

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)



Senate
Office of the Secretary

14 NOV 18 P1:44

SENATE
S. No. 2456

RECEIVED BY: *Jr*

Introduced by Senator Miriam Defensor Santiago

AN ACT
PROVIDING COMPETITIVE GRANTS TO LOCAL GOVERNMENTS FOR
REBATES, LOANS, AND OTHER INCENTIVES TO ELIGIBLE INDIVIDUALS OR
ENTITIES FOR THE PURCHASE AND INSTALLATION OF SOLAR ENERGY
SYSTEMS FOR PROPERTIES LOCATED IN THE PHILIPPINES

EXPLANATORY NOTE

According to a 2013 International Energy Agency (IEA) report, renewables like solar and wind represent the fastest-growing source of energy power generation that will make up a quarter of the global power mix by 2018. The IEA said that in 2016 renewable energy will overtake natural gas as a power source and will be twice that of nuclear, and second only to coal as a source of power.

This report comes in the wake of recent studies showing that the threat of climate change is greater than earlier estimates. The IEA's recommendations to combat climate change include curtailing coal-fired power stations and phasing out fossil fuel subsidies.¹

Renewable energy is seen as a solution to global warming. Unlike the combustion of conventional fossil fuel sources of energy, the generation of renewable energy does not emit greenhouse gases or emit air pollutants when consumed. Greenhouse gases from the power and transportation sector are the main drivers of climate change, a global phenomenon which may cause the Earth to warm past liveable limits.²

¹ <http://www.rappler.com/science-nature/32300-renewable-energy-use-gaining-worldwide-ia>
² <http://www.rappler.com/news/70298-solar-powered-malls-philippines>

Solar energy, a form of renewable energy, is increasingly becoming popular in the Philippines. At least eight malls in the country will reportedly be partially powered by solar panels by the end of 2014.

Last September 2014, Central Mall Biñan in Laguna was the first of the eight to be connected to solar power. The 2,514 solar panels spread across 7,000 square meters of the mall's roof make the project the biggest operating solar rooftop plant in the country with a capacity of 700 kilowatts. Energy from the sun captured by the panels is converted to electricity by 87 inverters, enough to supply 30% of the mall's energy needs. Central Mall Biñan's newly-installed solar panels will reportedly be able to save the mall's management more than P750,000 on monthly electricity bills.³

We need to put into place long-term government policies to encourage households, businesses, and other entities to invest in renewable energy, especially solar energy. This bill provides rebates, loans, and other incentives to eligible individuals or entities for the purchase and installation of solar energy systems for properties in the Philippines.


MIRIAM DEFENSOR SANTIAGO
RP

³ *Id.*



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

1 AN ACT
2 PROVIDING COMPETITIVE GRANTS TO LOCAL GOVERNMENTS FOR
3 REBATES, LOANS, AND OTHER INCENTIVES TO ELIGIBLE INDIVIDUALS OR
4 ENTITIES FOR THE PURCHASE AND INSTALLATION OF SOLAR ENERGY
5 SYSTEMS FOR PROPERTIES LOCATED IN THE PHILIPPINES

6 SECTION 1. *Short Title.* – This Act shall be known as the “Solar Roofs Act of
7 2014.”

8 SECTION 2. *Declaration of Policy.* – It is the policy of the State to promote
9 alternative and renewable sources of energy with due regard to public health and the
10 environment, consistent with the country’s sustainable economic growth.

11 SECTION 3. *Definitions.* – In this Act, the term—

- 12 (a) “Eligible participant” means—
13 (1) an owner of a home;
14 (2) a business entity;
15 (3) a school, college, or university; and
16 (4) any other individual or entity that the Secretary of Energy
17 determines to be appropriate pursuant to the purposes of this Act;

1 (b) "Installed nameplate capacity" means the maximum output of a solar
2 electric system under specific conditions designated by the manufacturer of the solar
3 electric system;

4 (c) "Secretary" means the Secretary of Energy;

5 (d) "Solar energy system" means rooftop or ground-mounted solar equipment
6 that is used to generate electricity or heat water.

