

Republic of the Philippines
HOUSE OF REPRESENTATIVES

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 4753



Introduced by **Representative Carlos Roman L. Uybarreta, 1-CARE Party**
List

**AN ACT CONVERTING TO SUBSIDY THE EMERGENCY CALAMITY LOANS
EXTENDED BY THE NATIONAL ELECTRIFICATION ADMINISTRATION TO
THOSE AFFECTED BY TYPHOON LAWIN THAT WAS USED FOR THE
RECONSTRUCTION, REPAIR AND REHABILITATION OF DISTRIBUTION
LINES/SYSTEM AND OTHER INFRASTRUCTURE SUPPORT OF ELECTRIC
COOPERATIVES AND APPROPRIATING FUNDS FOR THE PURPOSE**

Explanatory Note

Last October 16, 2016, Typhoon Lawin, the second most intense tropical cyclone worldwide in 2016, slammed the country's northeastern coast. With a high of 325kph wind gusts, it made landfall in Penablanca, Cagayan. It leveled houses, toppled trees and power lines, and blew off tin roofs. The damage brought by Typhoon Lawin left twelve (12) electric cooperatives in three (3) regions with more than Three Hundred Million Pesos (Php 300,000,000.00) loss in substations, sub-transmission lines and distribution lines.

Initial assessment made by the National Electrification Administration (NEA), Department of Energy (DOE) and the electric cooperatives show the following damage:

REGION I

Ilocos Sur Electric Cooperative	Php 4,923,907.00
La Union Electric Cooperative	Php 3,492,000.00

REGION II

Cagayan Electric Cooperative I and II	Php 110,716,933.00
Isabela Electric Cooperative I and II	Php 31,943,843.00

CORDILLERA AUTONOMOUS REGION

Ifugao Electric Cooperative	Php 3,639,253.00
Kalinga Electric Cooperative	Php 68,300,000.00
Abra Electric Cooperative	Php 61,340,946.00
Benguet Electric Cooperative and Mt. Province Electric Cooperative	Php 16,449,165.00

The total loss brought about by **Typhoon Lawin** is estimated to be around **Php 300,805,947.00**.

There is a need to restore the damaged distribution lines/system and repair other infrastructure support of these electric cooperatives that require inordinate amount of resources. However, NEA Electric Cooperatives are

designed not to earn profit so these electric cooperatives cannot build up funds to respond to natural disasters such as typhoons and earthquakes. These electric cooperatives are now on its knees and find it difficult to recover from the losses. The electric cooperatives are forced to secure calamity loans which are often converted to long-term loans for the reconstruction or rehabilitation of their damaged facilities. The total cost to amortize these calamity loans are then passed on to the member-consumers thru higher electricity rates. The member-consumers already devastated both emotionally and financially by the effects of Typhoon Lawin will be further burdened by these higher electricity rates. The Government should immediately help these member-consumers by extending assistance to the electric cooperatives which serve millions of householders, cater to other basic services and move the wheels of the economy. It is for this reason that a subsidy to the electric cooperatives is requested.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

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

**AN ACT CONVERTING TO SUBSIDY THE EMERGENCY CALAMITY LOANS
EXTENDED BY THE NATIONAL ELECTRIFICATION ADMINISTRATION TO
THOSE AFFECTED BY TYPHOON LAWIN THAT WAS USED FOR THE
RECONSTRUCTION, REPAIR AND REHABILITATION OF DISTRIBUTION
LINES/SYSTEM AND OTHER INFRASTRUCTURE SUPPORT OF ELECTRIC
COOPERATIVES AND APPROPRIATING FUNDS FOR THE PURPOSE**

Section 1. Short Title.- This Act shall be known as the “**Typhoon Lawin Power Restoration and Rehabilitation Emergency Assistance Fund**”

Section 2. Declaration of Policy. - It is hereby declared the policy of the State to assist member-consumers of electric cooperatives that were adversely affected by Typhoon Lawin on October 16, 2016 by extending to these distressed electric cooperatives aid and relief for the restoration of electricity, rehabilitation of power and transmission lines, and repair and reconstruction of other infrastructure support thru the conversion of their emergency calamity loans extended by the National Electrification Administration into subsidy.

Section 3. Statement of Objectives and Guidelines. - This Act is intended to help member-consumers of electric cooperatives heavily damaged by Typhoon Lawin in **Regions I, II** and **CAR**. It aims to subsidize the emergency calamity loans extended by the National Electrification Administration that were used for the immediate rehabilitation of damaged and destroyed transmission and power lines and other infrastructure support.

Section 4. Guidelines in the Allocation of Funds. - The government's fund and resource herein appropriated shall be spent judiciously and effectively in consonance with the principle of providing the greatest good for the greatest number. Accordingly, the following guidelines shall be observed in allocating the funds available under this Act.

(a) The Typhoon Lawin Power Restoration and Rehabilitation Emergency Assistance Fund shall be used exclusively to subsidize the calamity loans extended by National Electrification Administration that were used for the rehabilitation of transmission and power lines and other infrastructure support damaged by Typhoon Lawin;

(b) The rehabilitation and repair of the facilities, transmission and power lines shall be in accordance with the Build Back Better standard of the National Electrification Administration.

Section 5. Appropriation Clause. - To carry out the purposes of this Act, the sum of Three Hundred Million Eight Hundred Five Thousand Nine Hundred Forty Seven Pesos (**Php 300,805,947.00**) is hereby appropriated out of the Malampaya Fund and/or any available fund in the national treasury not otherwise appropriated.

Section 6. Creation of the Typhoon Lawin Power Restoration and Rehabilitation Emergency Assistance Fund. - For purposes of this Act, the National Electrification Administration thru the Department of Energy is hereby authorized, empowered and directed to promote, encourage and assist public service entities, particularly electric cooperatives, to the end of achieving the objective of making service available throughout the area devastated by Typhoon Lawin as rapidly as possible.

- (a) To subsidize the calamity loans that were used for the rehabilitation of transmission and power lines and other infrastructure facilities that were damaged by Typhoon Lawin;
- (b) To ensure that the rehabilitation and repair of the facilities, transmission and power lines shall be in accordance with the Build Back Better standard of the National Electrification Administration;
- (c) To plan and to develop to the extent possible and without charge therefore, technical and professional assistance, guidance, information and the results of any investigation, study or reviews conducted by NEA.
- (c) To report to Congress and the President of the Republic of the Philippines on the status of the Typhoon Nina Power Restoration and Rehabilitation Emergency Assistance Fund and all other information and data as will accurately reveal the progress being made toward the achievement of the purpose of this Act; and to publish such report for the dissemination and for use of the National government.
- (d) To make proper evaluation, studies and recommendation on how to make the lines, and equipment and facilities more durable and weather-proof.

Section 7. Separability Clause. - If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Section 8. Repealing Clause. - Any law, decree, or rules and regulations which are inconsistent with or contrary to the provisions of this Act are hereby amended or repealed.

Section 9. Effectivity. - This Act shall take effect upon its publication in at least two (2) national newspapers of general circulation.

Approved.


Rep. Carlos Roman L. Uybarreta
1-CARE Party List