



Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

First Regular Session

House Bill No. **858**

Introduced by

PhilRECA Party-List Representative Presley C. De Jesus

EXPLANATORY NOTE

The archipelagic nature of the Philippines had always posed a significant obstacle to enhancing the transmission and distribution infrastructure required for efficient delivery of power supply to end users. While the Electric Power Industry Reform Act (EPIRA) of 2001 has been instrumental in promoting competition, efficiency, and sustainability in the power sector, there remains to be gaps in terms of delivering cost-efficient and reliable electricity to the end-users. As the energy landscape evolves, it is then imperative to amend the EPIRA to foster the development of embedded generation in the distribution sector for this purpose.

Embedded generation refers to electricity generation plants directly connected to a distribution utilities rather than the transmission network. Essentially, the source of power is within or closer to the point of distribution or consumption. Unlike traditional power plants that are located far from the users and transmit electricity over long distances through the transmission sector, embedded generation brings power generation closer to where it is consumed.

By encouraging the utilization of embedded generation in the distribution sector, transmission losses and other losses associated with long-distance electricity transport are reduced. Moreover, embedded generation can facilitate the use of indigenous renewable energy sources within the community instead of sending

them to the grid. Amending the EPIRA to encourage embedded generation in the distribution sector is a crucial step towards a more resilient, efficient, and sustainable power industry in the country.

In view of the foregoing, the immediate passage of this measure is urgently sought.

A handwritten signature in black ink, appearing to read 'Presley C. De Jesus', with a stylized, cursive script.

REP. PRESLEY C. DE JESUS
PhilRECA Party-List



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session

House Bill No. **858**

Introduced by
PhilRECA Party-List Representative Presley C. De Jesus

AN ACT
AMENDING SECTIONS 4 AND 23 OF REPUBLIC ACT NO. 9136, OTHERWISE
KNOWN AS THE ‘ELECTRIC POWER INDUSTRY REFORM ACT OF 2001 OR
EPIRA’, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** Section 4 of the EPIRA is hereby amended to read as follows:

2 “Section 4. *Definition of Terms.* –

3 x x x

4 **(S) “EMBEDDED GENERATORS” REFER TO GENERATING UNITS**
5 **THAT ARE INDIRECTLY CONNECTED TO THE GRID THROUGH**
6 **THE DISTRIBUTION UTILITIES’ LINES OR INDUSTRIAL**
7 **GENERATION FACILITIES THAT ARE SYNCHRONIZED WITH**
8 **THE GRID;**

9 **(t)** “End- user” refers to any person or entity requiring the supply
10 and delivery of electricity for its own use;

11 **SECTION 2.** Section 23 of the EPIRA is hereby amended to read as follows:

1 “Section 23. *Functions of Distribution Utilities.* –

2 x x x

3 Distribution utilities shall prepare and submit to the DOE their
4 annual distributions developments plans. In the case of electric
5 cooperatives, such plans shall be submitted through the National
6 Electrification Administration.

7 **ANY GENERATING PLANT TO BE EMBEDDED IN THE DU,**
8 **UTILIZING RENEWABLE INDIGENOUS ENERGY RESOURCES IN**
9 **THE FRANCHISE AREA OF THE DU, SUBJECT TO OWNERSHIP**
10 **AND MARKET-SHARE LIMITATIONS AS PROVIDED UNDER**
11 **EXISTING LAWS AND REGULATIONS, SHALL BE EXEMPTED**
12 **FROM THE CONDUCT OF COMPETITIVE SELECTION PROCESS,**
13 **UNLESS IT INTENDS TO SELL GENERATED POWER OUTSIDE**
14 **OF THE EMBEDDED AREA.**

15 **NO DU SHALL BE ALLOWED TO SOURCE FROM ITS EMBEDDED**
16 **GENERATING PLANT MORE THAN FIFTY PERCENT (50%) OF**
17 **ITS TOTAL DEMAND, BUT SUCH LIMITATION SHALL NOT**
18 **PREJUDICE CONTRACTS ENTERED INTO PRIOR TO THE**
19 **EFFECTIVE DATE OF THE ACT.**

20 **FOR THE PURPOSE OF CONSTRUCTING EMBEDDED**
21 **GENERATORS, DUS MAY ENTER INTO JOINT VENTURES AND**
22 **OTHER SIMILAR AGREEMENTS WITH GENERATION**
23 **FACILITIES, SUBJECT TO THE GUIDELINES ISSUED BY THE**
24 **ERC.”**

25 x x x

26 **SECTION 3.** *Implementing Rules and Regulations.* – The Department of
27 Energy (DOE), in consultation with concerned government agencies and
28 stakeholders, shall promulgate the Implementing Rules and Regulations
29 necessary to carry out and implement the provisions of this Act within sixty days
30 (60) from the effectivity of this Act.

31 **SECTION 4.** *Repealing Clause* - All laws, presidential decrees, executive
32 orders, letters of instruction, administrative rules and regulations or parts
33 thereof which are contrary to or inconsistent with the provisions of this Act are
34 hereby repealed or modified accordingly.

1 **SECTION 5. *Separability Clause*** – Should any part or provision of this Act
2 be held unconstitutional or invalid, all other provisions hereof which are not
3 affected thereby shall continue to be in full force and effect.

4 **SECTION 6. *Effectivity***. – This Act shall take effect after fifteen (15) days
5 following its complete publication in the Official Gazette or in two (2) newspapers
6 of general circulation whichever is earlier.

7 Approved,