

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



FIFTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 6101

INTRODUCED BY REPRESENTATIVE PEDRO P. ROMUALDO

EXPLANATORY NOTE

The passage of Republic Act No. 9136 otherwise known as "the Electric Power Industry Reform Act, as amended" was seen as a bold step towards restructuring the "Electric Power Industry" and it was the intention of the framers then to open up the industry to attract more players.

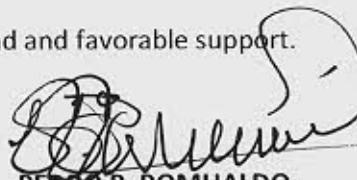
The transfer of the assets and operations from the National Power Corporation to the various corporate entities created under the EPIRA is part of the privatization efforts to ensure there would be adequate reliable and cost-effective power supply that will meet the growing power demand of industries, household users and electric cooperatives.

With the problems besetting in Mindanao wherein the load capacity and supply of existing plants are not sufficient to provide the demand requirements of consumers and power users, and aggravated by the neglect in the rehabilitation of old plants or maximizing its serviceable life, and no new investments or participants in the power industry. It is high time we revisit the EPIRA and the National Power Corporation Charter.

This proposal may seem at first glance a turnaround of the clock but this is a innovative idea which might end our woes if we give ourselves a chance to start all over and with due respect to the validity of the existing contracts and the approved franchises of existing corporations created under the EPIRA.

We hope future generations will see the significance of this proposal to ensure that there will be a "Power Industry Sector" in the country that will thrive, allow competition to grow, and meet the demand requirements of its users at reasonable rates.

May this legislative proposal merit your kind and favorable support.


PEDRO P. ROMUALDO
Representative
Lone District, Camiguin

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10 House Bill No. 689 76101
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12 **INTRODUCED BY REPRESENTATIVE PEDRO P. ROMUALDO**
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14
15 **AN ACT**

16 **REPEALING REPUBLIC ACT NO. 9136, AS AMENDED OTHERWISE**
17 **KNOWN AS "THE ELECTRIC POWER INDUSTRY REFORM ACT, AS AMENDED"**
18 **AND FOR OTHER PURPOSES**
19

20
21 *Be it enacted by the Senate and the House of Representatives of the Philippines*
22 *in Congress assembled:*
23

24
25 **SECTION 1.** Republic Act No. 9136, otherwise known as "the Electric
26 Power Industry Reform Act, as amended", is hereby repealed in its entirety.
27

28 **SEC. 2.** Any law to the contrary notwithstanding, all existing contracts
29 entered into under Republic Act 9136, as amended, shall continue to be in
30 force and in effect until such time as the said original contracts shall have
31 expired. When the respective corporate lives of the National Transmission
32 Company (Transco) and/or its franchisee, the Power Sector Assets Liabilities
33 Management Corporation (PSALM) and the Wholesale Electricity Spot Market
34 (WESM) shall have expired, all their assets and liabilities are hereby
35 transferred to the National Power Corporation (NPC): *Provided*, That nothing
36 in this Act shall affect the assets sold by the NPC pursuant to the provisions of
37 Republic Act No. 9136, as amended: *Provided, further*, That NPC shall, by
38 virtue of this Act, be subrogated to all the rights and assume all the liabilities
39 of the PSALM, WESM and Transco, whose functions and powers have been
40 transferred to NPC, and all their respective funds, records, property, assets,
41 equipment, and such personnel as necessary, including unexpended
42 appropriations and/or allocations. All contracts and liabilities of said offices,
43 agencies, and government units are hereby transferred to and assumed by
44 NPC and shall be acted upon in accordance with the *Auditing Code* and other
45 pertinent laws, rules, and regulations: *Provided, moreover*, That the officers
46 and employees of said offices, agencies, and government units shall continue
47 in a holdover capacity until such time as the new officers and employees of
48 NPC shall have been duly appointed pursuant to the provisions of this Act:
49 *Provided, finally*, That employees separated from the service as a result of this

1 reorganization shall, within six (6) months from their separation from the
2 service, receive the retirement benefits to which they may be entitled under
3 existing laws, rules, and regulations.
4

5 SEC. 3. *Energy Regulatory Commission.* - Nothing in this Act shall be
6 construed as to abolish and/or reorganize the Energy Regulatory Commission.
7

8 SEC. 4. *Tax Treatment.* - The tax exemptions of the NPC as repealed by
9 Republic Act No. 9337, as amended, otherwise known as the *Expanded Value*
10 *Added Tax Law*, as amended, are hereby restored.
11

12 SEC. 5. *Implementing Rules & Regulations.* - Within sixty (60) days from
13 the effectivity of this Act, the Department of Energy, in consultation with the
14 affected sectors, shall formulate the rules & regulations for the effective
15 implementation of this Act.
16

17 SEC. 6. *Appropriations.* - Such sums as may be necessary for the
18 implementation of this Act shall be taken from the current fiscal year
19 appropriations of NPC, the special fund created under Section 8 of
20 Presidential Decree No. 910, and such amounts as the President of the
21 Philippines may allocate from other resources in accordance with law:
22 *Provided*, That the total amount shall not exceed Three hundred billion pesos
23 (P 300,000,000,000). Thereafter, the amount needed for the operation and
24 maintenance of NPC shall be included in the annual *General Appropriations*
25 *Act*.
26

27 SEC. 7. *Separability Clause.* - The provisions of this Act are hereby
28 declared to be separable, and in the event any one or more of such provisions
29 are held unconstitutional, they shall not affect the validity of other provisions.
30

31 SEC. 8. *Repealing Clause.* - Republic Act No. 9136, as amended, is hereby
32 expressly repealed. All other laws, ordinances, rules, regulations, and other
33 issuances or parts thereof, which are inconsistent with this Act, are hereby
34 repealed or modified accordingly.
35

36 SEC. 9. *Effectivity.* - This Act shall take effect fifteen (15) days from its
37 complete publication in a newspaper of general circulation or the *Official*
38 *Gazette*, whichever comes earlier.
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40 Approved,