



DEPARTMENT CIRCULAR NO. DC 2021-08-0025

PRESCRIBING FURTHER POLICIES TO ENHANCE THE NET-METERING PROGRAM FOR RENEWABLE ENERGY SYSTEMS AMENDING, FOR THIS PURPOSE, DEPARTMENT CIRCULAR (DC) NO. DC2020-10-0022

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 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 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 (DUs) shall enter into net-metering agreements with qualified end-users who will be installing the RE System, and the Energy Regulatory Commission (ERC), DUs and all relevant parties, among others, are mandated to provide the mechanisms for the physical connection and commercial arrangements necessary to ensure the success of net-metering, consistent with the Grid and Distribution Codes;

WHEREAS, Section 7 of the Implementing Rules and Regulations of the RE Act (IRR), or the Department of Energy (DOE) Department Circular (DC) No. DC2009-05-0008, provides among others, the purpose and the mandate of the DUs under this program;

WHEREAS, on 27 May 2013, the ERC issued Resolution No. 9, Series of 2013, titled “*A Resolution Adopting the Rules Enabling the Net-Metering Program for Renewable Energy*” or the “Net-Metering Rules” pursuant to Section 10 of the RE Act and Section 7 of its IRR;

WHEREAS, on 22 December 2017, the DOE issued DC No. DC2017-12-0015, titled “*Promulgating the Rules and Guidelines Governing the Establishment of the Renewable Portfolio Standards for On-Grid Areas*,” or the “RPS On-Grid Rules” whereby energy produced or generated by Eligible RE Facilities under Net-Metering Program are eligible

to earn RE Certificates, 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 Resolution No. 06, Series of 2019, titled “*Adopting the Amendments to the Rules Enabling the Net-Metering Program for Renewable Energy*” or the “*Amended Net-Metering Rules*” to, among others, address the 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;

WHEREAS, on 22 October 2020, the DOE issued DC No. DC2020-10-0022, titled “*Prescribing the Policies to Enhance the Net-Metering Program for Renewable Energy Systems*,”

WHEREAS, the DOE received various concerns from stakeholders, which impede the implementation of Net-Metering Program;

WHEREAS, on 16 February 2024, the DOE conducted virtual public consultation on the proposed amendments to DC No. DC2020-10-0022, titled “*Prescribing the Policies to Enhance the Net-Metering Program for Renewable Energy Systems*” in order to address the stakeholders’ issues and concerns and to increase the utilization of RE through the Net-Metering Program;

NOW, THEREFORE, in consideration of the foregoing, the DOE hereby issues and promulgates the following policies for the enhancements and effective implementation of the Net-Metering Program:

Section 1. Amendments. The following Sections of DC No. DC2020-10-0022 are hereby amended to read as follows:

a. Section 3, Scope:

“Section 3. Scope. This Circular prescribes the following policies and guidelines to provide enhancements to the Net-Metering Program in support of ERC Resolution No. 06, Series of 2019:

- (a) Application to Off-Grid or Island Grid Systems;
- (b) Publication by the DUs in their respective websites of the Net-Metering Program, including the hosting capacities of their Distribution Systems for Net-Metering purposes; and
- (c) Development of a Net-Metering Guidebook that prescribes the guidelines and procedures for Net-Metering arrangements, from offer to after-sales services by Net-Metering installers and service providers, as well as prescribing the minimum standards for all Net-Metering installations, in collaboration with all concerned government agencies.”

b. Section 4, Definition of Terms, particularly, the definition of Net-Metering Credit:

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

c. Section 5, Threshold Capacity for Net-Metering Installations:

“Section 5. Any Qualified End-User may install Net-Metering facility subject to the capacity limit as provided for in RA 9513.”

d. Under Section 6, Banking of Net-Metering Credits:

“Section 6. All Net-Metering Credits may be banked, rolled-over and credited to the Qualified End-User’s electricity consumption based on current and succeeding billing periods, as appropriate.”

Section 2. RE Certificate (REC) Meter for Net-Metering. The REC meter shall no longer be required subsequent to the ERC’s issuance of a methodology for computing or estimating the energy or generation output of the Net-Metering facility.

Section 3. Responsibilities of the ERC and Concerned Stakeholders. The ERC shall provide regulatory support for the implementation of this Circular. All concerned stakeholders shall ensure the timely processing of applications for, and connection of facilities for Net-Metering of Qualified End-Users.

Section 4. Separability Clause. If any provision of this DC is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 5. Repealing Clause. Any prior issuances, orders or circulars inconsistent with this DC are hereby repealed, amended or modified accordingly.

Section 6. Effectivity. This DC shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation. A copy of this DC shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register.

Issued this AUG 19 2024 at DOE, Energy Center, Rizal Drive cor. 34th Street, Bonifacio Global City, Taguig City, Metro Manila.


RAPHAEL P.M. LOTILLA
Secretary

