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SENATE
S.B. No. 485

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Introduced by Senator WIN GATCHALIAN

AN ACT
ENHANCING THE IMPLEMENTATION OF THE NET-METERING PROGRAM,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9513, OTHERWISE
KNOWN AS THE RENEWABLE ENERGY ACT OF 2008

EXPLANATORY NOTE

Republic Act No. (RA) 9513, otherwise known as the Renewable Energy Act of 2008, provides that it is the declared policy of the State to “[i]ncrease the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and nonfiscal incentives.¹” Towards this end, qualified end-users may install their own renewable energy system, produce their own energy supply not exceeding 100 kilowatts (kW), and contribute to the electricity grid through the net metering program under RA 9513.² This enables end-users to become “prosumers” or producers and consumers at the same time. Through this program, qualified end-users can generate savings on their electricity bill, protect themselves from possible volatilities of the energy market, and contribute to green energy generation.³

As of 31 March 2021, there are 4,001 qualified end users participating in the net-metering program with total capacity of 32,176.83 kilowatt peak (kWp). However,

¹ Sec. 2(b) of Republic Act. No. 9513

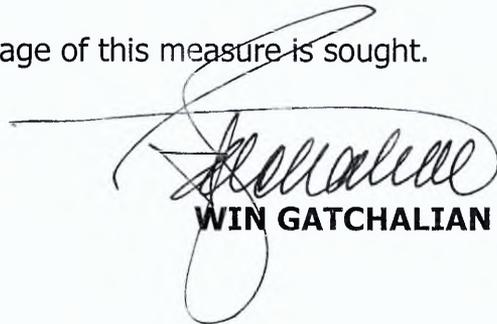
² DOE (2018).

³ Net-metering Reference Guide. Department of Energy. Available at <https://www.doe.gov.ph/net-metering-home?ckattempt=1>. Accessed 23 February 2021.

the net metering program is not maximized. Out of 142 distribution utilities (DUs), only 53 DUs or 37.32% of the total have qualified end-users for net-metering while 89 DUs or 62.68% of the total have no qualified end-users for net-metering.⁴ This small percentage of DUs with net metering participants may be attributed to two things: (1) the 100-kW cap as it precludes large electricity consumers such as commercial establishments and industrial buildings from taking part in the program, and (2) the absence of a streamlined process which leads to a protracted period to avail of the program, thus discouraging potential qualified end-users.

As such, this measure seeks to address these two barriers by the removal of the 100-kW cap to allow more end-users to participate in the net-metering program. Instead, the proposed bill mandates the Energy Regulatory Commission (ERC) to regularly determine the cap taking into consideration the possible effects on the stability of the grid and the retail rates of captive customers. The measure further mandates the streamlining of the submissions and permitting process to include minimum requirements for local government units, all under the time frames provided in Republic Act No. 11234, otherwise known as the Energy Virtual One Stop-Shop Act. Lastly, the bill tasks the Department of Energy (DOE) to spearhead the rationalization of the process and requirements of the net metering program, together with the ERC and the Department of the Interior and Local Government.

Given the foregoing, the immediate passage of this measure is sought.



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⁴ DOE (2021).

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AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9513, OTHERWISE
KNOWN AS THE RENEWABLE ENERGY ACT OF 2008**

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

1 **SECTION 1.** *Definition of Distributed Generation.* – Section 4 of Republic Act No.
2 9513, otherwise known as the Renewable Energy Act of 2008, is hereby amended to
3 read as follows:

4 “Section 4. Definition of Terms. – As used in this Act, the following terms are
5 herein defined:

6 x x x

7 “(j) “Distributed generation” refers to a system of small generation entities
8 supplying directly to the distribution grid, any one of which shall not exceed
9 ~~[one hundred kilowatts (100 kW) in capacity]~~ **THE MAXIMUM**
10 **KILOWATT CAPACITY DETERMINED BY THE ENERGY REGULATORY**
11 **COMMISSION PURSUANT TO SECTION 10 OF THIS ACT.”**

12 **SECTION 2.** *Net Metering for Renewable Energy.* – Section 10 of the same Act is
13 hereby amended to read as follows:

1 **"Section 10. Net-metering for Renewable Energy.** – Subject to technical
2 considerations and without discrimination and upon request by distribution end-
3 users, the distribution utilities shall enter into net-metering agreements with
4 qualified end-users who will be installing RE system.

