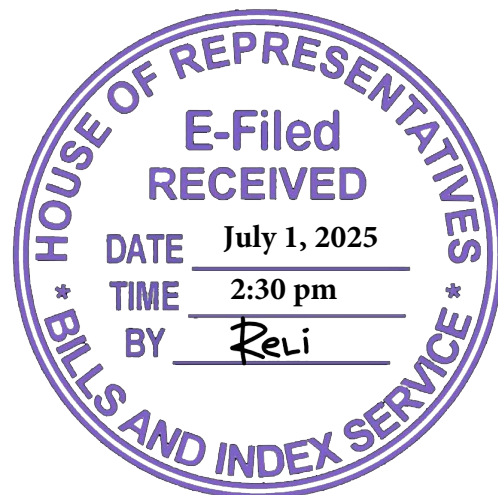




Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

First Regular Session

House Bill No. **860**

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

EXPLANATORY NOTE

Republic Act. No. 7160, otherwise known as the “Murang Kuryente Act aims to protect the public by ensuring the provision of reliable, secure and affordable supply of electric power to consumers. In said bill, the net national government share from the Malampaya fund shall be utilized for the payment of stranded contract costs and stranded debts transferred to and assumed by the Power Sector Assets and Liabilities Management.

Under the RA 9136 or the EPIRA Law, Small Power Utilities Groups (SPUGs) refer to the functional unit of the National Power Corporation (NPC), created to pursue NPC’s missionary electrification function. The NPC operates over two hundred seventy-four (274) SPUGs, servicing the regions of Luzon, Visayas and Mindanao. Under section 34 of the same law, Missionary Electrification shall be funded from the revenues from sales in the missionary areas and from the Universal Charge (UC) to be determined by the Energy Regulatory Commission and collected from all electricity end-users.

However, with the continuous and unexpected rise of electricity in the Philippines, there is now a need to protect the end-consumers from paying the current exorbitant fees and further protecting them from the possible increase of charges in the future. Thus, this bill seeks to provide a subsidy for the

Universal Charge for Missionary Electrification (UCME), sourced from the Malampaya Funds, which aims to protect consumers by lowering electricity charges solely shouldered by the end-consumers.

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

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

REP. PRESLEY C. DE JESUS

PhilRECA Party-List



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AN ACT
AMENDING REPUBLIC ACT NO. 11371 OR THE MURANG KURYENTE ACT
TO FURTHER DECREASE THE PRICES OF ELECTRICITY IN THE
COUNTRY

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

1 SECTION 1. **Title** – This Act shall be known as the “*Mas Murang Kuryente*
2 *Act*”.

3 SEC. 2. **Declaration of Policy.** – It is hereby declared that it is the policy
4 of the state to protect public interest by ensuring the provision of reliable, secure,
5 and affordable supply of electric power to consumers. Towards this end, the state
6 shall implement policies and programs to ensure transparent and reasonable
7 prices of electricity to consumers by minimizing the universal charges for
8 stranded contract costs and stranded debts.

9 SEC. 3. **Amendments.** – Section 4 of the Republic Act No. 11371, also
10 known as the “*Murang Kuryente Act*” shall read as follows:

1 “**Section 4. Use of Malampaya Fund.**— Two hundred eight billion
2 pesos (₱208,000,000,000.00) of the proceeds of the net national
3 government share from the Malampaya fund, shall be utilized for the
4 payment of stranded contract costs and stranded debts transferred to
5 and assumed by the Power Sector Assets and Liabilities Management
6 Corporation (PSALM) pursuant to Section 49 of Republic Act No.
7 9136, the "Electric Power Industry Reform Act of 2001", including all
8 anticipated shortfalls in the course of payment of such liabilities after
9 applying the PSALM's collections from the privatization of the NPC's
10 assets, independent power producers' contracts, and proceeds from
11 operations of existing assets: Provided, That annual allocations from
12 the Malampaya fund for the payment of stranded contract costs and
13 stranded debts including all anticipated shortfalls shall be included
14 in the General Appropriations Act consistent with the fiscal program
15 of the government, the procedure for which shall be provided in the
16 implementing rules and regulations of this Act: Provided, That any
17 remaining and future proceeds of the net national government share
18 from the Malampaya fund over and above the amount indicated in
19 this Act shall remain in the Special Account in the general fund to
20 finance energy resource development and exploitation programs
21 pursuant to Presidential Decree No. 910, Creating the Energy
22 Development Board: Provided, That this provision shall not impair in
23 any way the use or application of the remaining amount or future
24 proceeds of the net national government share of the Malampaya fund
25 to be used for energy resource development and exploitation programs
26 pursuant to Presidential Decree No. 910.

27 The Department of Budget and Management (DBM) shall ensure the
28 timely release of the amounts allocated and appropriated to the
29 PSALM in accordance with its debt and independent power producer
30 payment schedule.

31 In the event the stranded contract costs, stranded debts, and
32 anticipated shortfalls in the course of the payment of such liabilities
33 are fully paid before the exhaustion of the amount allocated in this
34 Act, the remainder of the amount allocated shall be utilized to finance

1 energy resource development and exploitation programs pursuant to
2 Presidential Decree No. 910, Creating the Energy Development Board.

3 The universal charges for stranded contract costs and stranded debts
4 currently being collected may be covered by the allocated amount
5 from the Malampaya fund subject to the implementing rules and
6 regulations of this Act.

7 **TWENTY PERCENT (20%) OF THE ANNUAL APPROVED UNIVERSAL**
8 **CHARGES FOR MISSIONARY ELECTRIFICATION (UCME) SHALL**
9 **BE COLLECTED FROM THE MALAMPAYA FUND, UNTIL THE**
10 **EXHAUSTION OF SAID FUND AND SUBJECT TO THE AMENDED**
11 **IMPLEMENTING RULES AND REGULATIONS OF THIS ACT.”**

12 SEC. 4. **Implementing Rules and Regulations.** - Within ninety (90) days
13 from the effectivity of this Act, the DOE and DOF, in consultation with the DBM,
14 the Bureau of the Treasury, and the PSALM shall amend the Implementing Rules
15 and Regulations of Republic Act No. 11371.

16 SEC. 5. **Separability Clause.** – If, for any reason, any provision of this
17 Act is declared unconstitutional or invalid, the other parts or provisions hereof
18 which are not affected thereby shall continue to be in full force and effect.

19 SEC. 6. **Repealing Clause** – All laws, presidential decrees, executive
20 orders, letters of instruction, administrative rules and regulations or parts
21 thereof which are contrary to or inconsistent with the provisions of this Act are
22 hereby repealed or modified accordingly.

23 SEC. 7. **Effectivity.** – This Act shall take effect after fifteen (15) days
24 following its complete publication in the *Official Gazette* or in two (2) newspapers
25 of general circulation whichever is earlier.

26 *Approved.*