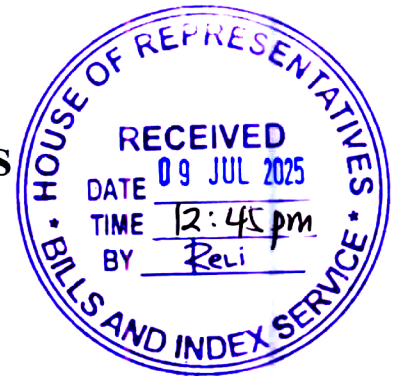


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 1635



INTRODUCED BY REPRESENTATIVE PAOLO HENRY M. MARCOLETA

EXPLANATORY NOTE

The high cost of electricity is a persistent issue in the Philippines. It can be attributed to various factors, such as the deregulation of the generation sector, transmission and distribution system losses, heavy dependence on imported fuel, and regulatory weakness, among others.

Collectively, these elements contribute to increased operational costs and deferred investments; and ultimately result in the continued rise in electricity prices.

Our neighbouring States have government subsidies to alleviate the burden of high prices of electricity. Countries like Indonesia, Korea, Malaysia, Taiwan, Thailand and Vietnam, in return enjoy greater foreign direct investments that further hasten economic growth.¹

Currently, lifeline rate subsidy covers qualified beneficiaries with 100 kwh or less consumption in electricity.²

The proposed amendment aims to enhance the implementation of the Lifeline Rate under the Electric Power Industry Reform Act of 2001 (EPIRA) or Republic Act No. 9136, by subsidizing qualified marginalized households under the Lifeline Rate Subsidy program. Recognizing that access to electricity is essential for daily living and economic participation, this initiative will help reallocate funds to other basic commodities. This amendment addresses short-

¹ <https://www.philstar.com/opinion/2024/01/17/2326294/philippine-electricity-really-asias-costliest>; accessed 5 July 2025.

² Section 73, Republic Act no. 9136.

term financial hardships while promoting the long-term recovery and resilience of impacted households.

The current Lifeline Program is a cross-subsidy scheme stipulated in Section 73 of EPIRA, aiming to reduce the burden of electricity prices on poor families.

According to the Manila Electric Company (MERALCO), the current Lifeline Rate is capped at 100 kWh per month with a ladder discount regulation, viz:

DISCOUNT	CONSUMPTION BRACKET
20% Discount	71-100 kWh
35% Discount	51-70 kWh
50% Discount	21-50 kWh
100% Discount	0-20 kWh

Under these conditions, full exemption from payment of electricity bill can only be granted to a household consuming not more than 20 kWh per month or a maximum of Php 300 worth of electricity.

This bill aims to improve the threshold and exempt all households consuming Php 2,000 worth of electricity and below or consuming 135 kWh of electricity or less. A median of Php 1,750 for 5.5 million households will only cost the Government Php 115 billion pesos per year. This provides for a more transparent and targeted assistance for qualified individuals. It is worth noting that under the 2025 GAA, Php 194 billion worth of “*ayuda*” was set-up for the beneficiaries of 4Ps, MAIP, AICS, TUPAD, and AKAP.

This measure can lead the way for the re-evaluation of these programs in the future and hopes for lesser reliance on the same.

In light of the foregoing, the immediate passage of this bill is earnestly sought.



PAOLO HENRY M. MARCOLETA
Representative, SAGIP Partylist

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AN ACT
TO FURTHER ENHANCE THE IMPLEMENTATION OF
THE LIFELINE RATE, FURTHER AMENDING SECTION 73 OF
REPUBLIC ACT NO. 9136, OTHERWISE KNOWN
AS THE “ELECTRIC POWER INDUSTRY
REFORM ACT OF 2001,” AS AMENDED

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

1
2 SECTION 1. *Short Title.* - This Act shall be known as “Enhanced Lifeline Rate
3 Act.”
4

5
6 SEC. 2. Section 73 of Republic Act No. 9136, otherwise known as the “Electric
7 Power Industry Reform Act of 2001”, as amended by Republic Act no. 11552, is
8 hereby further amended to read as follows:
9

10 "Sec. 73. *Lifeline Rate.* — In order to provide assistance to electricity
11 consumers, especially those living below the poverty line, and to achieve a
12 more equitable distribution of the lifeline subsidy, a socialized pricing
13 mechanism called a lifeline rate for qualified marginalized end-users shall
14 be set by the ERC which shall be exempted from the cross-subsidy phase-
15 out under this Act for a period of fifty (50) years, unless otherwise extended
16 by law. The level of consumption, subsidy, and rate shall be determined by
17 the ERC after due notice and hearing: *Provided*, that the ERC shall

1 primarily utilize data from the Philippine Statistics Authority (PSA) in the
2 determination of the level of consumption.

