Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

COMMITTEE REPORT NO. 41

Submitted by the Committee on Energy on **December 9, 2025**
Re: House Bill No. **6676**
Recommending its approval in substitution of House Bills Numbered 314 and 865
Sponsors: Representatives Jose C. Alvarez, Javier Miguel Lopez Benitez and Sergio C. Dagooc

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Mr. Speaker:

The Committee on Energy to which were referred House Bill No. 314, introduced by Representative Javier Miguel Lopez Benitez, entitled:

"AN ACT
ESTABLISHING A NATIONAL POLICY FOR THE DEVELOPMENT, UTILIZATION, AND COMMERCIALIZATION OF ENERGY STORAGE SYSTEMS, AND FOR OTHER PURPOSES"

and House Bill No. 865, introduced by Representative Sergio C. Dagooc, entitled:

"AN ACT
ESTABLISHING A NATIONAL POLICY FRAMEWORK FOR THE DEVELOPMENT, UTILIZATION AND COMMERCIALIZATION OF ENERGY STORAGE SYSTEMS"

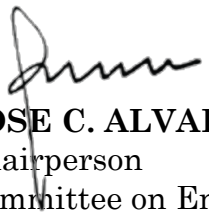
has considered the same and recommends that the attached House Bill No. **6676**, entitled:

"AN ACT
ESTABLISHING A NATIONAL POLICY FRAMEWORK FOR THE DEVELOPMENT, UTILIZATION, AND COMMERCIALIZATION OF ENERGY STORAGE SYSTEMS"

be approved in substitution of House Bills Numbered 314 and 865, with Representatives Javier Miguel Lopez Benitez, Noel "Bong" N. Rivera, Sergio C. Dagooc, Jose C. Alvarez, Kristine Singson-Meehan, Presley C. de Jesus, Gil "Kabarangay Jr." Acosta, Julius Cesar "Jay" V. Vergara, Ann Matibag, Zaldy S. Villa, Reynaldo P. Salvacion, Rufus B. Rodriguez, JC Rahman A. Nava, MD, Isidro D. Lumayag, Maximo Y. Dalog Jr., Johanne Monich G. Bautista, Mark O. Cojuangco, King George Leandro Antonio V. Collantes, Antonino B. Roman III,

Adrian E. Salceda, Ma. Isabel L. Sagarbarria, Eulogio "Leo" R. Rodriguez, and Leila M. de Lima, as authors thereof.

Respectfully submitted,



JOSE C. ALVAREZ
Chairperson
Committee on Energy

THE HONORABLE SPEAKER
House of Representatives
Quezon City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
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House Bill No. 6676

Introduced by Representatives Javier Miguel Lopez Benitez, Noel "Bong" N. Rivera, Sergio C. Dagooc, Jose C. Alvarez, Kristine Singson-Meehan, Presley C. de Jesus, Gil "Kabarangay Jr." Acosta, Julius Cesar "Jay" V. Vergara, Ann Matibag, Zaldy S. Villa, Reynaldo P. Salvacion, Rufus B. Rodriguez, JC Rahman A. Nava, MD, Isidro D. Lumayag, Maximo Y. Dalog Jr., Johanne Monich G. Bautista, Mark O. Cojuangco, King George Leandro Antonio V. Collantes, Antonino B. Roman III, Adrian E. Salceda, Ma. Isabel L. Sagarbarria, Eulogio "Leo" R. Rodriguez, and Leila M. de Lima

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AN ACT
ESTABLISHING A NATIONAL POLICY FRAMEWORK FOR THE DEVELOPMENT, UTILIZATION, AND COMMERCIALIZATION OF ENERGY STORAGE SYSTEMS

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. ***Short Title.*** – This Act shall be known as the "*Energy Storage Systems Act*".

SEC. 2. ***Declaration of Policies.*** – It is hereby declared the policy of the State to adopt a comprehensive energy policy to include a framework of energy storage technology which shall:

a) Improve the reliability and flexibility of the Grid to accommodate the growing demand for sustainable renewable energy back up or ancillary sources of electricity such as, solar and wind, as part of the country's just transition plans;
b) Establish the necessary fiscal or and non-fiscal mechanisms to encourage the development, utilization, and commercialization of energy storage systems in both Grid and off-Grid areas in the country; and

c) Help secure additional sources of power supply that shall meet the country's growing demand.

