

Republic of the Philippines
HOUSE OF REPRESENTATIVES

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. **6281**



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

**AN ACT ALLOWING FOR THE DEFERMENT OF THE PAYMENT OF
FINANCIAL OBLIGATIONS OF ELECTRIC COOPERATIVES IN AREAS
DEVASTATED BY NATURAL AND MAN-MADE CALAMITIES**

Explanatory Note

The Philippines is located in what is known as the "Typhoon Belt" with an average of twenty (20) typhoons striking the country each year. In the last decade, the Philippines has been consistently ranked in the top five (5) most disaster-prone countries in the world. In addition to that, it is also constantly being ravaged by man-made calamities such as rebellion and the likes.

A state of calamity makes us vulnerable to countless of problems for most of which is becoming financially cash strapped. Filipino families would prioritize basic needs like food, clothing and shelter. With this, the need to pay the utility bills will likely be sacrificed.

Unfortunately, electric cooperatives which are registered with the National Electrification Administration (NEA) are non-stock and non-profit entities hence they cannot build up funds to respond to natural and man-made calamities. And after each calamity, there is a need to restore the damaged distribution lines and repair other infrastructure support of these electric cooperatives which require inordinate amount of resources.

Electric cooperatives are reliant to their collection of utility payment from their member-consumers hence any delay in the payment of majority of their member-consumers will ultimately affect the viability and ability of the electric cooperatives to pay their outstanding financial obligations. Any delay in the payment of an electric cooperative's financial obligation will entail interest payment. An additional obligation which will eventually be passed-on to the member-consumers as higher electricity rate. The member-consumers will therefore suffer a *double whammy* as they already suffered losses because of the calamity and will again be caused to suffer because of higher electricity rates.

For the above reasons, passage of this bill is earnestly sought.

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Section 1. Short Title. This Act shall be known as the Electric Cooperatives Moratorium from Payment Act of 2017.

Section 2. Coverage. This Act shall cover all electric cooperatives registered with the National Electrification Administration and Cooperative Development Authority in areas that are declared to be in a state of calamity.

Section 3. Limitation. Calamity shall include both natural and man-made calamities. Natural calamity refers to typhoons, earthquakes, tsunamis, and other similar events. Man-made calamity refers to incidents like rebellions and other war-like activities whether rebels vs. government or rebels vs. rebels in identified areas.

Section 4. Authorized Deferred Payment. Electric cooperatives shall be allowed a grace period of sixty (60) days from the cessation of a calamity or until the situation stabilized in areas declared to be in a state of calamity to pay their financial obligations to their energy suppliers, lenders and other financing institutions.

Section 5. Implementing Rules and Regulations. The Department of Energy (DOE), National Electrification Administration (NEA), Department of Finance (DOF), and Department of Interior and Local Government (DILG) in consultation with the industry stakeholders shall jointly promulgate and issue the Implementing Rules and Regulations to carry out the provisions of this Act. Such rules and regulations shall take effect upon their publication in three (3) newspapers of general circulation.

Section 6. Repealing Clause. All laws, presidential decrees, letters of instructions, executive orders, rules and regulations insofar as they are consistent with this Act, are hereby repealed or amended as the case may be.

Section 7.-Separability Clause. In the event that any provisions of this Act or any portion thereof is declared unconstitutional by a competent court, the other provisions shall not be affected thereby and shall remain valid and enforceable.

Section 8. - Effectivity Clause. - This shall take effect after its complete publication in at least three (3) newspapers of general circulation.

APPROVED.



CARLOS ROMAN L. UYBARRETA

Representative

1st CONSUMERS ALLIANCE FOR RURAL ENERGY PARTY LIST