

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session



HOUSE BILL No. 6173

Introduced by Rep. TEDDY A. CASIÑO

EXPLANATORY NOTE

This bill seeks to amend the failed policy known as the Electric Power Industry Reform Act (EPIRA) in light of the raging power crisis in Mindanao and the long-term vision that the vital power industry should not be left to the vagaries of private interests to the detriment of our country's national development requirements.

As of 2011, the Philippines had the highest cost of electricity in Asia with an average retail rate of 18.1 US cents per kilowatt-hour, easing out Japan that had 17.9 US centers per kilowatt-hour.

The latest available comparative data from the from 18th EPIRA Implementation Status Report show that Mindanao has effective residential electricity rates of P6.69 per kilowatt-hour (kWh). Luzon has P9.84 per kWh and Visayas has P8.19 per kWh. Except for CARAGA, all the Mindanao regions have more expensive residential power rates than Hong Kong SAR. These regions, including Cotabato City, Iligan City, SOCCKSARGEN, and the Zamboanga Peninsula all have higher residential rates than major Asian capitals like Taipei, Kuala Lumpur, Jakarta, New Delhi, Bangkok, and Shanghai, among others. All in all, Mindanao is paying an average of P1.82 per kWh more for electricity than the 31 major cities in Asia and Oceania as surveyed by the Japan External Trade Organization (JETRO).

The premise that Mindanao has been unjustifiably enjoying "cheap" power rates is totally wrong. True, Mindanao has lower power rates than Luzon and the Visayas. But Mindanao is actually paying much more than most major cities in Asia. It is a sad fact that residential consumers in Cagayan de Oro City, the Autonomous Region in Muslim Mindanao (ARMM), Northern Mindanao, and the Davao and CARAGA regions are paying twice the electricity rates of residents in Seoul and Beijing.

It will be wrong for government to fully let go to private hands the vital power generation sector. It will doubly wrong for government to side with private power firms who want high prices instead of consumers and investors who want low electricity rates.

It is important to note that these generation assets have continually reaped dividends for the government and the people and will continue to do so in the long-term. It is high time to put a stop to the privatization of state power assets – particularly the remaining assets still in government hands to help keep power rates stable and to keep what should be kept in state hands for the benefit of the Filipino people.

In view of the foregoing, approval of this bill is earnestly sought.

Approved,


REP. TEDDY A. CASINO

Bayan Muna Party-list

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HOUSE BILL No. 6173

Introduced by Reps. TEDDY A. CASIÑO and NERI JAVIER COLMENARES

AN ACT
TO ADDRESS THE WORSENING STATE OF THE POWER INDUSTRY IN
THE PHILIPPINES, AMENDING FOR THE PURPOSE SECTION 47 OF
REPUBLIC ACT NO. 9136, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title* – This Act shall be known as the “Power Assets Retention Act of 2012.”

SECTION 2. *Amendment* - Section 47 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 is amended to read as follows:

“SEC. 47. NPC Privatization. –

“(a) xxx

“(b) xxx

“xxx

“(c) xxx

“(d) All THE REMAINING POWER assets of NPC shall be RETAINED BY THE NATIONAL GOVERNMENT, AND MANAGED BY THE NATIONAL CORPORATION (NAPOCOR);

“(e) In cases of transfer of possession, control, operation or privatization of multi-purpose hydro facilities, NATIONAL GOVERNMENT safeguards AND PROTOCOLS shall be STRICTLY prescribed to ensure that direct water usage AND RELEASES in cases of SHORTAGES AND INCLEMENT WEATHER

CALAMITIES to protect potable water, irrigation, AGRICULTURAL AND RESIDENTIAL LANDS and all other requirements imbued with public interest;

“(f) The Agus and the Pulangui complexes in Mindanao, THE ANGAT HYDROELECTRIC POWER PLANT IN LUZON, THE NAGA POWER PLANT COMPLEX IN VISAYAS, AND ALL STATE POWER BARGES shall be excluded from PRIVATIZATION. Their ownership shall be RETAINED OR transferred to the NAPOCOR and shall continue to be operated by the NAPOCOR. The said complexes shall be subject to REHABILITATION, UPGRADING AND MAINTENANCE BY THE NAPOCOR;

“(g) THE STATE SHALL ENDEAVOR TO DEVELOP THE GEOTHERMAL RESOURCES OF THE COUNTRY AND BUILD NEW GEOTHERMAL PLANTS. The steam field assets and generating plants of each EXISTING geothermal complex SHALL NOT BE PRIVATIZED. The geothermal complexes covered by this requirement include, but are not limited to, Leyte A and B (Tongonan), Palinpinon, and Mt. Apo;

“xxx.

SECTION 3. *Repealing Clause.* – All other laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with any provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 4. *Separability Clause.* – If any provision of this Act is subsequently declared unconstitutional, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 5. *Effectivity Clause.* – This Act shall take effect immediately after its complete publication either in the Official Gazette or in two newspapers of general circulation in the Philippines.

Approved,