

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

20th Congress
Second Regular Session

House Bill No. **11416**



Introduced by Rep. Maria Vanessa C. Aumentado

EXPLANATORY NOTE

The Philippines currently endures some of the highest electricity rates in Asia, placing a heavy financial burden on average households. While global advancements have made solar energy technology more efficient and accessible, the upfront cost of purchasing and installing residential solar panel systems remains entirely out of reach for the typical Filipino family.

In 2008, the government passed the Renewable Energy Act (Republic Act No. 9513) to accelerate the country's transition to clean energy and reduce our dependence on imported fossil fuels. However, the benefits and financial incentives of our current renewable energy policies have largely favored utility-scale solar farms and large commercial installations. It is time to democratize solar energy and bring its benefits directly to the rooftops of ordinary citizens.

This bill, the "Abot-Kayang Solar Energy for Every Filipino Home Act," aims to eliminate the financial barriers preventing households from adopting solar power. It establishes a comprehensive support system that includes low-interest, long-term financing through government banks, targeted subsidies for low-income families, and outright exemptions from Value-Added Tax (VAT) for residential solar equipment.

By empowering families to generate their own electricity, this measure will significantly lower monthly utility bills, reduce the daily strain on our national power grid, and accelerate our transition toward a cleaner, more sustainable energy future. In view of the foregoing, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, consisting of a stylized 'M' and 'V' followed by a checkmark-like flourish.

MARIA VANESSA C. AUMENTADO, RN

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AN ACT
ESTABLISHING THE 'ABOT-KAYANG SOLAR ENERGY FOR EVERY FILIPINO HOME ACT,' PROVIDING FINANCIAL ASSISTANCE, INCENTIVES, AND ACCESSIBLE FINANCING FOR THE INSTALLATION OF RESIDENTIAL SOLAR ENERGY SYSTEMS, CREATING A NATIONAL SOLARIZATION PROGRAM, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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 "Abot-Kayang Solar Energy for Every Filipino Home Act."

SEC. 2. Declaration of Policy. It is the policy of the State to ensure affordable, reliable, and clean energy for all Filipinos. Recognizing the heavy financial burden of high electricity costs and the urgent need to mitigate climate change, the State shall actively promote the adoption of renewable energy at the household level. To achieve this, the government shall provide accessible financing, tax incentives, and streamlined administrative processes to make residential solar energy systems affordable for average and low-income families.

SEC. 3. Definition of Terms. For the purposes of this Act, the following terms shall mean:

- *Residential Solar Energy System:* A solar photovoltaic power system, including panels, inverters, batteries, and mounting structures, installed on a residential

property strictly to generate electricity for household use.

- *Net Metering*: A system where residential solar panel owners are credited by their distribution utility for the excess electricity they export to the national grid, as established under Republic Act No. 9513.
- *DOE*: The Department of Energy.

SEC. 4. The National Solarization Program. The DOE is hereby mandated to create the National Solarization Program. This program will serve as the master plan to promote, implement, and monitor the widespread adoption of rooftop solar energy systems in residential communities nationwide.

SEC. 5. Accessible Financing Facility. To remove the barrier of high upfront costs, government financial institutions, including the Land Bank of the Philippines, Development Bank of the Philippines, Pag-IBIG Fund, Government Service Insurance System (GSIS), and Social Security System (SSS), shall establish a dedicated lending facility for residential solar installations. These loans must feature low interest rates and flexible payment terms of up to ten (10) years.

SEC. 6. Financial Assistance and Subsidies. The DOE, in coordination with the Department of Social Welfare and Development (DSWD), shall create a targeted subsidy program. Government financial institutions shall provide zero-interest or low-interest financing with repayment terms of up to 10 years.

SEC. 7. Tax Incentives. The sale, importation, and installation of solar panels, inverters, batteries, and other related components intended exclusively for residential use shall be exempt from Value-Added Tax (VAT). Furthermore, the installation of these systems shall not result in any increase in the assessed value of the residential property for Real Property Tax purposes.

SEC. 8. Net Metering Enhancement. The Energy Regulatory Commission (ERC) shall streamline the Net Metering program specifically for residential users. The ERC and all distribution utilities must process and activate net metering applications within thirty (30) days from the date of submission. Connection fees and engineering charges shall be standardized and capped to protect consumers from hidden costs.

SEC. 9. Implementing Rules and Regulations. Within sixty (60) days from the effectivity of this Act, the DOE, in consultation with the Department of Finance, ERC, and relevant government financial institutions, shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 10. Appropriations. The amount of Five Billion Pesos (Php 5,000,000,000.00) is hereby appropriated from the National Treasury for the initial implementation of the National Solarization Program and the subsidy fund. Thereafter, the funds necessary for the continuous implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 11. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected shall remain in full force and effect.

SEC. 12. Repealing Clause. All laws, decrees, executive orders, rules, and regulations inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SEC. 13. Effectivity. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in a newspaper of general circulation.