



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 6192



Introduced by Representative Arthur C. Yap

EXPLANATORY NOTE

This bill seeks to provide affordable electricity to qualified low-income households through direct subsidy and appropriate funds therefor.

Electricity is a basic necessity that no Filipino should never live without. It brings light to our homes, powers small businesses, and provides a sense of safety throughout the night. Unfortunately for many Filipino families, the cost of having electricity remains too heavy of a burden to carry. Some are even forced to choose between keeping the lights on or having food on the table.

At present, low-income households rely on a *lifeline* rate, a small discount funded through cross-subsidy under the "*Electric Power Industry Reform Act of 2001*," as amended, where other electricity consumers shoulder part of their cost. It was built on good intentions, but over time, it has become unfair and unsustainable. It makes ordinary paying customers carry a responsibility that rightly belongs to the government.

This bill seeks to replace the cross-subsidy system with a direct government subsidy that is simple, fair, and transparent. Under this measure, the Department of Social Welfare and Development will directly pay the electricity providers on behalf of qualified low-income households.

There will be no middlemen, no complicated processes, and no cash handouts. Families will simply receive an electricity bill that reads P0.00 or a reduced bill up to a certain monthly consumption limit to be set by the Energy Regulatory Commission. Eligibility under this bill will be based on the existing

standardized targeted system under the “*Pantawid Pamilyang Pilipino Program*” (4Ps).

This is a measure of fairness and justice. It ensures that help comes from the State, not from one struggling family to another. It is the government taking responsibility, as it should, to protect those who have the least.

When the poor no longer fear disconnection, when a mother can cook, a child can study, and the quintessential community *sari-sari* store can stay open through the night, that is when development becomes real.

This bill is not just about electricity. It is about dignity, fairness, and hope. It is about lighting homes and brightening lives, one household at a time.

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

A handwritten signature in black ink, appearing to be 'A. Yap', with a long, sweeping flourish extending upwards and to the right.

REP. ARTHUR C. YAP



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HOUSE BILL NO. **6192**

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1 **AN ACT**
2 **PROVIDING ELECTRICITY SUBSIDY TO QUALIFIED LOW-**
3 **INCOME HOUSEHOLDS THROUGH DIRECT SUBSIDY AND**
4 **APPROPRIATING FUNDS THEREFOR**
5

6 *Be it enacted by the Senate and House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 SECTION 1. **Short Title.** – This Act shall be known as the “*Murang*
10 *Kuriyente Act.*”

11 SEC. 2. **Declaration of Policy.** – It is the declared policy of the State to
12 promote equitable access to electricity as a basic necessity. The State
13 recognizes the need to protect low-income households from the impact of rising
14 electricity costs while ensuring fairness in electricity pricing. Toward this end,
15 the government shall provide direct subsidies to qualified low-income
16 households in lieu of cross-subsidies imposed upon other electricity consumers
17 under the lifeline rate mechanism.

1 SEC. 3. ***Electric Subsidy from DSWD.*** – All qualified low-income
2 households with residential electricity accounts under electric distribution
3 utilities shall enjoy electricity subsidy through direct subsidy from the
4 government, as determined through the credentialing procedure or system of the
5 Department of Social Welfare and Development (DSWD).

6 Beneficiaries of the direct subsidy for free electricity under this Act shall
7 be identified using the list of qualified household-beneficiaries under Republic
8 Act (RA) No. 11310, otherwise known as the “*Pantawid Pamilyang Pilipino*
9 *Program (4Ps) Act.*”

10 As used in this Act, *electric distribution utilities* refer to any cooperative,
11 private corporation, or government-owned or controlled entity engaged in the
12 distribution of electricity to end-users for a fee.

13 SEC. 4. ***Credentialing.*** – The DSWD shall establish a credentialing
14 procedure or system, such as the Standardized Targeting System under RA
15 11310, to determine the qualified low-income households entitled for direct
16 subsidy of electricity bills with electric distribution utilities.

17 The Philippine Statistics Authority shall maintain and regularly update
18 the national poverty index and transmit relevant data to the DSWD. The
19 DSWD shall use this data to identify and credential qualified low-income
20 households.

