



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC \_\_\_\_ - \_\_\_\_ - \_\_\_\_

**PRESCRIBING FURTHER POLICIES AND AMENDING DEPARTMENT  
CIRCULAR NO. DC2020-10-0022, ENTITLED “PRESCRIBING THE POLICIES TO  
ENHANCE THE NET-METERING PROGRAM FOR RENEWABLE ENERGY  
SYSTEMS” FOR THE ENHANCEMENTS OF THE NET-METERING PROGRAM**

**WHEREAS**, 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 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**, 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 shall enter into net-metering agreements with qualified end-users who will be installing the RE System;

**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**, the Implementing Rules and Regulations of the RE Act or the Department Circular No. DC2009-05-0008, Section 7, further elaborated the purpose of this program and the mandate of Distribution Utilities;

**WHEREAS**, on 27 May 2013, the Energy Regulatory Commission (ERC) issued Resolution No. 9, Series of 2013 entitled “*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 Implementing Rules and Regulations;

**WHEREAS**, on 22 December 2017, the 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, 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;

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

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

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61 **WHEREAS**, while the amended Net-Metering Rules addressed most of the economic  
62 and technical barriers of the current Net-Metering Program, the DOE deems it  
63 necessary to further enhance the current Net-Metering policies and arrangements in  
64 order to increase the utilization of RE through the Net-Metering Program;

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66 **NOW, THEREFORE**, in consideration of the foregoing, the DOE hereby issues and  
67 promulgates the following policies for the enhancement of Net-Metering Program.

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69 **Section 1. Amendments.** The following Sections of the Department Circular No.  
70 DC2020-10-0022 are hereby amended:

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72 a. Under Section 4 (b), the definition of the Net-Metering Credit is hereby  
73 amended:

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

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78 b. Under Section 5, Threshold Capacity for Net-Metering Installations, is hereby  
79 deleted.

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81 c. Under Section 6, Banking of Net-Metering Credits, is hereby amended and  
82 renumbered as follows:

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84 “Section 5. All Net-Metering Credits shall be banked and credited to the  
85 Qualified End-User on the succeeding billing periods.”

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

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91 **Section 3. Regulatory Support.** The ERC is enjoined to issue necessary regulatory  
92 provisions for the implementation of the abovementioned policies.

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

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

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**Section 6. 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*

Issued on \_\_\_\_\_ at the Department of Energy,  
Fort Bonifacio, Taguig City, Metro Manila.