

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**SEVENTEENTH CONGRESS
Third Regular Session**

House Bill No. 7738



Introduced by: Representative Carlos Roman L. Uybarreta

EXPLANATORY NOTE

This bill seeks to revert back to the National Electrification Administration the power to grant, extend, repeal and amend the franchise of electric cooperatives.

It has always been the goal of the government to provide electricity to every household even to far-flung rural areas. To be able to do so would have a direct impact on the improvement of the quality of life of every Filipino family. Such is the mission when electric cooperatives were established nationwide.

The Electrification Administration (EA) was established back in 1960 by the Philippine Congress to oversee the electric cooperatives. Nine years later, the EA was superseded by the National Electrification Administration (NEA). It has since then managed the electric cooperatives to accomplish total electrification of the country. It was also NEA who was given the authority to oversee the ECs' loans, acquisition of assets, franchising rights, and subsidies.

With the passage of the Electric Power Industry Reform Act (EPIRA) in 2001, the power to grant, extend, repeal and amend the franchise of electric cooperatives had been conveyed to the Philippine Congress. Since then, electric cooperatives had to undergo a tedious process when extending their franchise. Certainly, this is not a step which would help achieve the ultimate goal of total electrification.

The goal now is to accomplish total electrification of the country especially in rural areas by the year 2020. With the franchise of some electric cooperatives set to expire before 2020, it would be appropriate to revert back to the NEA the power to grant, extend, repeal and amend the franchise of electric cooperatives

with the goal of streamlining such process as the NEA has the technical expertise and knowhow in evaluating an electric cooperative's application for renewal of its franchise. This will also have a direct and positive contribution towards achieving total electrification in the country by 2020. This should facilitate the application process for renewal of electric cooperatives' franchise and the electric cooperatives will now have more time to focus on their respective rural electrification goals.

In view of the foregoing, the passage of the bill is earnestly requested.



CARLOS ROMAN L. UYBARRETA
Representative, 1-CARE Party List

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**AN ACT REVERTING THE POWER TO GRANT, EXTEND, REPEAL AND
AMEND THE FRANCHISE OF ELECTRIC COOPERATIVES BACK TO THE
NATIONAL ELECTRIFICATION ADMINISTRATION, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 9136 AND FOR OTHER PURPOSES**

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

Section 1. Section 27, Chapter II of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or EPIRA, is hereby amended to read as follows:

"Section 27. Franchising Powers in the Electric Power Sector. – The power to grant, renew and cancel franchises to persons engaged in the transmission and distribution of electricity shall be vested exclusively to the National Electrification Administration. All laws inconsistent with this Act are hereby deemed repealed or modified accordingly.

Section 2. Separability Clause. – If any part or section of this Act is declared unconstitutional, such declaration shall not affect in any manner other parts or section of this Act.

Section 3. Repealing Clause. – The provisions of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" shall continue to have full force and effect except in so far as they are inconsistent with this Act.

Section 4. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.