3
4 Qualified marginalized end-users shall refer to any of the following:

- 5
6 a. Qualified household-beneficiaries under Republic Act No. 11310,
7 otherwise known as the "Pantawid Pamilyang Pilipino Program (4Ps)
8 Act," as regularly submitted by the Department of Social Welfare and
9 Development (DSWD) to the DOE, the ERC, and the distribution
10 utility, whose level of consumption shall be within the threshold
11 determined by the ERC, are qualified marginalized end-users under this
12 Act; or
13
14 b. Marginalized end-users who have been certified and continually
15 validated as such by their distribution utility based on a criteria
16 determined by the ERC: *Provided*, That the criteria shall take into
17 account, among others, the poverty threshold set by the PSA, and shall
18 contain an exclusive list of requirements to be submitted to the
19 distribution utility: *Provided, further*. That the exclusive list of
20 requirements shall be simplified and reasonable for the applicant:
21 *Provided, furthermore*. That the distribution utility shall act on the
22 application for certification as a marginalized end-user within two (2)
23 working days from submission of complete documentary requirements:
24 *Provided, finally*. That the distribution utility's action on the application
25 shall be within ten (10) working days during the initial implementation
26 of this Act.

27
28 ~~{All qualified marginalized end-users shall continually meet the criteria~~
29 ~~in this Act to avail of the lifeline rate.}~~ **ALL QUALIFIED**
30 **MARGINALIZED END-USERS WHOSE LEVEL OF**
31 **CONSUMPTION OF ELECTRICITY IS NOT MORE THAN**
32 **ONE HUNDRED THIRTY-FIVE KILOWATT HOURS (135**
33 **kWh) PER MONTH SHALL BE FULLY SUBSIDIZED BY THE**
34 **GOVERNMENT.**

35
36 The ERC shall promulgate rules and guidelines for qualified
37 marginalized end-users whose meters or service connections are not
38 registered in their names. The ERC shall submit to the Joint
39 Congressional Energy Commission an annual report on the
40 implementation of the lifeline rate. To achieve the objective of
41 providing assistance to electricity consumers especially those having
42 below the poverty line and ensure a more equitable distribution of the
43 lifeline subsidy, the ERC shall conduct a comprehensive quantitative

1 and qualitative evaluation of its implementation every two (2) years to
2 include modes of validation and prevention of leakages.”
3
4

5 SEC. 3. *Transitory Provision.* - The current level of consumption, subsidy, and
6 rate shall continue to be applied to all marginalized end-users of all distribution
7 utilities until such time that a new level of consumption, subsidy, and rate shall
8 have been determined and approved by the ERC in accordance with Section 2 of
9 this Act.
10
11

12 SEC. 4. *Appropriations.* - The amount necessary to carry out the purposes of this
13 Act shall be included in the annual General Appropriations Act.
14
15

16 SEC. 5. *Implementing Rules and Regulations.* – Within sixty (60) days from the
17 effectivity of this Act, ERC shall, in coordination with the DOE and DSWD, and
18 in consultation with the PSA and other relevant public and private stakeholders,
19 promulgate the implementing rules and regulations to effectively implement the
20 provisions of this Act.
21
22

23 SEC. 6. *Separability Clause.* - If any provision or part of this Act is declared
24 invalid or unconstitutional, the remaining parts not affected shall remain in full
25 force and effect.
26
27

28 SEC. 7. *Repealing Clause.* - All laws, presidential decrees, executive orders,
29 letters of instructions, administrative orders, proclamations or administrative
30 regulations that are inconsistent with the provisions of this Act are hereby
31 repealed, amended, or modified accordingly.
32
33

34 SEC. 8. *Effectivity.* - This Act shall take effect fifteen (15) days after its
35 publication in the *Official Gazette* or in a newspaper of general circulation.
36
37

Approved,