5 The ERC, in consultation with the NREB and the electric power industry
6 participants, shall **(1)** establish net metering interconnection standards and
7 pricing methodology and other commercial arrangements necessary to ensure
8 success of the net-metering for renewable energy program within one (1) year
9 upon the effectivity of this Act, **AND (2) REGULARLY DETERMINE THE**
10 **MAXIMUM KILOWATT (KW) CAPACITY FOR DISTRIBUTED**
11 **GENERATION TO INCLUDE THE NET METERING FOR RENEWABLE**
12 **ENERGY PROGRAM: PROVIDED, THAT IN SO DOING IT SHALL**
13 **CONSIDER THE EFFECTS ON THE STABILITY OF THE GRID AND**
14 **RETAIL RATES OF CAPTIVE CUSTOMERS, TOGETHER WITH OTHER**
15 **POLICIES UNDER THIS ACT AND REPUBLIC ACT NO. 9136,**
16 **OTHERWISE KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM**
17 **ACT OF 2001, SUCH AS RETAIL COMPETITION AND OPEN ACCESS.**

18 The distribution utility shall be entitled to any Renewable Energy Certificate
19 resulting from net-metering arrangement with the qualified end-user who is
20 using an RE resource to provide energy and the distribution utility shall be able
21 to use this RE certificate in compliance with its obligations under RPS.

22 The DOE, ERC, TRANSCO or its successors-in-interest, DUs, PEMC and all
23 relevant parties are hereby mandated to provide the mechanisms for the
24 physical connection and commercial arrangements necessary to ensure the
25 success of the Net-metering for Renewable Energy program, consistent with
26 the Grid and Distribution Codes.

27 **THE PERMITTING PROCESS AND REQUIREMENTS FOR THE**
28 **APPLICATION OF QUALIFIED END-USERS FOR THE NET-METERING**
29 **FOR RENEWABLE ENERGY PROGRAM SHALL BE UNIFORM AND**

1 **STREAMLINED ACROSS ALL DUS, SHALL PROVIDE MINIMUM**
2 **REQUIREMENTS FOR LOCAL GOVERNMENT UNITS, AND SHALL**
3 **FOLLOW THE TIME FRAMES PROVIDED IN REPUBLIC ACT. NO. 11234,**
4 **OTHERWISE KNOWN AS THE ENERGY VIRTUAL ONE STOP-SHOP ACT:**
5 ***PROVIDED*, THAT THE TIME FRAME FOR DUS SHALL BE FIFTEEN (15)**
6 **WORKING DAYS FROM COMPLETE SUBMISSION OF REQUIREMENTS.**
7 **THE DOE SHALL BE THE LEAD AGENCY IN THE RATIONALIZATION OF**
8 **THE PROCESS AND REQUIREMENTS FOR THE NET METERING FOR**
9 **RENEWABLE ENERGY PROGRAM, TOGETHER WITH THE ERC AND**
10 **DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT, AND**
11 **UPON CONSULTATION WITH OTHER PUBLIC AND PRIVATE**
12 **STAKEHOLDERS.**

13 **SECTION 3.** *Implementing Rules and Regulations.* – The DOE, in consultation with
14 the ERC and other public and private stakeholders, shall formulate the implementing
15 rules and regulations of this Act within thirty (30) from its effectivity.

16 **SECTION 4.** *Separability Clause.* – If, for any reason, any provision of this Act is
17 declared to be unconstitutional or invalid, the other sections or provisions hereof which
18 are not affected thereby shall continue to be in full force or effect.

19 **SECTION 5.** *Repealing Clause.* – All laws, decrees, orders, rules and regulations or
20 parts thereof which are inconsistent with or contrary to the provisions of this Act are
21 hereby repealed, amended or modified accordingly.

22 **SECTION 6.** *Effectivity.* – This Act shall take effect fifteen (15) days after its complete
23 publication in the Official Gazette or in a national newspaper of general circulation.

24 *Approved,*