SEC. 3. ***Definition of Terms.*** – As used in this Act:

a) *Ancillary services* refer to the services necessary to support the transmission of capacity and energy from sources to load while maintaining reliable operation of the transmission and distribution system in accordance with good industry practice, the Grid Code, and the Distribution Code;
b) *Department of Energy (DOE)* refers to the agency created pursuant to Republic Act (RA) No. 7638, otherwise known as the "*Department of Energy Act of 1992*", which functions are expanded under RA 9136, otherwise known as the "*Electric Power Industry Reform Act of 2001"*; RA 9513, otherwise known as the "*Renewable Energy Act of 2008"*; and as further expanded under this Act;
c) *Department of Environment and Natural Resources (DENR)* refers to the agency created under Executive Order (EO) No. 131, otherwise known as "*Reorganizing the Ministry of Natural Resources and Renaming it as the Department of Environment, Energy and Natural Resources"*, as amended by EO No. 192, otherwise known as the *"Reorganization Act of the Department of Environment and Natural Resources*", dated June 10, 1987;
d) *Department of Trade and Industry - Bureau of Philippine Standards (DTI-BPS)* refers to the agency created pursuant to RA 4109, whose functions are reiterated under RA 7394, or the *"Consumer Act of the Philippines"* and as further expanded under this Act;
e) *Distribution utility (DU)* refers to any electric cooperative, private corporation, government-owned utility, or existing local government unit, which has an exclusive franchise to operate a distribution system as defined in RA 9136;
f) *Energy Regulatory Commission or ERC* refers to the independent quasi-judicial regulatory agency created under Section 38 of RA 9136;
g) *Energy Storage System (ESS)* refers to a facility capable of absorbing energy directly from the Grid or distribution system, or from a Renewable Energy (RE) or Non-RE Conventional plant connected to the Grid or distribution system and storing it for a period of time, and injecting the stored energy when prompted, necessary to ensure reliability and balanced power system in accordance with good industry practice;
h) *Grid* refers to the high voltage backbone system of interconnected transmission lines, substations, and related facilities, located in Luzon,

Visayas, and Mindanao, or as may be determined by the ERC in accordance with Section 45 of RA 9136;

i) *Integrated RE Plant and ESS* refer to those solely charged by the RE Plant/s;

j) *Market operator (MO)* refers to the entity responsible for the operation of the Wholesale Electricity Spot Market (WESM) in accordance with the WESM Rules;

k) *Microgrid Service Provider (MGSP)* refers to a natural or juridical person whose business includes the installation, operation, and maintenance of microgrid systems in unserved or underserved areas nationwide;

l) *Microgrid system* refers to a group of interconnected loads and a generation facility or Decentralized Power Generator with clearly defined electrical boundaries that acts as an integrated power generation and distribution system, whether or not connected to a distribution or transmission system;

m) *National Power Corporation Small Power Utilities Group (NPC SPUG)* refers to the unit of NPC mandated to perform missionary electrification pursuant to Section 70 of RA 9136;

n) *Off-grid systems* refer to electrical systems not connected to the wires and related facilities of the on-grid systems of the Philippines;

o) *On-grid systems* refer to electrical systems composed of interconnected transmission lines, distribution lines, substations, and related facilities for the purpose of conveyance of bulk power on the Grid of the Philippines;

p) *Philippine National Standard (PNS)* refers to the standards promulgated by the DTI-BPS pertaining to product specifications, test methods, terminologies, procedures, or practices pursuant to RA 4109, otherwise known as *"Standards Law"*, and other applicable laws, rules and regulations;

q) *Standard* refers to a document approved by a recognized body that provides, for common and repeated use, rules, guidelines, or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking, or labelling requirements as they apply to a product, process or production method;

r) *System operator (SO)* refers to the party responsible for generation dispatch, the provision of ancillary services, and operation and control to ensure safety, power quality, stability, reliability, and the security of the Grid; and

SEC. 4. ***Scope.*** – This Act shall establish a framework for the development,

utilization, and commercialization of energy storage systems to provide uninterrupted supply of sustainable energy to both Grid and off-Grid areas in the country. The provisions of this Act shall be applicable to new and existing energy storage technologies as determined by the DOE.

