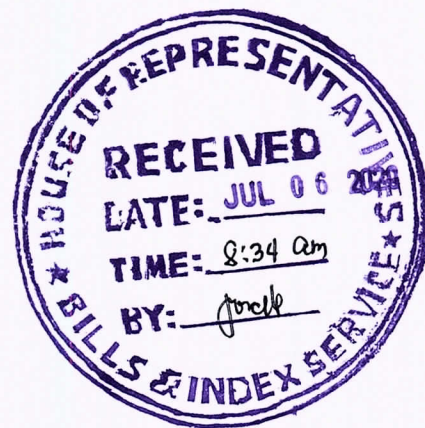




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. 7058

Introduced by
APEC Party-List Representative Sergio C. Dagooc
Philreca Party-List Representative Presley C. De Jesus,
Ako Padayon Pilipino Party-List Representative Adriano A. Ebcas,
RECOBODA Party-List Representative Godofredo N. Guya

EXPLANATORY NOTE

The inevitable consequences of the Coronavirus Disease-19 (COVID-19) pandemic has resulted to the suspension of the majority of the world's social and economic activities. In the microeconomic aspect of its effects, there are business closures, temporary lay-offs (no-work-no-pay-scheme) and stoppage of public transportation has substantially affected millions of Filipino workers, dependents and families—with most of them living on day-to-day toil—to rely on government aid and support in order to survive.

As a response to this health crisis, Republic Act No. 11469 or *Bayanihan to Heal as One Act* was enacted. Under this law, the government has released subsidies for 18 million low-income families and displaced workers for the span of two months. However, these subsidies are insufficient to augment their energy bills which are expected to surge due to the ongoing summer season and increased household energy consumption.

This, despite of the deferment of the collection of bill payments by some power distributors, will give a compounded burden for these households, as we are expecting that a post-Enhanced Community Quarantine "new

normal" will not immediately bring back all the jobs and economic activities that people are relying to.

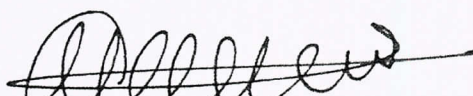
In view of the foregoing, the passage of this bill is urgently requested.



REP. PRESLEY C. DE JESUS
PHILRECA Partylist



REP. SERGIO C. DAGOOC
APEC Partylist



REP. ADRIANO A. EBCAS
Ako Padayon Pilipino Partylist



REP. GODOFREDO N. GUYA
RECOBODA Partylist



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. 7058

Introduced by
APEC Party-List Representative Sergio C. Dagooc
Philreca Party-List Representative Presley C. De Jesus,
Ako Padayon Pilipino Party-List Representative Adriano A. Ebcas,
RECOBODA Party-List Representative Godofredo N. Guya

AN ACT
PROVIDING GOVERNMENT ASSISTANCE TO DISTRIBUTION
UTILITIES AND ITS ELECTRICITY END USERS AND APPROPRIATING
FUNDS THEREFOR

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

Section 1. Short Title. - This Act shall be known as the *Distribution Utility COVID-19 Assistance, Relief and Energy Subsidy (DU-CARES) Act*.

Section 2. Definition of Terms. -

- a. "Developmental Bank of the Philippines" (DBP) shall refer to the financial institution created under R.A. No. 85, as amended;

- b. "Department of Finance" refers to Department of the Government created under the Reorganization Act No. 2666
- c. "Electric Cooperative Emergency and Resiliency Fund" (ECERF) shall refer to the fund established under R.A. 11039;
- d. "Energy Electric Bill" shall refer to the bill issued by an electric distribution utility for the cost of electricity consumed by a household;
- e. "Energy Distribution Utility" shall refer to any company or cooperative charged with the distribution of electricity under the EPIRA Law by virtue of a franchise whether for profit or otherwise
- f. Electric Cooperative shall refer to a distribution utility organized pursuant to Presidential Decree No. 269, as amended;
- g. "Bayanihan Act" shall refer to Republic Act No. 11469, otherwise known as the Bayanihan to Heal as One Act;
- h. "Subsidy" shall refer to the discount of the energy electric bill granted to residential households/consumers;
- i. "Residential Consumer" shall refer to a customer classified as such in the distribution utility's rate schedule as approved by the ERC.
- j. "Land Bank of the Philippines" (LBP) refers to the financial institution created under R.A. 3844, otherwise known as the Agricultural Land Reform;
- k. "Micro, small, and medium-scale enterprise" (MSME) refers to any business activity or enterprise engaged in industry, agribusiness and/or services, whether sole proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land in which the particular business entity's office, plant, and equipment are situated pursuant to Republic Act No. 9501 or the Magna Carta for MSMEs;
- l. "Minimum wage earner" shall refer to employees receiving compensation based on wage orders as issued by National Wages and Productivity Commission (NWPC) and the Regional Tripartite Wages and Productivity Boards (RTWPPBs);
- m. "National Electrification Administration" shall refer to the government agency created pursuant to Presidential Decree No. 269, as amended by Republic Act 10531.

