



DEPARTMENT CIRCULAR NO. DC2025-__ - _____

**SUPPLEMENTAL POLICY TO THE NET-METERING PROGRAM INTEGRATING
RENEWABLE ENERGY CERTIFICATE TRADING AND MULTI-SITE AND
AGGREGATE NET METERING TO ENHANCE PARTICIPANT BENEFITS AND
MARKET ACCESS**

WHEREAS, Republic Act (RA) No. 9136, otherwise known as the “*Electric Power Industry Reform Act of 2001*” or “EPIRA”, declares the policy of the State to, among others: (a) assure socially and environmentally compatible energy sources and infrastructure; and (b) promote the utilization of indigenous and new and renewable energy (RE) resources in power generation in order to reduce dependence on imported energy;

WHEREAS, RA No. 9513, otherwise known as the “*Renewable Energy Act of 2008*” or the “RE Act”, declares the policy of the State to accelerate the exploration and development of Renewable Energy (RE) resources including hybrid systems, to achieve self-reliance, strategies to reduce the country’s dependence on fossil fuels and thereby minimize the country’s exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy;

WHEREAS, the RE Act further declares the policy of the State to increase the utilization of RE by institutionalizing the development of national and local capabilities in the use of RE Systems, and promoting their efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives;

WHEREAS, pursuant to Section 10 of the RE Act, subject to technical considerations and without discrimination and upon request by distribution end-users, the Distribution Utilities (DU) shall enter into net-metering agreements with qualified end-users who will be installing the RE System;

WHEREAS, on 22 December 2017, the Department of Energy (DOE) issued the Department Circular No. DC2017-12-0015 entitled, “Promulgating the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards for On-Grid Areas,” or the “RPS On-Grid Rules” where energy produced or generated by Eligible RE Facilities under Net-Metering Program are eligible to earn RE Certificates (REC), which shall be credited as one of the mechanisms that the DUs may apply as part of their compliance with their obligations as Mandated Participants under the RPS On-Grid Rules;

WHEREAS, on 16 August 2019, the ERC issued the Resolution No. 06, Series of 2019 entitled “Adopting the Amendments to the Rules Enabling the Net-Metering Program for Renewable Energy” or the “Amended Net-Metering Rules” to address issues on the applicability of the lifeline rates to Qualified End-Users and whether the mechanism of accumulating the credits of net exports on the customer bill is reasonable;

49 **WHEREAS**, on 22 October 2020, the DOE issued the Department Circular No.
50 DC2020-10-0022, entitled as “Prescribing the Policies to Enhance the Net-Metering
51 Program for Renewable Energy Systems”;

52
53 **WHEREAS**, on 19 August 2024, the DOE issued the Department Circular No.
54 DC2024-08-0025, entitled as “Prescribing Further Policies to Enhance the Net-
55 Metering Program for Renewable Energy Systems Amending, for this Purpose,
56 Department Circular (DC) No. DC2020-10-0020” to address issues on the banking of
57 Net-Metering Credits and REC meter;

58
59 **WHEREAS**, the DOE identified various issues and concerns regarding barriers to
60 participation and REC ownership in the Net-Metering Program;

61
62 **WHEREAS**, on _____ 2025, the DOE conducted public consultation through
63 Microsoft Teams and Facebook Live on the proposed supplemental policy for the Net-
64 Metering Program to address the aforementioned issues and concerns and to increase
65 the end-users participation in achieving RE targets;

66
67 **NOW, THEREFORE**, in consideration of the foregoing, the DOE hereby issues and
68 promulgates the following policies for the enhancements and effective implementation
69 of the Net-Metering and RE programs:

70
71 **Section 1. REC Ownership.** In relation to the implementation of Section 15 of
72 DC2017-12-0015 (RPS), the use of Renewable Energy Certificates (RECs) from Net
73 Metering arrangements shall be as follows:

74 (a) Own use from Net Metering arrangements shall be allocated to the Qualified End-
75 User.

76
77 (b) Exported energy from Net Metering arrangements shall be allocated to the DU.

78
79 Exported energy shall be included in the Net Electricity Sales of the DU for the
80 calculation of its Renewable Portfolio Standards (RPS) requirement.

81 **Section 2. Trading.** RECs, whether from own use or exported energy from Net
82 Metering arrangements, may be sold or traded through the Renewable Energy Market
83 (REM) or other equivalent markets as may be specified by the DOE through the
84 issuance of subsequent policies and guidelines.

85
86 **Section 3. Multi-Site and Aggregate Net-Metering.**

87
88 3.1. A Qualified End-User may share or distribute excess Net Metering Credit to other
89 electricity accounts: Provided, That such electricity accounts are also registered
90 under the said Qualified End-User within the same DU.

91
92 3.2. DUs shall enable Net Metering Credit allocation between or among multiple
93 electricity accounts using appropriate technology, which may include advanced
94 metering infrastructure (AMI) and digital tracking systems.

95
96 “Net-Metering Credit” refers to an amount in peso from net energy exported into the
97 Distribution System by a Qualified End-User.

Section 4. Regulatory Support. The ERC is enjoined to issue necessary regulatory provisions for the implementation of the abovementioned policies.

Section 5. Separability Clause. If any provision of this Circular is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 6. Repealing Clause. Any prior issuances, orders or circulars inconsistent with this Circular are hereby repealed, amended or modified accordingly.

Section 7. Effectivity. This Circular shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation. Copies of this Circular shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register.

RAPHAEL P.M. LOTILLA
Secretary