SEC. 5. ***Classification of ESS.*** – ESS technologies shall be classified based on their primary purpose, subject to the rules and regulations to be issued by the DOE in accordance with relevant laws.

CHAPTER II
POWERS AND RESPONSIBILITIES OF GOVERNMENT AGENCIES

SEC. 6. ***Powers and Responsibilities of the Department of Energy.*** – The DOE shall, in addition to its powers and functions under existing laws, be the lead agency for the implementation and enforcement of this Act. To this end, the DOE shall perform the following powers and functions:

a) Evaluate applications and issue permits for ESS facilities pursuant to RA 9136, RA 9513, otherwise known as the *"Renewable Energy Act of 2008",* RA 11646, otherwise known as the *"Microgrid Systems Act",* and other relevant laws, rules, and regulations;
b) Include an ESS framework in the Philippine Energy Plan and Power Development Plan;
c) Include an ESS strategy in the Missionary Electrification Development Plan;
d) Review and approve, in coordination with the MO, relevant market rules for the classification, registration, and offer submission of ESS in WESM;
e) Promote research and development of ESS technologies, in coordination with the Department of Science and Technology (DOST), DENR, state universities and colleges in integrating climate-change mitigation strategies in developing sustainable energy storage systems, through appropriation of funds pursuant to relevant laws;
f) Mandate NPC SPUG, as the lead agency for the implementation of missionary electrification, to oversee the development and operation of ESS in off-Grid areas, pursuant to the relevant rules and regulations issued by the DOE and other related government agencies. For microgrid systems operated in unserved and underserved areas, utilization and deployment of ESS shall be implemented pursuant to the provisions of RA 11646, and other existing laws;
g) Issue the necessary regulations to mandate the adoption of technical

standards as promulgated by the DTI-BPS under Section 9 of this Act;

h) Ensure that in carrying out its powers and responsibilities, it shall not cause necessary delay in the implementation of this Act; and

i) Perform all other acts as may be necessary and incidental to accomplish the objectives of this Act.

SEC. 7. ***Powers and Responsibilities of the Energy Regulatory Commission.*** – In addition to its regulatory functions under existing laws, the ERC shall:

a) Issue the appropriate regulatory framework for the licensing, operating standards, and cost recovery mechanism and pricing structure for ESS;

b) Determine the pricing mechanism for when an ESS developer acts as a customer and when it acts as a supplier of a distribution unit;

c) In coordination with the SO, DU, or MGSP, and other relevant stakeholders, review and approve appropriate and applicable testing standards and procedures, accreditation process, other necessary guidelines for ESS as a storage to spur new other sector besides Generation, Transmission, Distribution and Supply sectors;

d) Ensure that in the determination of the recoverable cost of the ESS developers, the utilization of the land wherein the ESS are developed shall not form part of the recoverable cost, unless the lands utilized are leased and not owned;

e) Ensure that in carrying out its powers and responsibilities, it shall not cause necessary delay in the implementation of this Act; and

f) Perform all other acts as may be necessary and incidental to accomplish the objectives of this Act.

SEC. 8. ***Powers and Responsibilities of the Department of Environment and Natural Resources.*** - In addition to its functions under existing laws, the DENR shall determine and monitor the compliance of ESS owners and operators with environmental standards for the location, construction, operation, maintenance and decommissioning of ESS, as well as the recycling, disposal, and handling of wastes involving ESS and related equipment, parts, and other components in accordance with existing environmental laws.

SEC. 9. ***Powers and Responsibilities of the Department of Trade and Industry - Bureau of Philippine Standards.*** – In addition to its functions under existing laws, the DTI-BPS shall:

a) Pursuant to its mandate and functions under RA 4109, the DTI-BPS, as the National Standards Body, shall promulgate PNS, consistent with Good Standardization Practice, for ESS and related products and system, in coordination with the DOE; and
b) Issue technical standards and regulations, consistent with the principles and mechanisms of Good Regulatory Practice, concerning the certification and testing of battery components as a whole, including its structure if necessary, and all products related to ESS that will fall under its purview, in coordination with the DOE.

