Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN RE: A RESOLUTION AMENDING ERC RESOLUTION NO. 6, SERIES OF 2019, ENTITLED "A RESOLUTION ADOPTING THE AMENDMENTS TO THE RULES ENABLING THE NET-METERING PROGRAM FOR RENEWABLE ENERGY

ERC CASE NO. 2025-002 RM

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COMMENTS

The **PHILIPPINE SOLAR AND STORAGE ENERGY ALLIANCE ("PSSEA", for brevity),** through counsel, respectfully submits its Comments on the Resolution Amending ERC Resolution No. 6, Series of 2019, and state that:

1. PSSEA is a non-stock corporation registered with the laws of the Philippines and with principal office at 1402 Paragon Plaza, EDSA Avenue cor. Reliance St., Mandaluyong City where it may be served with notices, orders, and other pleadings by the Honorable Commission.

2. This Comment is submitted to present to the Honorable Commission the discussions of comments, clarificatory questions and suggestions that would maximize the full potential of Net-Metering Program for the renewable energy ("RE") facility.

3. On 10 January 2025, a Notice calling for Comments on the above-entitled case has been published by the Honorable Commission. Together published are copies of Areas for Amendments as Annex "A" and Hosting Capacity as Annex "B", and the template for Comments.

NET-METERING PROGRAM FOR RENEWABLE ENERGY

4. Net Metering ("NM"), as defined under the Republic Act No. 9513 otherwise known as the *"Renewable Energy Act of 2008"*, 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.[1]

5. Under the same law, the Honorable Commission is mandated, together with other concerned government agencies, to provide mechanisms for the physical connection and commercial arrangements necessary to ensure the success of the NM for RE program, consistent with the Grid and Distribution Codes.[2]

6. Pursuant to this mandate, Resolution No. 09, Series of 2013, entitled *"A Resolution Adopting the Rules Enabling the Net-Metering Program For Renewable Energy"* was approved on 27 May 2013 and became effective on 24 July 2013.

7. Rules of Resolution No. 09, Series of 2013 only applied to On-Grid Systems and cover distributed generation[3], which is connected to and operates in synchronism with the On-Grid distribution utilities ("DUs"), and apply to single-phase or three-phase generation with a maximum capacity of 100kW[4].

8. Subsequently, on 16 August 2019, the Honorable Commission approved Resolution No. 06, Series of 2019, entitled *"A Resolution Adopting the Amendments to the Rules Enabling the Net-Metering Program for Renewable Energy"* amending Resolution No. 09, Series of 2013.

9. Significant amendments made by the Resolution No. 06, Series of 2019 is installation of bi-directional meter, renewable energy certificate ("REC") meter, conduct of distribution impact study ("DIS"), RE Certificate issued to DUs which shall be based on gross generation and be credited as compliance of the DUs obligations under the renewable portfolio standards ("RPS").

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[1] Chapter I, Sec. 4, par. (gg), Republic Act No. 9513
[2] Chapter III, Sec 10, Republic Act No. 9513
[3] Section 3, Annex A, Resolution No. 09, Series of 2013
[4] Par. 2, Annex A-1, Resolution No. 09, Series of 2013

ON PROPOSED AMENDMENTS TO RESOLUTION NO. 6, SERIES OF 2019

10. Exhaustive discussion of PSSEA's Comments on the proposed amendment for Resolution No. 6, Series of 2019 is hereby attached as *Annex "A"* and is made an integral part hereof.

11. The inclusion of Off-Grid RE systems in the ERC Resolution No. 11, Series of 2022 entitled *"A Resolution Adopting the Rules Governing Distributed Energy Resources"* is a significant progress in the electricity industry considering that demand on electricity in the country can be reduced by adding more inclusive implementing rules and regulations for the rooftop solar.

12. It can be gleaned from the proposed amendments that from the definition of the RE Certificate, the phrase "RE Certificates may be traded in the RE Marker in complying with the RPS" has been deleted. The purpose of the deletion of the said wordings from the current definition must be given clarification. It is suggested that the amendment must be worded in a clear and categorical language in accordance with the purpose of the rule to leave no room for interpretations other than what the rule intended to.