HOUSEHOLD ENERGY SUBSIDY

Section 3. Household Subsidy. The government will provide an emergency One-Time Energy Electric Bill subsidy to all residential consumers/households of 150 kWh per residential consumer/household which shall be sourced from the net national government share from the Malampaya Fund.

The DOE, NEA, and DBM shall come up with the Implementing Rules and Regulations to implement this Section thirty (30) days after the approval of this Act.

ADDITIONAL FUNDING TO ECERF

Section 4. Additional Funds to ECERF¹. The sum of Php One Billion Philippine Pesos (Php 1,000,000,000.00) from the National Disaster Risk Reduction and Management Fund shall be transferred and appropriated to the Electric Cooperatives Emergency and Resiliency Fund (ECERF).

Section 5. The National Electrification Administration is mandated to reimburse all outstanding amounts due to Electric Cooperatives arising from damage to infrastructure caused by calamities as of the effectivity of this Act. These amounts shall be made available from the ECERF within six months from the implementation of this Act.

AMENDMENTS TO RA 11039 or the Electric Cooperatives Emergency and Resiliency Fund Act

Section 6. A new paragraph is hereby inserted to RA 11039 Section 4 (g) designated as paragraph (o) to read as follows:

“(o) Pandemic refers to an outbreak of a disease that occurs over a wide geographic area and affects an exceptionally high proportion of the population as declared by the World Health Organization (WHO)”

Section 7. Section 10 of RA 11039 is hereby amended to read as follows:

“SEC. 10. Allocation of the Electric Cooperatives Emergency and Resiliency Fund (ECERF).- The ECERF shall be allocated exclusively for the restoration or rehabilitation of the ECs damaged infrastructures or to provide financial assistance to ECs to pay its financial obligations in the event of a pandemic², fortuitous event or force majeure: Provided, That the amount shall not be used for the conversion of a calamity loan into a grant.

In case of a deficiency of the fund, the NEA shall seek for the allocation of a supplementary budget from the National Disaster Risk Reduction and Management Fund, subject to the approval by the President of the Republic of the Philippines.”

¹ On Additional Funding to ECERF

Appropriations for additional funding shall be introduced in the GAA for 2021 unless there is an available source of fund to be appropriated

Basis: RA 11039 “Sec 9. x x x Thereafter, such amounts necessary for sustainable implementation of the ECERF shall be included in the annual General Appropriations Act.”

² On Pandemic being covered by the ECERF

The law contemplates calamities that cause physical or structural damage to infrastructure. In fact, the fund is exclusively for the rehabilitation of damaged infrastructures. A pandemic does not cause physical damage to infrastructure.

LOANS AND SUBSIDIES

Section 8. MSMEs Protection Loans for basic expenses. – The government financial institutions (GFIs) Landbank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) shall establish loan facilities for MSMEs where the borrower shall be granted a grace period of twelve (12) months on principal repayment or to pay only the interest for the first twelve (12) months of the Term of the Loan. Duly-registered enterprises shall be eligible to receive loans to pay up to two months of basic expenses including deferred ELECTRICITY bills, telephone bills and internet bills. The loan shall be issued without security or collateral.

The Department of Finance (DOF) and the Bangko Sentral ng Pilipinas (BSP), in consultation with the DBP and the LBP, shall jointly issue the rules and regulations necessary for the implementation of this Section.

Section 9. Congressional Oversight. - The Joint Congressional Energy Commission shall maintain oversight function over the implementation of this Act.

Section 10. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

Section 11. Repealing Clause. – Any other provision of law, presidential decree, executive order, or rules and regulations inconsistent with the provisions of this Act or with the rules and regulations issued pursuant thereto are hereby repealed or modified accordingly.

Section 12. Effectivity. – This Act shall take effect on the fifteenth (15th) day following its publication in the Official Gazette or at least two (2) newspapers of general circulation.