SEC. 10. ***Powers and Responsibilities of the Department of Trade and Industry-Board of Investments (DTI-BOI) and Philippine Economic Zone Authority (PEZA).*** - The DTI-BOI and PEZA shall incentivize Research & Development (R&D) activities on energy storage facilities and, in partnership with the DOST, create a five- or ten-year program for the development, testing, and production of Philippine-made energy storage facilities: *Provided*, That pending the creation of such program, the DOST shall undertake the R&D for the processing of nickel, cobalt, and such other elements or minerals necessary for, or integral to, energy storage facilities.

CHAPTER III
GENERAL INCENTIVES

SEC. 11. ***Application of Incentives for Integrated RE Plant and ESS.*** – Energy stored and dispatched from Integrated RE Plant and ESS shall be considered renewable energy and shall be eligible of the following incentives:

a) The ESS developer may avail of the incentives under Chapter VII of RA 9513 for its Integrated RE Plant and ESS;
b) With regard to the Integrated RE Plants and ESS that use a combination of Conventional Plant/s and an ESS, the incentives shall be granted in proportion to and to the extent of the RE component utilized; and
c) The Integrated RE Plant and ESS, as applicable, shall have preferential dispatch, but it can choose to be registered as a scheduled generating unit.

CHAPTER IV
LICENSING AND PERMITTING

SEC. 12. ***Permits and Licenses.*** – The issuance of permits and licenses for all types of ESS facilities shall be governed by RA 11234, otherwise known as the

"Energy Virtual One-Stop Shop Act" and RA 11032, otherwise known as the *"Ease of Doing Business and Efficient Government Service Delivery Act of 2018";* and the issuance of licenses, registration and clearances relative to the manner of recycling and disposal of ESS wastes shall be governed by RA 6969, otherwise known as the *"Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990."*

CHAPTER V
FINAL PROVISIONS

SEC. 13. ***Fines and Penalties.*** - Any person, both natural and juridical, involved in the operation and business of ESS, and is found, after due notice and hearing, to have violated any provisions of this Act, shall be liable under RA 9136, as amended. The ERC is likewise empowered to impose appropriate administrative fines and penalties for any violations of the provisions of this Act, its implementing rules and regulations and other pertinent issuance.

SEC. 14. ***Congressional Oversight.*** – The Joint Congressional Energy Commission (JCEC), created pursuant to RA 9136, and as amended under RA 11285, otherwise known as the *"Energy Efficiency and Conservation Act"*, shall exercise oversight powers over the implementation of this Act. The DOE and ERC shall submit to the JCEC annual reports, which shall include the implementation review and reports, and policy and regulatory issues no later than 15 March of every year.

SEC. 15. ***Implementing Rules and Regulations.*** – Within sixty (60) days from the effectivity of this Act, the DOE shall, in coordination with concerned government agencies, promulgate and issue the rules and regulations to effectively implement the provisions of this Act.

SEC. 16. ***Separability Clause.*** – If for any reason, any part or provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof, which are not affected thereby, shall continue to be in full force and effect.

SEC. 17. ***Repealing Clause.*** – All laws, presidential decrees, executive orders, letters of instruction, administrative rules and regulations or parts thereof, which are contrary to or inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 18. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

FACT SHEET

House Bill No. 6676

(In substitution of House Bills Numbered 314 and 865)

AN ACT
ESTABLISHING A NATIONAL POLICY FRAMEWORK FOR THE DEVELOPMENT, UTILIZATION, AND COMMERCIALIZATION OF ENERGY STORAGE SYSTEMS"

Introduced by: REPRESENTATIVES JAVIER MIGUEL LOPEZ BENITEZ, NOEL "BONG" N. RIVERA, SERGIO C. DAGOOC, JOSE C. ALVAREZ, KRISTINE SINGSON-MEEHAN, PRESLEY C. DE JESUS, GIL "KABARANGAY JR." ACOSTA, JULIUS CESAR "JAY" V. VERGARA, ANN MATIBAG, ZALDY S. VILLA, REYNALDO P. SALVACION, RUFUS B. RODRIGUEZ, JC RAHMAN A. NAVA, MD, ISIDRO D. LUMAYAG, MAXIMO Y. DALOG JR., JOHANNE MONICH G. BAUTISTA, MARK O. COJUANGCO, KING GEORGE LEANDRO ANTONIO V. COLLANTES, ANTONINO B. ROMAN III, ADRIAN E. SALCEDA, MA. ISABEL L. SAGARBARRIA, EULOGIO "LEO" R. RODRIGUEZ, AND LEILA M. DE LIMA

