



Republic of the Philippines
House of Representatives
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL No. 10356



Introduced by:

REP. PRESLEY C. DE JESUS, PHILRECA Party-List
REP. SERGIO C. DAGOOC, APEC Party-List
REP. GODOFREDO N. GUYA, RECOBODA Party-List
REP. ADRIANO N. EBCAS, Ako Pilipino Party-List

EXPLANATORY NOTE

Created in June 2001 with a corporate life of 25 years or until June 2026, Power Sector Assets and Liabilities Management (PSALM) Corporation's principal mandate is to manage the orderly sale, disposition, and privatization of the National Power Corporation (NPC) generation assets, real estate and other disposable assets, and independent power producer (IPP) contracts with the objective of liquidating all of NPC's financial obligations and stranded contract costs (SCC) in an optimal manner.

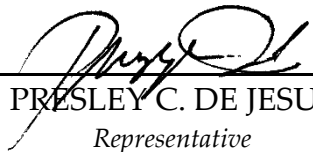
With less than 5 years remaining in its corporate life, there is an urgent need to assess and further prepare how PSALM Corp. can successfully accomplish its mandate. Should PSALM's life end in 2026, all of its remaining assets and outstanding debts and IPP contract costs will revert to and be assumed by the National Government (NG).

But considering the economic setback caused by the global pandemic to the Government, turning over these financial obligations to be absorbed as public debt may not be a prudent action, especially if it can be prevented. Hence, an extension of 10 more years for the corporate life of PSALM Corp. is proposed.

It is expected that in the next 15 years, PSALM will be able to significantly – if not fully – settle its financial obligations, such that when it is time for the government to take over any of PSALM's remaining assets and obligations, the government will

be able to do so without sacrificing any other priorities or obligations in the public sphere.

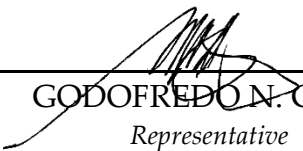
The passage of this bill is earnestly sought.



PRESLEY C. DE JESUS
Representative
PHILRECA Party-List



SERGIO C. DAGOOOC
Representative
APEC Party-List



GODOFREDO N. GUYA
Representative
RECOBODA Party-List



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AN ACT
EXTENDING THE CORPORATE LIFE OF AND STRENGTHENING THE
POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT
CORPORATION, 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 50, Chapter VI 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:

“SEC. 50. Purpose and Objective, Domicile and Term of Existence. - The principal purpose of the PSALM Corp. is to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate, and other disposable assets, and IPP contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optimal manner. The PSALM Corp. shall have its principal office and place of business within Metro Manila.

The PSALM Corp. shall exist [~~for a period of twenty five (25) years from the effectivity of this Act~~] until **JUNE 26, 2036** unless otherwise provided by

law, and all assets held by it, all MONIES and properties belonging to it, and all its liabilities outstanding upon the expiration of its term of existence shall revert to and be assumed by THE NPC.

PROVIDED, FURTHER, THAT UPON THE EXPIRATION OF ITS CORPORATE EXISTENCE, ALL THE PSALM CORP. EMPLOYEES THAT WILL BE ADVERSELY AFFECTED BY THE EXPIRATION SHALL RECEIVE SEPARATION PAY AND OTHER BENEFITS IN ACCORDANCE WITH LAW.

PROVIDED, HOWEVER, THAT UPON THE EXPIRATION, PSALM CORP. EMPLOYEES ASSIGNED TO THE ASSET MANAGEMENT AND OTHER DEPARTMENTS AND DIVISIONS THAT ARE DEEMED VITAL TO THE PRIVATIZATION OF ITS ASSETS, AS DETERMINED JOINTLY BY PSALM CORP. AND NPC, SHALL BE RETAINED AND CONSEQUENTLY TRANSFERRED UNDER NPC WITH COMMENSURATIVE SALARY GRADE."

SEC. 2. To continue the provision of low power rates in its area, Agus and Pulangui hydroelectric power complexes in Lanao Del Sur and Bukidnon provinces, respectively, will be permanently exempted from privatization, effectively amending relevant provisions in the mandate of PSALM Corp.

SEC. 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 sections of this Act.

SEC. 4. 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 insofar as they are inconsistent with this Act.

SEC. 5. Effectivity Clause. - This Act shall take effect on the fifteenth day following its publication in at least two (2) national papers of general circulation and in the Official Gazette.

Approved,