

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

17th Congress
First Regular Session

HOUSE BILL NO. 5319



Introduced by: **HON. JOSE ANTONIO R. SY-ALVARADO**

EXPLANATORY NOTE

It is a declared policy of the State, as mandated by **Section 9, Article II of the 1987 Constitution**, that it *“shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life.”*

Electricity is becoming or has become indispensable in the day to day lives of the people, both of the rich and the poor. Those who have no electricity are deprived of many conveniences. It is used not only for lighting and household purposes but it also allows for mechanization of many farming operations, permits activities to occur after daylight hours, reduces isolation through the use of telecommunications, improves safety with the implementation of street lights and lighting of road signs, improves delivery of health care by electrifying remote rural clinics, reduces the need for candles and kerosene lamps with their inherent fire safety risks, improves productivity in the agricultural and industrial sectors, and many other purposes.

Many of those who reside in remote areas are not supplied with electricity thus, they suffer from great disadvantages and the government should ensure that the quality of their lives must improve the soonest possible time. In many instances, the only obstacle in providing electricity to these remote places is the lack of funds to buy electric posts which the electricity distributors like Meralco did not include in their budgetary preparations since the areas are labeled as not economically feasible.

In order to improve the lives of its entire people specially the disadvantaged ones living in remote areas without electricity, the government, through the Department of Energy, should extend loans to the electricity distributors for the purchase of the much needed electric posts intended for the electrification of these areas.

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

JOSE ANTONIO R. SY-ALVARADO

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**“AN ACT ESTABLISHING A LOAN FACILITY PROGRAM TO
BARANGAYS STILL HAVING AREAS WITHOUT ELECTRICITY”**

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

SECTION 1. This Act shall be known as the **“Barangay Electrification Loan Assistance Act of 2017.”**

SECTION 2. Declaration of Policy. It is hereby declared a policy of the State to expedite the target of one hundred percent (100%) electrification of all residential areas in the country.

SECTION 3. Loan Assistance. The government, through the Department of Energy (DoE), shall provide loan assistance to any barangay with declared residential areas that are still without electricity, the primary reason for which is that the electricity distributor has no fund allocated for the purchase of electric posts that would be used in these remote areas. The maximum amount to be given as loan to each barangay is in the total amount of **One Million Five Hundred Thousand Pesos (P1,500,000.00)** at any given time. This means that if the loan obtained is less than the said amount, then the remaining amount could still be loaned to the same barangay for the same purpose. If the maximum amount was loaned to the barangay and payments have been made, the total amount paid can be loaned to the same barangay for the same purpose.

SECTION 4. Payment of Loan. The loan from the national government through the DoE shall be paid by way of the Land Bank of the Philippines by the barangay concerned using allocated budget from its share in the Internal Revenue Allotment (IRA) on installment basis depending upon the cash position of the latter. Provided, that the electrification of an area within its jurisdiction is part of its approved Annual Investment Plan (AIP). Provided further, that the electricity distributor that utilized electric posts purchased from the proceeds of the loan, shall charge their customers in the area that benefited from the loan an additional amount on top of the actual electricity used and shall deposit this amount to the account of the concerned barangay. This additional amount is the monthly installment payment to the barangay which in turn paid the loan to the DoE. The electricity distributor shall collect payments from the customers that benefited from the loan for a period of not less than one hundred (100) months from the actual electrification of the target area.

SECTION 5. Implementing Rules and Regulation. The DoE and DILG, in consultation with relevant sectors and stakeholders, shall issue an Implementing Rules and Regulations guideline for the effective implementation of this Act. The IRR shall include provisions that will address the non-payment of loans established under this Act, as well as corresponding penalties that may be imposed. It shall also provide for the collection and administration of loans, and other issues of significance relative to this Act.

SECTION 6. Appropriations. The amount of **One Billion Pesos (Php 1,000,000,000.00)** is hereby authorized to be appropriated from the National Treasury for the initial implementation of this Act. Thereafter, such sums as may be necessary for the implementation of this Act shall be appropriated as a distinct and separate item.

SECTION 7. Repealing Clause. Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with the provisions of this Act is hereby repealed, modified, or amended accordingly.

SECTION 8. Separability Clause. If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid and subsisting.

SECTION 9. Effectivity. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,