13. Significantly, it is hereby being proposed that while the injection limit to the grid must not be more than 100 kW AC, RE solar facility must not be restricted to generate more than the said kilowatt AC. To ensure that the injection of power to the grid does not exceed 100 kW AC, export controllers and batteries among other technologies may be utilized and installed. Hence, a sustained output of 100kW is maintained.

14. On Banking of NM Credits, it is submitted that the provision must specifically indicate and state the requisites necessary for the transfer of ownership of property with installed RE generating facility and transfer of account for the NM Credits. Period of approval must be likewise specified.

15. However, should the previous owner of the property intend to transfer and re-install his/her existing generating facility, a mechanism for the NM Credits on such a case must be provided

and the process for re-installment must not be onerous on the owner.

16. For the RE Certificate, while the installation of REC meter shall become voluntary, a clarification on who between the DUs and consumers must initiate the voluntariness of installing the REC Meter is wanting.

17. Further, RE Certificate must be based on the exported energy because it is the value that can really be quantified and supplied to the utility. Verily, the use of the REC Meter does not represent the true kWh of energy sourced by the utility, as self-consumption of RE is behind the meter.

18. In addition, on the proposed amendments for Section 25, credentials of DUs relevant to their capacities on working on Net-Metering must be published to their pages to give a wide array of choices to the public in choosing their DUs in accordance to their preference and needs. This would also result in a more transparent and accountable DUs in the energy sector.

19. Lastly, PSSEA seeks clarification on the specific roles and responsibilities of Qualified End-Users, Installers, and DU in the process of Testing and Commissioning, particularly on who will be responsible for conducting the tests due to the absence in the current rules of NM to specify who amongst them.

PRAYER

WHEREFORE, PSSEA prays that the Honorable Commission considers the comments, discussions, and suggestions set forth in this Comments and its attached *Annex "A"* in amending Resolution No. 06, Series of 2019.

Other just and equitable reliefs are prayed for.

Batangas City for Pasig City, 17 January 2025.

By:

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MCLE Compliance No. VIII-0015154 valid until April 14, 2028

A RESOLUTION AMENDING ERC RESOLUTION NO. 6, SERIES OF 2019, ENTITLED "A RESOLUTION ADOPTING THE AMENDMENTS TO THE RULES ENABLING THE NET-METERING PROGRAM FOR RENEWABLE ENERGY"

Page/ Section Number	Discussion of Comment(s) and/or Questions for Clarification	Comment/s and Suggestion/s
Section 3. Applicability. These Rules shall be applicable to On Grid RE Systems. **ERC Resolution No. 11, Series of 2022 (DER Rules) shall be applicable to Off-grid RE systems.** **25.3. Repealing.** All prior rules, **regulations** and guidelines or portion thereof issued by the ERC ~~in relation to net metering~~ that are inconsistent with these Rules are hereby **amended,** repealed or modified accordingly.	Inclusion of Off-grid areas under the ambit of Net-Metering and DER is a significant progress in the electricity industry as this would enable the utilities and end-users to enjoy its full rights and benefits. With this proposed amendment, would the criminal and administrative sanctions imposed for the On-grid areas be made applicable to those in Off-grid areas. If so, it must be specifically provided. On the contrary, if there will be no criminal and administrative sanctions imposed on those utilities and end-users in the Off-grid areas, a substantial distinction for Net-Metering in On-Grid areas and Off-Grid areas is necessary to justify the same.	End-users in the On-Grid areas and in the Off-Grid areas must be eligible to Net-Metering without discrimination prejudices. Demand on electricity can be reduced by adding more rooftop solar with appealing implementing rules and regulations.
Section 21. Reporting. All DUs shall submit a Net-Metering implementation report to the ERC, including the processing timelines of the Net-Metering applications using	Please refer to the Proposed Amendments on Section 25.x. Amendment	Please refer to the Proposed Amendments on Section 25.x. Amendment

the ERC provided reportorial template (See Annex "A-3"). For the first two (2) years of the implementation of this Amended Net Metering Rules, reports shall be filed semi-annually, not later than January 31st and July 31st of each year, and annually, not later than March 31st of each year. **The DU shall also post in their respective websites, on a quarterly basis, no later than the 15th day of the month following the end of each quarter, updates on its hosting capacity on a per substation and feeder basis, following the prescribed format (attached as Annex B).**		
Page 2 **Net-Metering Credit refers to an amount in peso from net energy exported into to the Distribution System by a Qualified End-User**		
(bb) **"Renewable Energy Certificate" or "RE Certificate"**	Currently, RE Certificates are traded in the RE Market in complying with the RPS. However, it	It is hereby suggested that the RE Certificate be defined as follows:

