



Hawai'i Natural Energy Institute Research Highlights

International Support

Support to the USAID Energy Secure Philippines (ESP) Program

OBJECTIVE AND SIGNIFICANCE: HNEI via its Grid System Technologies Advanced Research Team (GridSTART) is supporting the USAID-funded Energy Secure Philippines (ESP) Program and Philippines Energy Regulatory Commission's (ERC) activities to advance inclusive economic growth and resilient energy sector development through the enactment of net energy metering (NEM) rules for their numerous small island grid systems and a regulatory framework for battery energy storage systems (BESS) adoption in the Philippines.



Figure 1. Palawan Island, Philippines.

BACKGROUND: In 2019, HNEI GridSTART provided technical and capacity building support in collaboration with USAID Clean Power Asia to assist the Philippines Department of Energy (PDOE) to prepare and present its Department Circular (DC) for "Promulgating Policies to Enhance Customers' Participation in the Philippines' Net-Metering Framework."

In 2020, PDOE issued a new Net Metering Policy which, while maintaining the 100 kW limit on system capacity, removed the Distribution Impact Study fee imposed by distribution utilities on Net-Metering applicants. As a result, the participation rate in the Net-Metering Program has increased by almost 15%. HNEI is continuing its support of the Philippines power sector in collaboration with the USAID ESP program. The three major objectives of ESP are to: 1) improve electric utility performance; 2) increase deployment of advanced energy sources and systems; and 3) enhance competition in the power sector.

PROJECT STATUS/RESULTS:

NEM Rules for Island Systems: HNEI is collaborating with USAID ESP, the ERC, distribution utilities (DUs), and other relevant agencies to develop a set of rules (including guiding principles, processes, rules, and enrollment, and interconnection standards) for a NEM program that allows customers to sell excess

distributed generation to the DUs of small island systems not connected to the country's bulk transmission networks.

BESS Regulatory Framework: HNEI is collaborating with USAID ESP and the ERC to establish a mandated BESS regulatory framework for the Philippines, including: 1) streamlined rules for BESS interconnection; 2) guidelines for BESS technical codes and standards; 3) cost recovery mechanisms for utility-owned BESS; and 4) third-party-owned BESS for ancillary services. This work will assist the ERC in fulfilling the mandate set by the PDOE.

In the summer of 2022, HNEI submitted to USAID ESP and the ERC its reports and supporting documentation for: 1) NEM rules for isolated "off-grid" island systems in the Philippines; and 2) a BESS regulatory framework for the Philippines. HNEI conducted in-person presentations of the reports to ESP and the ERC over the course of two full-day sessions held in Manila in August 2022. In September 2022, as a follow-on to the presentation of the BESS report, HNEI led a regulation drafting workshop with the ESP and the ERC in Manila to prepare a draft BESS regulation for ERC promulgation. Work on a draft regulation for off-grid NEM is expected to continue into 2023.



Figure 2. HNEI August 2022 Presentation of BESS Report to USAID ESP and the ERC in Manila.

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Contact: Leon Roose, lroose@hawaii.edu

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