



NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE
S. No. 2138

RECEIVED BY: _____

Introduced by Senator MANUEL "LITO" M. LAPID

AN ACT
PROMOTING THE USE OF RENEWABLE ENERGY TECHNOLOGY IN HOMES
AND STRENGTHENING 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. 9513 otherwise known as Renewable Energy Act of 2008, established net-metering program throughout the country. According to this Law, the State declared its policy to, "Increase 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 nonfinancial incentives."

The net metering program allows and encourages individuals or businesses to generate their own renewable energy and feed the excess electricity back into the grid, receiving credits or payments for the energy they produce. It encourages investment as it provides an incentive for individuals and businesses to invest in renewable energy technologies such as solar panels or wind turbines. As more people invest in renewable energy technologies, the amount of renewable energy generated will increase, reducing the reliance on fossil fuels and decreasing greenhouse gas emissions. And the growth of the retail renewable energy for homes sector can support the creation of jobs in manufacturing, installation, and maintenance of renewable energy systems. Net metering can help to stimulate this growth by increasing demand for renewable energy technologies.

Ang panukalang batas na ito ay maghigay ng mga karagdagang insentibo para sa ating mga kababayan na gumamit ng renewable energy sa kani-kanilang mga tahanan. Kung mapadali natin na maikabit sa national grid ang mga residential solar panel, mabibigyan din ng pagkakataon ang ating mga kababayan na makatulong solusyonan ang krisis sa enerhiya kahit sa maliit na paraan.

This measure seeks to introduce three crucial reforms to encourage more end users to sign up for the net-metering program. First, by removing the 100-kW threshold for distributed energy system and mandate the Energy Regulatory Commission (ERC) to routinely determine the maximum kW capacity for distributed generation while taking into account potential implications on the grid's reliability and captive consumers' retail rates. Second, make the application procedures and the permitting process standardized and expedited, and provide minimum requirements for local government units under the time frames outlined in Republic Act No. 11234, otherwise known as the Energy Virtual One Stop-Shop Act. Finally, in order to rectify the double-charging scheme of the current pricing methodology, where net-metered end-users also pay for the transmission and distribution charges of the electricity surplus they produced that is already covered by other electricity consumers, the proposed bill mandates a parity pricing methodology that credits end-users the full retail price of the surplus electricity contributed to the electricity grid, including accumulated unused credits from the prior billing period.

Our government have set targets to increase the amount of renewable energy in our energy mix. Net metering can help to achieve these targets by encouraging the production of renewable energy at a local level.

In view of the foregoing, the immediate passing of this bill is earnestly sought.



MANUEL "LITO" M. LAPID

Senator

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“(gg) “Net Metering” refers to a system, appropriate for distributed generation, in which a distribution grid user has a two-way connection to the grid and is only charged for his net electricity consumption and is credited for any overall contribution to the electricity grid, **INCLUDING ACCUMULATED UNUSED CREDITS FROM THE PREVIOUS BILLING PERIOD;**”

x x x

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

"Section 10. *Net Metering for Renewable Energy.*

— Subject to technical considerations and without discrimination and upon request by distribution end-users, the distribution utilities shall enter into net-metering agreements with qualified end-users who will be installing RE system.

The ERC, in consultation with the NREB and the electric power industry participants, shall:

- 1) Establish net metering interconnection standards and **A PARITY pricing methodology THAT CREDITS END-USERS THE FULL RETAIL PRICE OF THE SURPLUS ELECTRICITY CONTRIBUTED TO THE ELECTRICITY GRID, INCLUDING ACCUMULATED UNUSED CREDITS FROM THE PREVIOUS BILLING PERIOD,** and other commercial arrangements necessary to ensure success of the net-metering for renewable energy program within one (1) year upon the effectivity of this Act, **AND**
- 2) **REGULARLY DETERMINE THE MAXIMUM KILOWATT (KW) CAPACITY FOR DISTRIBUTED GENERATION TO INCLUDE THE NET METERING FOR RENEWABLE ENERGY PROGRAM: PROVIDED, THAT IN SO DOING IT SHALL CONSIDER THE EFFECTS ON THE STABILITY OF THE GRID AND RETAIL RATES OF CAPTIVE CUSTOMERS,**

1 **TOGETHER WITH OTHER POLICIES UNDER THIS ACT**
2 **AND REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS**
3 **THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001,**
4 **SUCH AS RETAIL COMPETITION AND OPEN ACCESS.**

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

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

16 **THE PERMITTING PROCESS AND REQUIREMENTS**
17 **FOR THE APPLICATION OF QUALIFIED END-USERS FOR**
18 **THE NET METERING FOR RENEWABLE ENERGY**
19 **PROGRAM SHALL BE UNIFORM AND STREAMLINED**
20 **ACROSS ALL DUS, SHALL PROVIDE MINIMUM**
21 **REQUIREMENTS FOR LOCAL GOVERNMENT UNITS, AND**
22 **SHALL FOLLOW THE TIME FRAMES PROVIDED IN**
23 **REPUBLIC ACT NO. 11234, OTHERWISE KNOWN AS THE**
24 **ENERGY VIRTUAL ONE STOP-SHOP ACT: PROVIDED,**
25 **THAT THE TIME FRAME FOR DUS SHALL BE FIFTEEN (15)**
26 **WORKING DAYS FROM COMPLETE SUBMISSION OF**
27 **REQUIREMENTS. THE DOE SHALL BE THE LEAD AGENCY**
28 **IN THE RATIONALIZATION OF THE PROCESS AND**
29 **REQUIREMENTS FOR THE NET METERING FOR**
30 **RENEWABLE ENERGY PROGRAM, TOGETHER WITH THE**
31 **ERC AND DEPARTMENT OF THE INTERIOR AND LOCAL**
32 **GOVERNMENT, AND UPON CONSULATION WITH OTHER**
33 **PUBLIC AND PRIVATE STAKEHOLDERS."**

1 **SECTION 5. *Implementing Rules and Regulations.*** — The Department of Energy
2 (DOE), National Renewable Energy Board, Energy Regulatory Commission, and the
3 Department of Interior and Local Government, in consultation with the concerned public and
4 private stakeholders, shall formulate the implementing rules and regulations of this Act within
5 ninety (90) days from the effectivity of this Act.

6 **SECTION 6. *Separability Clause.*** — In the event that any part, section or provision of
7 this Act shall be declared unconstitutional or invalid by a competent court, the remaining
8 provisions thereby shall remain valid and in full force and effect as if the sections or provisions
9 so annulled or voided had never been incorporated herein.

10 **SECTION 7. *Repealing Clause.*** — All laws, decrees, executive orders, issuances, rules
11 and regulations, or parts thereof not consistent with the provisions of this Act are hereby
12 repealed or modified and/or superseded as case may be by this Act accordingly.

13 **SECTION 8. *Effectivity.*** — This Act shall take effect fifteen (15) days after its complete
14 publication in the Official Gazette or in at least two (2) newspapers of general circulation,
15 whichever comes earlier.

16 *Approved,*