refers to a certificate issued by the RE Registrar to Mandated Participants of the RPS showing the energy sourced, produced, and sold or used from the Eligible RE Systems. The definition of RE Certificate as defined under Section 3(tt) of the RE Act-IRR is hereby amended accordingly.	is apparent from the proposed amendment that the said rule is deleted. Purpose or clarification for the removal of trading RE Certificates is wanting. As a rule in the Statutory Construction, what is not expressly or impliedly prohibited by law may be done except when the act is contrary to morals, customs, and public order. In removing trading RE Certificates in the RE Market for RPS compliance, it can be construed that RE Certificates can be traded in all other markets allowing such trade and for all other purposes. The amendment must be worded in a clear and categorical language in accordance with the purpose of the rule to leave no room for interpretations other than what the rule intends to. ERC must also take into consideration of trading RE Certificate in a global perspective. Philippines, as part of the United Nation Framework Convention on Climate Change (UNFCCC), is under obligation to comply with the Article 6 of Paris Agreement under the doctrine of pacta sunt servanda.	(bb) **"Renewable Energy Certificate" or "RE Certificate" refers to a certificate issued by the RE Registrar to Mandated Participants of the RPS showing the energy sourced, produced, and sold or used from the Eligible RE Systems. RE Certificate may be traded not only in the RE Market in complying with the RPS, as defined in Section 3(tt) of the Implementing Rules and Regulations fo R.A. 9513, but in all other relevant market for all purposes it may serve, unless otherwise disallowed or prohibited by other laws, circulars, issuances, and rules and regulations. The definition of RE Certificate as defined under Section 3(tt) of the RE Act-IRR is hereby amended accordingly.**

	Notably, RECs can be monetized on different ways. As such, the rules to be adopted must be in such a way that the RE Certificates will be of use to the consumers in its utmost benefit in relation to the said Agreement.	
Annex A-1 2. Scope and Purposes The Net-Metering Interconnection Standards for Qualified End-users provide for the rules and standards for the interconnection of QEs' Renewable Energy (RE) generating facilities to the DU's Distribution System, and apply to single-phase or three-phase generation with a maximum Section 5 (Threshold Capacity for Net-Metering Installations) Any Qualified End-User may install Net-Metering facility subject to the capacity limit as provided for in RA9513. No amendment. 1 DC2020-10-0022 – "Prescribing the Policies to Enhance the Net-Metering Program for Renewable Energy Systems" ERC Resolution No. 6, Series of 2019 DC2024-08-0025 Proposed Amendments capacity of 100 kW.	On Net-Metering: Even after the lapse of 11 years from the effectivity of R.A. 9513 and with more than 13,000 end-users with more than 100MWp of generation capacity, Net-Metering as currently implemented is not congruent with its enabling law. The rate of Net-Metering must be equivalent to its overall contribution to the grid, at the very least it should be blended generation plus transmission, thus, the overall contribution is altogether considered in setting the value for Net-Metering. With the proper valuation in Net-Metering and implementation, its fullest capacity can prevent a possible electricity crisis in the country. By including Off-Grid in the applicability of Net-Metering, the total cost of power may be reduced while the community will benefit from a lower cost of power. Compensation for Net-Metering may be the subsidized average generation rate ("SAGR") which can be	For Net-Metering, For threshold capacity in Net-Metering, the injection limit to the grid must not be more than 100 kW AC. While a rooftop solar facility can generate more than 100kW, it is prohibited to dispatch more than 100kW to the grid. With the emerging and developing Internet Of Things (IOT) technologies, export controllers and batteries, among others that may be utilized to ensure not only that the injection ceiling is not violated. but also to allow "prosumers" with Net Metering to inject power during grid constrained periods. Hence, not only will there be a sustained output of 100kW but also grid benefits.