Committee Referral: ***COMMITTEE ON ENERGY*** *(Primary)*
Committee Chairperson: ***HON. JOSE C. ALVAREZ***

OBJECTIVES:

- To integrate the Energy Storage Systems (ESS) in the country's energy and power development plan;
- To enumerate the roles of different government agencies in promoting ESS;
- To establish general incentives to foster development, utilization, and commercialization of ESS in both grid and off-grid areas; and
- To streamline licensing and permitting processes needed for the operation of ESS aligned with the Energy Virtual One-Stop Shop (EVOSS) Act.

KEY PROVISIONS:

- Provides incentives for ESS and RE storage facilities.
- Declares the adoption of a comprehensive energy policy which includes a framework of energy storage technology as a policy of the State.
- Defines an Energy Storage System or ESS as a facility capable of absorbing energy directly from the Grid or distribution system, or from an RE or Non-RE Conventional plant connected to the Grid or distribution system and storing it for a period of time, and injecting the stored energy when prompted, necessary to ensure reliability and balanced power system in

accordance with good industry practice.

- Provides for the scope of the Act which shall be the establishment of a framework for the development, utilization, and commercialization of energy storage systems. It includes new and existing energy storage technologies as determined by the Department of Energy (DOE) while the Energy Regulatory Commission (ERC) shall be responsible for the computation of recoverable costs.

- ESS technologies shall be classified based on their primary purpose, subject to the rules and regulations to be issued by the DOE in accordance with relevant laws.

- Mandates that the DOE, in addition to its powers and functions under existing laws, be the lead agency in the implementation and enforcement of the provisions of the Act. Among others, it shall evaluate applications and issue permits for ESS facilities, include an ESS framework in the Philippine Energy Plan and Power Development Plan, and include an ESS strategy in the Missionary Electrification Development Plan.

- Mandates that the ERC issue the appropriate regulatory framework for ESS, determine the pricing mechanism for ESS as a supplier and as a customer, and in coordination with other stakeholders, review and approve appropriate and applicable testing standards, procedures, and other guidelines.

- Mandates that the Department of Environment and Natural Resources shall assess and monitor compliance of ESS owners and operators with environmental standards, develop technical guidelines on environmentally sound management of ESS, and ensure that in carrying out its functions, it shall not cause necessary delay in the implementation of the Act.

- Mandates that the DTI-Bureau of Product Standards promulgate Philippine National Standards for ESS, and issue technical regulations for all products related to ESS.

- Qualifies energy stored and dispatched from Integrated RE Plant and ESS as renewable and accordingly, may avail of incentives provided under R.A. No. 9513. Integrated RE Plants and ESS that use a combination of a conventional plant and an ESS shall be granted incentives under R.A. No. 9513 in proportion to the RE utilized.

- Provides that fines and penalties, as provided under the Philippine Grid Code and the Philippine Distribution Code, will be imposed upon any person, both natural and juridical, who will be found to have violated this Act.

- Mandates the Joint Congressional Energy Commission (JCEC) to have oversight powers over the implementation of the Act.

RELATED LAWS:

- Executive Order (E.O.) No. 131, otherwise known as the *"Reorganization Act of the Ministry of Environment, Energy and Natural Resources",* as amended by E.O. No. 192
- Republic Act No. 4109, entitled, "*An Act to Convert the Division of Standards Under the Bureau of Commerce into a Bureau of Standards, to Provide for the Standardization and/or Inspection of Products and Imports of the Philippines and For Other Purposes*", as amended
- Republic Act No. 7638, otherwise known as the *"Department of Energy Act of 1992",* as amended
- Republic Act No. 9136, otherwise known as *"The Electric Power Industry Reform Act of 2001"*, as amended
- Republic Act No. 9513, otherwise known as the *"Renewable Energy Act of 2008"* as amended
- Republic Act No. 11032, otherwise known as the *"Ease of Doing Business and Efficient Government Service Delivery Act of 2018"* as amended
- Republic Act No. 11234, otherwise known as the *"Energy Virtual One-Stop Shop Act"*
- Republic Act No. 11646, otherwise known as the *"Microgrid Systems Act"*