7 SECTION 4. *Rebates, Loans, and Other Incentives for Purchase and Installation*
8 *of Solar Energy Systems.* – (a) In General—There is hereby established under this Act a
9 program, to be administered by the Secretary of Energy, which shall provide competitive
10 grants to local governments to provide rebates, loans, or other incentives to eligible
11 participants for the purchase and installation of solar energy systems for properties
12 located in the Philippines.

13 (b) Implementation—The Secretary shall adopt and implement criteria for
14 awarding competitive grants under subparagraph (a) to local governments that would—

15 (1) provide the maximum leverage of government funds;

16 (2) provide for the maximum deployment of solar energy;

17 (3) ensure that grants are awarded to a diversity of geographic locations
18 and recipients with different population sizes; and

19 (4) provide a preference for grant recipients that have established and
20 maintained, or agree to commit to establish and maintain, standards
21 and policies to overcome barriers to distributed generation
22 (including interconnection and net metering) in a manner consistent
23 with the legal authorities of the grant recipient.

24 (c) Authorized Use of Funds—Competitive grants under this section may be
25 used to expand an existing, or establish and fund a new—

- 1 (1) solar rebate program;
- 2 (2) solar loan program;
- 3 (3) solar performance-based incentive program; or
- 4 (4) other solar incentive programs not described in this section, as
5 determined by the Secretary.

6 (d) Program Requirements—For each fiscal year during which a grant recipient
7 uses funds provided under this section, the grant recipient shall—

- 8 (1) certify to the Secretary that the funds will be used—
 - 9 (i) to supplement, expand, or create new programs or projects
10 and will not supplant existing programs as to maximize
11 program participation; and
 - 12 (ii) to deploy an increased quantity of solar energy systems; and
- 13 (2) submit to the Secretary an implementation plan that contains—
 - 14 (i) projections for solar energy systems deployment;
 - 15 (ii) data regarding the number of eligible participants that are
16 assisted under existing applicable national and local
17 programs; and
 - 18 (iii) projections for—
 - 19 (I) additional solar energy system deployment; and
 - 20 (II) the number of additional eligible participants who will
21 be covered by the annual implementation plan.

22 (e) Solar Energy System—With respect to grant awards in any fiscal year
23 under this section, the Secretary may specify the type and capacity of the solar energy
24 system and type of deployment or incentive program for which the grant funds are made
25 available.

1 (f) Share—Each eligible entity that receives funds under this section shall be
2 responsible for an amount equal to twenty (20) percent of the amount of the provided
3 funds.

4 (g) Administrative Expenses—Not more than five (5) percent of the amounts
5 made available for each fiscal year under this section may be used to pay the
6 administrative expenses of the Department of Energy that the Secretary determines to be
7 necessary to carry out this Act, including expenses arising from monitoring and
8 evaluation.

9 (h) Maximum Incentive—

10 (1) In General—With respect to each rebate, grant, and tax credit
11 provided to an eligible participant under this section, the aggregate
12 value of the grants, rebates, and tax credits may not exceed fifty (50)
13 percent of the cost to the purchaser of the purchase and installation
14 of the solar energy system.

15 (2) Effect—Nothing in this subsection affects any solar loan or
16 financing program under this section or any other law or regulation.

17 (i) Goal—It is the goal of the Philippines, through this Act and any appropriate
18 incentive or research and development program, to install distributed solar energy
19 systems on not less than 1,000,000 properties located in the Philippines by 31 December
20 2021.

21 SECTION 5. *Implementing Rules and Regulations.* – Within sixty (60) days after
22 the effectivity of this Act, the Secretary shall promulgate the necessary rules and
23 regulations to carry out the objectives of this Act.

24 SECTION 6. *Authorization of Appropriations.* – To carry out the provisions of this

1 Act, there are authorized to be appropriated such sums as may be necessary for each
2 fiscal year.

3 SECTION 7. *Separability Clause.* – If any provision or part hereof is held invalid
4 or unconstitutional, the remainder of the law or the provision not otherwise affected shall
5 remain valid and subsisting.

6 SECTION 8. *Repealing Clause.* – Any law, presidential decree or issuance,
7 executive order, letter of instruction, administrative order, rule, or regulation contrary to
8 or inconsistent with the provisions of this Act is hereby repealed, modified, or amended
9 accordingly.

10 SECTION 9. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after
11 its publication in at least two (2) newspapers of general circulation.

Approved,

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