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, as defined in Section 4 (gg) of R.A. 9513. **Distributed Generation** refers to a system of small generation entities supplying directly to the distribution grid, any one of which shall not exceed one hundred kilowatts (100 kW) in capacity, as defined in Section 4(j) of Republic Act No. 9513.	considered a good rate considering that SAGR in the Off-Grid areas are higher than the On-Grid areas. In relation to threshold capacity suggestion, the cap has to be removed for a rooftop solar facility to generate as much kW it can possibly generate while limiting its injection of power to the grid. The conservative ceiling mandated by the law must be reconsidered given the current status of electricity in the country. The legislative department and other concerned government agencies must work on how the industry can maximize the capacities of the RE technologies, especially rooftop solar in the residential sectors, commercial and utilities to counter Yellow Alert during day time. Net-Metering may be considered a small system with a minimum approach, but the accumulated value of a single kW generated from such a system can gradually and significantly alleviate electricity shortages in the country. By allowing "prosumers" that have a PV plus BESS system, to sell surplus stored power during high contrined periods, the opportunity is there to create a more efficient system awarding the prosumer for the investment.	Additionally, if an inverter capacity has only 100kW capacity, there is no room for producing more than 100kW due to the limit in the inverter.

	An argument may arise that the stored energy will come from the grid, which may be the case. Then all and any systems with a BESS should not be allowed to attain RECs. For the same reason. Net metering opportunity should still be allowed, where the value of the kWh is determined on the market. This approach is already being practiced in many other countries and the Philippines may consider adopting the same through the help of different industry stakeholders. Given the increasing number of Orange and Red Alerts, this could very well be an efficient means to addressing the issue.	
Section xx (Banking of Net-Metering Credits) **All the Net-Metering Credits shall be banked, rolled over and credited to the Qualified End-User's electricity consumption based on current and succeeding billing periods, as appropriate.** **In case of transfer of ownership of the property including the RE generating facility thereon, the**	For the second paragraph, it is submitted that the new owner should not be subjected to unnecessary procedures to effect the transfer of the account, including but not limited to permits, unconscionable fees and documentary requirements. However, signing a new Net-Metering Agreement may be required by your office with an attached copy of the proof of transfer of ownership. In addition, the approval must be done within a period of two weeks upon signing of the new owner of the new Net-Metering Agreement or approval must be done in accordance with the	It is hereby suggested that the provision must specifically state the requisites necessary and the time frame for the approval of the transfer of account for the Net-Metering Credits. Also, it is suggested that a mechanism for the previous owner of the property who intends to transfer the installation of the existing generating facility to his/her new property be provided. The owner

Net Metering Credits which accrued to the original property owner shall be transferred to the new owner, subject to the compliance of the requirements under the 2023 Revised COC Rules and any subsequent amendments thereto, and execution of all the necessary documents, which may include, but not limited to, a new Net Metering Agreement with the concerned distribution utility.	provisions of The Anti-Red Tape Authority (ARTA) and be treated as either a simple transaction or complex transaction. On the other hand, a mechanism must be provided should the previous owner of the property with generating facility intends to install his/her existing generating facility to his/her new property. In such a case, the Net Metering Credits must still be on his/her account and the requirements for transferring the generating facility from the previous property to the new one must not be burdensome to the owner.	must retain the earned credits from his/her facility and the re-installment to the new property must not be onerous to the owner.
Section 19. RE Certificate. The installation of the REC meter shall be voluntary. The DU shall be entitled to an RE Certificate resulting from Net-Metering arrangements with the QE who is using an RE Resource to provide energy. Such RE Certificate shall be based on the gross generation **as measured through the REC meter** and shall be credited as compliance with the DU's obligations under the RPS **or through the formula or methodology below:**	Previously, PSSEA stands for the removal of REC Meter but having the exported energy as the determination of the RECs that should be credited as RECs rebate if the DU wants RPS compliance. In the given circumstance, the DU will issue REC rebates credited to the consumer. Thus, the installation of REC Meter must be harmonized to the purpose it intends to serve the customers. A REC Meter is needed to get the total production of the facility of the rooftop solar because with the existing Net-Meter what can only be measured is the exported solar energy but not the total production.	RE Certificate from Net Metering must be based on the actual exported energy because it is the value that is really quantified and supplied to the utility. The use of the REC meter does not represent true kWh of energy sourced by the utility as self consumption of RE is behind the meter. Self Generated RE is also considered exempt from universal charges under Sec 17 of RA 9513 and its production and consumption is outside the

