

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **5807**



Introduced by Representatives ERIC G. YAP and EDVIC G. YAP

EXPLANATORY NOTE

This bill seeks to promote fair competition and transparency in the Philippine power sector by prohibiting cross ownership between generation companies (GenCos) and distribution utilities (DUs). It amends Section 45 of Republic Act No. 9136, otherwise known as the “*Electric Power Industry Reform Act of 2001 (EPIRA)*”, to ensure that no individual or entity holds direct or indirect interests in both the generation and distribution segments of the electricity industry.

The Philippines records one of the highest electricity rates in Southeast Asia, averaging ₱11.32 per kilowatt-hour (kWh)¹. The persistent increase in electricity rates stems largely from the generation charge, which accounts for over half of the total electricity bill², and from the country’s uncompetitive market structure³. These conditions have allowed a few dominant players to maintain control over both power generation and distribution, undermining EPIRA’s goal of creating a competitive and transparent energy market.

Through this measure, Congress acts to eliminate market concentration and prevent conflicts of interest in the energy sector. The bill prohibits any generation company, or its subsidiary, affiliate, stockholder, or official, including their relatives within the fourth civil degree of consanguinity or affinity, from holding any interest, directly or indirectly, in any DU, and vice versa.

By enforcing these restrictions, the bill establishes a level playing field across the energy industry, strengthens transparency and accountability, and aims to reduce electricity costs for Filipino consumers.



HON. ERIC G. YAP



HON. EDVIC G. YAP

¹ *Philippines electricity prices, March 2025*. (2025). GlobalPetrolPrices.com.(https://www.globalpetrolprices.com/Philippines/electricity_prices/)

² Fonbuena, C., & Lopez, E. (2023, September 14). *Filipinos pay more for electricity compared to many Asean neighbors. What can Marcos do about it?* PCIJ.org. Retrieved October, 2025, from <https://pcij.org/2023/09/14/filipinos-pay-more-for-electricity-compared-to-many-asean-neighbors-but-what-can-marcos-do-about-it/>

³ Ravago, M.-L. (2023, January 19). *The cost structure of electricity in the Philippines and other Asian countries: A Comparative Note*. Ateneo de Manila University. Retrieved October, 2025, from <https://www.ateneo.edu/sites/default/files/2023-01/AdMU%20WP%202023-02.pdf>

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AN ACT
PROHIBITING CROSS OWNERSHIP BETWEEN GENERATION COMPANIES AND DISTRIBUTION UTILITIES, AMENDING FOR THE PURPOSE SECTION 45 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE "ELECTRIC POWER INDUSTRY REFORM ACT OF 2001"

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

Section 1. *Prohibition on Cross Ownership between Generation Companies and Distribution Utilities.* — Section 45 of Republic Act No. 9136, otherwise known as the "*Electric Power Industry Reform Act of 2001*", is hereby amended to read as follows:

"SEC. 45. *Cross Ownership, Market Power Abuse and Anti-Competitive Behavior.* — No participant in the electricity industry or any other person may engage in any anti-competitive behavior including, but not limited to, cross-subsidization, price or market manipulation, or other unfair trade practices detrimental to the encouragement and protection of contestable markets.

NO GENERATION COMPANY OR ITS RESPECTIVE SUBSIDIARY OR AFFILIATE OR STOCKHOLDER OR OFFICIAL OF A GENERATION COMPANY OR ANY OF THEIR RELATIVES WITHIN THE FOURTH CIVIL DEGREE OF CONSANGUINITY OR AFFINITY, SHALL BE ALLOWED TO HOLD ANY INTEREST, DIRECTLY OR INDIRECTLY, IN ANY DISTRIBUTION UTILITY. LIKewise, NO DISTRIBUTION UTILITY OR ITS RESPECTIVE SUBSIDIARY OR AFFILIATE OR STOCKHOLDER, OR OFFICIAL OF A DISTRIBUTION UTILITY OR ANY OF THEIR RELATIVES WITHIN THE FOURTH CIVIL DEGREE OF CONSANGUINITY OR AFFINITY, SHALL BE ALLOWED TO HOLD ANY INTEREST, DIRECTLY OR INDIRECTLY, IN ANY GENERATION COMPANY. NO PERSON WHO IS AN OFFICER OR DIRECTOR OF THE GENERATION COMPANY OR ITS RESPECTIVE SUBSIDIARY OR AFFILIATE SHALL BE AN OFFICER OR DIRECTOR OF ANY DISTRIBUTION UTILITY OR ITS RESPECTIVE SUBSIDIARY OR AFFILIATE, AND VICE VERSA.

XXX."

SEC. 2. *Transitory Provision.* — Any generation company, or its respective subsidiary or affiliate or stockholder or official of a generation company or any of their relatives within the fourth civil degree of consanguinity or affinity holding an interest in any distribution utility, and vice versa, at the time of the passage of this Act, shall be required to divest from the same within three (3) years from the effectivity of this Act's implementing rules and regulations.

SEC. 3. *Implementing Rules and Regulations.* — The Energy Regulatory Commission shall, in consultation with the Department of Energy, other relevant government agencies, the electric power industry participants, consumers, and other public and private stakeholders, promulgate the Implementing Rules and Regulations of the Act within ninety (90) calendar days from its effectivity.

SEC. 4. *Separability Clause.* — If for any reason, any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SEC. 5. *Repealing Clause.* — All laws, executive orders, issuances, decrees, rules and regulations inconsistent with or contrary to the provisions of this Act are hereby amended, modified, and repealed accordingly.

SEC. 6. *Effectivity.* — This Act shall take effect fifteen days (15) after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,