

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8352



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

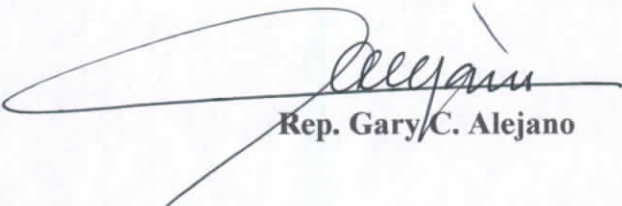
EXPLANATORY NOTE

The Malampaya gas field or the Malampaya-Camago field is a deepwater gas-condensate reservoir, located in the Service Contract 38 license area, located offshore, 65 km northwest of the island of Palawan. The field was developed and currently operated by Shell Philippines Exploration B.V. (SPEX), under the Royal Dutch Shell; with joint venture partners - Chevron Malampaya LLC and Philippine National Oil Company Exploration Corporation. It was the first oil and gas platform to be designed and built in the Philippines, and its successful completion has made the country a player in construction for the oil and gas industry.

Malampaya is benefiting the Philippines in countless ways, including reducing oil imports, assuring a more stable supply of energy and a cleaner source of power, and meeting up to 30% of Luzon's energy requirements. The operation of Malampaya in the power stations' full capacity of 2,700 megawatts is displacing an estimate of some 1.35 million kilograms of CO₂ per hour—a cleaner and more sustainable process, as compared to energy generation using coal or fuel oil.

Over the years, the Malampaya Fund, whose utilization was meant for financing resource development and exploration programs and projects, has been tapped instead to fund non-energy related programs such as rice sufficiency programs, relief operations, and the AFP Modernization Fund. The aforementioned are of great importance, however, this representation is convinced that the fund must be used to directly benefit power consumers, thus this proposal.

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


Rep. Gary C. Alejano

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AN ACT

REDUCING ELECTRICITY RATES BY ALLOCATING THE NET NATIONAL GOVERNMENT SHARE FROM THE MALAMPAYA NATURAL GAS PROJECT FOR THE PAYMENT OF THE STANDARD CONTRACT COSTS AND STRANDED DEBTS FOR THE NATIONAL POWER CORPORATION

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

1 **SECTION 1. *Short Title.***—This Act shall be known as the “**Cheaper Electricity Act of**
2 **2018.**”

3
4 **SEC. 2. *Declaration of Policy.***—It shall be the policy of the State to protect public interest
5 by providing reliable and reasonably-priced energy to consumers. Towards this end, the State shall
6 implement policies and programs to ensure the delivery of affordable electricity consumers.

7
8 **SEC. 3. *Malampaya Fund for Payment of Universal Charge-Stranded Contract Costs***
9 **(UC-SCC).**—All proceeds of the net national government share from collections of the Malampaya
10 Natural Gas project, otherwise known as the Malampaya Fund shall be allocated solely for the
11 payment of the National Power Corporation’s Stranded Contract Costs and Stranded Debts, which
12 shall be remitted to a Special Trust Fund to be administered by the Power Sector Assets and
13 Liabilities Management (PSALM) Corporation: *Provided*, That the amounts herein allocated shall
14 be included in the General Appropriations Act: *Provided*, further, that when the stranded contract
15 costs and stranded debts are fully paid, the aforementioned collection shall accrue to the National
16 Treasury.

1 **SEC. 4. *Implementing Rules and Regulations.***—Within sixty days (60) from the effectivity
2 of this Act, the Department of Energy, Department of Finance, and the Department of Budget and
3 Management shall provide the necessary rules and regulations for the proper disposition of the said
4 funds and the effective implementation of this Act.

5
6 **SEC. 5. *Repealing Clause.***—All laws, decrees, executive orders or parts thereof
7 inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

8
9 **SEC. 6. *Separability Clause.***—If any part or provision of this Act is declared invalid or
10 unconstitutional, the other parts not otherwise affected shall remain in full effect and force.

11
12 **SEC. 7. *Effectivity.***—This Act shall take effect fifteen (15) days after its publication in the
13 Official Gazette or in two (2) newspapers of general circulation.

Approved,