Solar: REC per Month (kWh/mo)= Installed ×Capacity Factor × DCAC/ Ratio×Hours per Month **DC/AC Ratio: 0.80931[2]** – applicable for solar only (See table below for the references) **Other Technologies:** REC per Month (kWh/mo) = Installed Capacity (kW)× Capacity Factor × Hours per Month(hr) **Capacity Factors:** (Based on GEA2) Rooftop solar-19.2775% Ground-mounted solar-20.29% Floating Solar-19.8842% Wind-28.35% Biomass-81% Biomas WTE-93% (Based on FIT3): ROR Hydro-52.17% **Section 10. Interconnection Set-Up.** xxx	It must be noted also that the RECs earned from Net-Metering participants should be credited to the ones who invested, thus, it is the customer. DUs, on the other hand, shall facilitate. The credit should be reflected as an additional rebate. If, however, the DU would like to credit the rate to them for their RPS compliance, DU must compensate the Net metered consumer based on the prevailing market value rates in the RE Market. In the foregoing circumstance, REC Meter for self-consumption is optional if they intend to sell their RECs. It is only logical after incurring additional wiring expense for the installation of the meter. Nonetheless, there should be a benefit to the customer in terms of RECs rebates. Now, if the consumer waives its rights to benefit from the RECs, then the DU should not compel the customer to install a REC Meter. A clarificatory provision for "voluntary" installation of REC Meters is really needed in view of the foregoing, whether it pertains to the customers or the DU.	jurisdiction and investment of the distribution utility.

The DU **shall compute the RECs generated from the RE System based on Section 19 hereof** ~~also furnish and install, an REC meter in proximity to the RE System. This is to measure the total RE generated~~ for compliance with the Renewable Portfolio Standards (RPS) and derive ~~to measure~~ the actual energy consumption for the determination of the following: xxx	Again, REC Meter measures the output of the RE Facility. In the absence of installed REC Meter would result in DUs inability to measure the total output of the RE Facility. However, Renewable Energy actually sourced by the Utility is already measured as Net Meter Export kWh under the Net Meter. In adding voluntary installation of REC Meter, the kWh for those without REC Meter cannot be counted. Hence, there must be a mechanism for customers without REC Meter on how they can still be compensated or formula for their incentives in utilizing renewable energy facilities.	

Section 25.x. Amendment. **The Commission hereby amends Resolution No. 05, Series of 2007[3] to mandate that all Distribution Utilities ("DUs") shall prominently display on their respective publicly accessible websites an itemized breakdown of their generation charges and Corresponding hosting capacities, delineated on both a substation and per-feeder basis.** **The aforementioned information shall be presented in the format prescribed by the Commission and attached hereto as Annex B.**	To further adopt transparency and accountability among the DUs, they should be likewise required to publish their average processing time for Net-Metering applications and Distributed Impact Study ("DIS"). Still, there are utilities that do not have sufficient meters or the DIS is only valid for one year with processing times exceeding this one year period. Further, DUs must also provide their real world capabilities of doing Net-Metering or having a demonstrable program with successful participants within its franchise. This would be a notice to the public that their DUs are in compliance with the law and identifying hosting issues before they become automatic denials based on published capabilities. Furthermore, this possibly fosters more competitive DUs in the industry.	It is hereby suggested that credentials of DUs relevant to their capacities on working on Net-Metering must be published to their pages to give a wide array of options to the public in choosing their DUs in accordance to their preference and needs. In an event that a DU demonstrated congestion on their distribution network to absorb new net metering customers or expansion of systems, There would have to be a maximum time limit of six months for a distribution to rectify hosting issues and SHALL compensate Net Metered customers for projected exported Net meter export equivalent to half of its total RE production on a kWh basis. This would result in a more transparent and accountable DUs in the energy sector and avoid abuses in denial of Net Metering.
	General Comments:	

	1. Notably, the current rules on Net-Metering do not specify the responsibilities of the Qualified End-Users, Installer, and DU regarding the Testing and Commissioning. As such, a clarification on the specific roles of each party must be provided, particularly on who will be responsible for conducting the tests.	