d) Such other sources as may be authorized by law.

ARTICLE X

FINAL PROVISIONS

Section 29. Implementing Rules and Regulations. — The DOE, in coordination with the relevant agencies, shall issue the Implementing Rules and Regulations (IRR) of this Act within ninety (90) days from its effectivity.

Section 30. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be valid and operational.

Section 31. Repealing Clause. — All laws, decrees, executive orders, proclamations, and administrative regulations inconsistent with this Act are hereby repealed, amended, or modified accordingly.

Section 32. Effectivity. — This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.