21 SEC. 5. ***Direct Subsidy Mechanism.*** – The DSWD shall remit subsidy
22 payments directly to the electric distribution utilities on behalf of qualified low-

1 income households. The subsidy shall be granted only to beneficiaries whose
2 total monthly electricity bill does not exceed Five thousand pesos (P5,000.00).

3 For eligible beneficiaries, the subsidy shall cover up to One thousand
4 pesos (P1,000.00) of their total electricity charges: *Provided*, That any
5 remaining balance exceeding the One thousand pesos (P1,000.00) subsidy shall
6 be borne by the qualified beneficiary.

7 The foregoing eligibility and subsidy limits may be adjusted upon joint
8 recommendation of the DSWD, the Department of Energy (DOE), and the
9 Energy Regulatory Commission (ERC).

10 The subsidy shall be applied directly to the electricity account of the
11 qualified beneficiary, resulting in either a zero balance or a reduced amount due
12 for the applicable billing cycle. Electric distribution utilities shall clearly
13 indicate, in the itemized breakdown of charges in their statements of account,
14 the amount of any electricity subsidy deducted.

15 SEC. 6. ***Value-Added Tax Exemption.*** – Electricity bills of qualified
16 low-income households shall be exempt from value-added tax (VAT). Any
17 attributable transaction related to the generation of electricity to qualified low-
18 income households shall also be exempt from VAT.

19 SEC. 7. ***Operationalization Framework.*** – To ensure the efficient and
20 transparent implementation of this Act, the DSWD shall establish a coordinated
21 system with electric distribution utilities and other relevant agencies for the
22 processing and payment of electricity subsidies.

1 The DSWD shall enter into formal agreements with electric distribution
2 utilities for the sharing of beneficiary data, billing reconciliation, and fund
3 transfer procedures. Electric distribution utilities shall, on a monthly basis,
4 submit verified billing statements of qualified household accounts to the DSWD
5 for payment, and to the ERC for monitoring and transparency.

6 The DSWD shall maintain a centralized database of all qualified
7 beneficiaries and transactions under this program, accessible to the ERC and the
8 Commission on Audit (COA) for oversight purposes. The COA shall conduct
9 regular post-audits of all disbursements and related financial operations to
10 ensure integrity, accuracy, and accountability in the use of public funds.

11 **SEC. 8. *Transitory Provisions.*** – The DSWD, DOE, ERC, and other
12 concerned government agencies shall ensure the efficient transition to direct
13 subsidy for free electricity from the cross-subsidy mechanism under Republic
14 Act (RA) No. 9136, as amended by RA 11552, otherwise known as the
15 “*Electric Power Industry Reform Act of 2001.*”

16 A period of one (1) year from the effectivity of this Act shall be provided
17 to the DSWD, DOE, ERC and other concerned agencies to implement the full
18 transition from cross-subsidy to direct subsidy of electricity charges to qualified
19 low-income households.

20 **SEC. 9. *Implementing Rules and Regulations.*** – Within ninety (90)
21 days from the effectivity of this Act, the Secretary of Social Welfare and
22 Development shall, in coordination with the DOE, ERC, other concerned

1 government agencies and stakeholders from the electric industry, formulate the
2 necessary rules and regulations for the effective implementation of this Act.

3 SEC. 10. ***Appropriations.*** – The amount necessary for the initial
4 implementation of this Act shall be charged against the existing appropriations
5 of the DSWD. Thereafter, such sums as may be necessary for the continued
6 implementation of this Act shall be included in the annual General
7 Appropriations Act.

8 SEC. 11. ***Separability Clause.*** – If any provision of this Act is declared
9 unconstitutional or invalid, the remaining provisions not affected shall remain in
10 full force and effect.

11 SEC. 12. ***Repealing Clause.*** – Sections 73 and 74 of RA 9136, as
12 amended by RA11552, are hereby repealed. All other laws, executive orders,
13 rules and regulations, and other issuances contrary to or inconsistent with the
14 provisions of this Act are hereby repealed or modified accordingly.

15 SEC. 13. ***Effectivity.*** – This Act shall take effect fifteen (15) days after
16 its publication in the *Official Gazette* or in a newspaper of general circulation.

17 Approved,