

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

Seventeenth Congress
Third Regular Session

HOUSE BILL NO. 8135



Introduced by
Representative Carlos Roman L. Uybarreta

**AN ACT AMENDING REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS
THE "ELECTRIC POWER INDUSTRY REFORM ACT OF 2001" OR THE
EPIRA**

EXPLANATORY NOTE

Electricity in every Filipino household is very vital as it determines economic development. As such, our government has continuously looked for ways to provide electricity that is affordable as well as reliable. Not only does the efficient provision of electricity fulfill a basic human need, but it also contributes to poverty reduction and contributes to the welfare of every Filipino household. The Electric Power Industry Reform Act of 2001, or the EPIRA as it is more commonly known, is one such measure enacted by the government to address this. This is in line with the state policy to 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 for all.

Section 73 of the EPIRA provides for a socialized pricing mechanism called the lifeline rate to subsidize the electricity of low-income households. The lifeline rate sets the threshold to which households with corresponding electricity consumption will qualify for the subsidy. Significantly, this was intended to benefit low-income households by providing them their basic need of electricity with costs which are partially or fully subsidized depending on their consumption. However, not all those who qualify and avail of the lifeline subsidy are low-income households. Accordingly, residences such as condominium units and apartments, may qualify for the subsidy whenever their consumption does not exceed the determined threshold. This would be contrary to the spirit of the lifeline rate under the EPIRA to provide a subsidy

to low-income or marginalized consumers. Consumers which are not intended to be benefitted by the lifeline rate should not be subsidized. As such, proper identification and qualification of the lifeline rate beneficiaries should be implemented.

If properly implemented, the EPIRA, specifically the lifeline rate, would truly contribute to poverty alleviation with the end-goal of eliminating it. Likewise, such effort of social policy has an effect of increasing the purchasing power of the poor as they are now able to divert resources, scarce as they are, to their other needs. This bill seeks to provide for the determination of the beneficiaries of the lifeline rate, the low-income or the marginalized end-users. This bill will ensure that the Lifeline Rate subsidy will truly reach its intended beneficiaries.

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



CARLOS ROMAN L. UYBARRETA

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AND FOR OTHER PURPOSES**

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

Section 1. Section 4 of the EPIRA is hereby amended to include a new sub-paragraph (k) and renumber the succeeding paragraphs to read as follows:

Section 4. *Definition of Terms.* –

- (a) xxx
- (b) xxx
- (c) xxx
- (d) xxx
- (e) xxx
- (f) xxx
- (g) xxx
- (h) xxx
- (i) xxx
- (j) xxx
- (k) "Department of Social Welfare and Development" or "DSWD" refers to the government agency created pursuant to Executive Order No. 292;

Section 2. Section 73, Chapter VIII 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 73. *Lifeline Rate* – A socialized pricing mechanism called a lifeline rate for the marginalized end-users shall be as follows: One Hundred Percent (100%) discount for users with electricity consumption not exceeding Twenty (20) kilowatt hours (kwh), Fifty Percent (50%) discount for users with electricity consumption not exceeding Fifty (50) kilowatt hours (kwh), Thirty Five Percent (35%) discount for users with electricity consumption not exceeding Seventy (70) kilowatt hours (kwh) and Twenty Percent (20%) discount for users with electricity consumption not exceeding One Hundred (100) kilowatt hours (kwh). The DSWD shall work with the ERC to determine whether a consumer qualifies as marginalized so as to be benefitted by the Lifeline Rate.

Section 3. 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 4. Repealing Clauses. – 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 5. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.