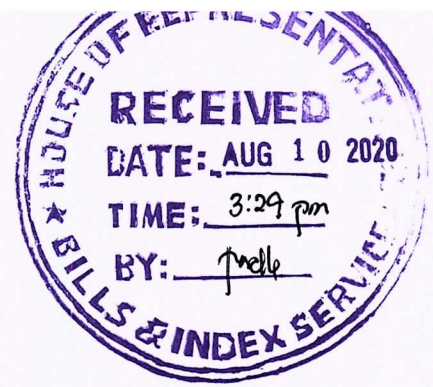


Republic of the Philippines
HOUSE OF REPRESENTATIVES

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7341



Introduced by HONORABLE WES GATCHALIAN

AN ACT
EXTENDING THE IMPLEMENTATION OF THE LIFELINE RATE, AMENDING
FOR THE PURPOSE SECTION 73 OF REPUBLIC ACT NO. 9136, OTHERWISE
KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001,
AS AMENDED BY REPUBLIC ACT NO. 10150

EXPLANATORY NOTE

Electricity has become a basic necessity in any person's life. According to Statista, on average, the household electricity consumption in the Philippines for 2019 was about 248.1-kilowatt hours in 2015, where electricity was used primarily for lighting purposes, cooking, recreation and space cooling.¹ On a related note, the latest report released by the Philippine Statistics Authority shows that poverty incidence in the country is estimated at 16.1 percent. This is defined as the proportion of families whose income is below the poverty line to the total number of families.

The lifeline rate refers to the subsidized rate given to low-income captive market end-users who cannot afford to pay at full cost.² The implementation of the lifeline rate is done to ensure and accelerate the total electrification of the country and ensure the quality, reliability, security and affordability of the supply of electric power.³ Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 (EPIRA) removed cross-subsidies within a grid, between grids, or between classes of grids, except lifeline rates.⁴

¹ Statista. (2018). Household electricity consumption per capita in the Philippines from 2000 to 2016. Retrieved from <https://www.statista.com/statistics/600115/household-consumption-of-electricity-per-capita-in-the-philippines/>

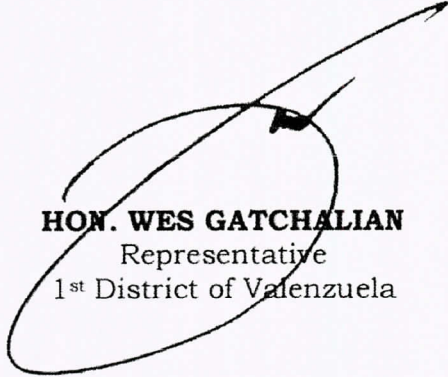
² Bersales. (2019). Proportion of Poor Filipinos registered at 21.0 percent in the First Semester of 2018. *Philippine Statistics Authority*. Retrieved from www.psa.gov.ph/poverty-press-releases/nid/138411

³ Sec. 4(hh), RA 9136 (2001).

⁴ Sec. 73 and 74, RA 9136 (2001).

EPIRA provides that the collection of lifeline rate was allowed for 10 years, unless otherwise extended by law. Ten (10) years after the implementation of EPIRA, the 15th Congress saw it fit to extend the lifeline rate for another ten (10) years, through Republic Act No. 10150; evidently because it has benefitted a great number of low-income households.

As Republic Act No. 10150 is about to expire on 2021, this bill is filed and immediate action for this is sought. This bill will extend the lifeline rate for an additional twenty (20) years, or up to 2041. This will ensure continuity of the crucial assistance to low-income electricity consumers, enabling them to access electricity and improve their lives.



HON. WES GATCHALIAN
Representative
1st District of Valenzuela

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

1 **SECTION 1.** *Extension of Lifeline Rate.* – Section 73 of Republic Act No. 9136,
2 otherwise known as the Electric Power Industry Reform Act of 2001, as amended by
3 Republic Act No. 10150, is hereby further amended to read as follows:
4

5 “SEC. 73. *Lifeline Rate.* – A socialized pricing mechanism called
6 a lifeline rate for the marginalized end-users shall be set by the
7 ERC which shall be exempted from the cross-subsidy phase-
8 out under this Act for a period of **[twenty [20] FORTY (40)**
9 years, unless otherwise extended by law. The level of
10 consumption and rate shall be determined by the ERC after due
11 notice and hearing.”
12

13 **SEC. 2.** *Separability Clause.* – If for any reason any provision of this Act or
14 any part thereof shall be held unconstitutional and invalid, the other parts or
15 provisions of this Act, which are not affected thereby, shall remain in full force and
16 effect.
17

18 **SEC. 3.** *Repealing Clause.* – All laws, decrees, orders, rules, and regulations
19 or parts thereof inconsistent with any of the provisions of this Act are hereby
20 repealed, amended, or modified accordingly.
21

22 **SEC. 4.** *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
23 publication in the Official Gazette or one (1) newspaper of general circulation.
24
25

26 Approved,