

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4659



Introduced by **REPRESENTATIVE ERIC L. OLIVAREZ**

EXPLANATORY NOTE

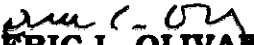
Republic Act No. 11371, otherwise known as the *Murang Kuryente Act* enacted on August 8, 2019 purposely aimed to reduce the cost of electricity by allocating the government's share from the Malampaya Natural Gas Project to pay the stranded contract costs and stranded debts of the National Power Corporation (NPC), in order to reduce the universal charges (UC) passed on to electricity consumers.

However, another significant component of the universal charges (UC) is the Universal Charge for Missionary Electrification (UCME), which subsidizes the provision of power in missionary and off-grid areas across the country. At present, this subsidy is also passed on to electricity consumers nationwide, thereby increasing their monthly electricity bills.

This proposed measure seeks to amend Section 4 of Republic Act No. 11371 by mandating that twenty percent (20%) of the annual approved UCME shall be sourced from the Malampaya Fund. In so doing, the burden on consumers is alleviated, while ensuring the continued electrification of far-flung and underserved communities.

This proposed amendment is consistent with the intent of the Murang Kuryente Act to make power more affordable to all Filipinos, while optimizing the use of government resources from indigenous energy projects.

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


ERIC L. OLIVAREZ

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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:

SECTION 1. Title – This Act shall be known as the "Mas Murang Kuryente Act".

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

SEC. 3. Amendments. – Section 4 of the Republic Act No. 11371, also known as the "Murang Kuryente Act" shall read as follows:

"Section 4. Use of Malampaya Fund.— Two hundred eight billion pesos (₱208,000,000,000.00) of the proceeds of 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 Corporation (PSALM) pursuant to Section 49 of Republic Act No. 9136, the "Electric Power Industry Reform Act of 2001", including all anticipated shortfalls in the course of payment of such liabilities after applying the PSALM's collections from the privatization of the NPC's assets, independent power producers' contracts, and proceeds from operations of existing assets: Provided, That annual allocations from the Malampaya fund for the payment of stranded contract costs and stranded debts including all anticipated shortfalls shall be included in the General

Appropriations Act consistent with the fiscal program of the government, the procedure for which shall be provided in the implementing rules and regulations of this Act: Provided, That any remaining and future proceeds of the net national government share from the Malampaya fund over and above the amount indicated in this Act shall remain in the Special Account in the general fund to finance energy resource development and exploitation programs pursuant to Presidential Decree No. 910, Creating the Energy Development Board: Provided, That this provision shall not impair in any way the use or application of the remaining amount or future proceeds of the net national government share of the Malampaya fund to be used for energy resource development and exploitation programs pursuant to Presidential Decree No. 910. The Department of Budget and Management (DBM) shall ensure the timely release of the amounts allocated and appropriated to the PSALM in accordance with its debt and independent power producer payment schedule.

In the event the stranded contract costs, stranded debts, and anticipated shortfalls in the course of the payment of such liabilities are fully paid before the exhaustion of the amount allocated in this Act, the remainder of the amount allocated shall be utilized to finance energy resource development and exploitation programs pursuant to Presidential Decree No. 910, Creating the Energy Development Board.

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

In addition, twenty percent (20%) of the annual approved Universal Charges for Missionary Electrification (UCME) shall be collected from the Malampaya Fund, until the exhaustion of said fund and subject to the amended implementing rules and regulations of this Act.

The Commission on Audit (COA) shall strictly monitor the utilization of such funds to ensure transparency, accountability, and exclusive application to missionary electrification projects and activities.

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

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

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

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

Approved,