

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRES
First Regular Session

House Bill No. 5167



Introduced by Hon. Eric D. Singson & Deogracias Victor "DV" Savellano

EXPLANATORY NOTE

This bill seeks the establishment of a sustainable funding mechanism for electric cooperatives to cover the cost of reconstruction, rehabilitation or repair of damaged distribution infrastructures in the aftermath of a disaster or calamity.

Electric cooperatives (ECs) are non-stock and non-profit entities and the electric rates are regulated by the Energy Regulatory Board (ERC) under a rate setting methodology that does not provide for the allocation of reserved funds for the purpose mentioned above.

The reconstruction, rehabilitation or repair of an EC's damaged distribution infrastructures are unnecessarily delayed after a disaster or calamity because ECs would have to apply for calamity loans from the National Electrification Administration (NEA). The procurement of materials is also delayed due to the normal transportation problems encountered in areas affected by calamities. This delay in the restoration of electricity hampers relief operations, and aggravates the difficulty in the flow of communications and other activities necessary in the restoration of electricity service.

The costs of restoration and rehabilitation undertaken by the ECS are usually passed on to ECs and to the member-consumers in the form of rate increases, thus making electricity service exorbitant and unaffordable.

Considering the benefits for the people affected during times of disasters, and calamities, approval of this bill is earnestly requested.


ERIC D. SINGSON


DEOGRACIAS VICTOR "DV" SAVELLANO

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AN ACT
ESTABLISHING A SUSTAINABLE FUNDING MECHANISM FOR ELECTRIC
COOPERATIVES TO COVER THE COST OF RECONSTRUCTION,
REHABILITATION OR REPAIR OF DAMAGED DISTRIBUTION
INFRASTRUCTURES IN THE AFTERMATH OF A DISASTER OR CALAMITY
AND ALLOCATING FUNDS THEREFOR IN THE ANNUAL NATIONAL BUDGET.

Be it enacted by the House of Representatives in congress assembled:

SECTION 1. The objective of this act is to avoid unnecessary delay in the delivery of electrical service to the victims of calamities and the resulting exorbitant increase in electricity rates.

SECTION 2. Congress shall allocate reserve funds for the reconstruction, rehabilitation or repair of Electric Cooperatives' infrastructures in the aftermath of calamities and disasters in the Annual General Appropriations Act. The amount shall be determined during the deliberation of the annual budget of every fiscal year.

SECTION 3. This Act shall take effect upon its approval.

Approved,