



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

20th CONGRESS
1st Regular Session

HOUSE BILL NO. 6988



Introduced by Representative SITTIE SHAHARA “BAI DIMPLE” I. MASTURA

AN

ACT AMENDING SECTION 28 OF REPUBLIC ACT NO. 9136 OTHERWISE KNOWN AS THE “ELECTRIC POWER INDUSTRY REFORM ACT OF 2001”

EXPLANATORY NOTE

Sections 11 and 19 of the 1987 Philippine Constitution provides for the dispersal of ownership and de-monopolization of public utilities, an implied objective Republic Act No. 9136 otherwise known as the “Electric Power Industry Reform Act of 2001” has provided for under Section 28. Even so, conflicts in the laws prohibiting monopolies and concentration of ownership of public utilities still exist restricting further widening of ownership thus amending certain provisions of RA9136 is a priority of this administration.

This bill therefore seeks the amendment of Section 28 of the EPIRA Law which is aimed at lowering further the cap on the percentage of the voting shares of stocks held by persons, natural or juridical, including directors, officers, stockholders, and other related interests, in a distribution utility and their respective holding companies.

This amendment when enacted will greatly improve the law’s provisions and enhance its effectiveness to address the high cost of electricity, allegations of market collusion and insufficiency of power supply by attracting better investments and help in the creation of an environment conducive to healthy competition.

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

SITTIE SHAHARA “BAI DIMPLE” I. MASTURA

Representative

Maguindanao del Norte with Cotabato City, Lone District



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

SECTION 1. Section 28 of Republic Act No. 9136 is hereby amended to read as follows:

SEC. 28. *De-Monopolization and Shareholding Dispersal* — In compliance with the constitutional mandate for dispersal of ownership and de-monopolization of public utilities, the holdings of persons, natural or juridical, including directors, officers, stockholders, and related interests in a distribution utility and their respective holding companies shall not exceed **FIFTEEN PERCENT (15%)** of the voting shares of stock unless the utility of the company holding the shares or its controlling stockholders are already listed in the Philippine Stock Exchange (PSE): Provided, that controlling stockholders of small distribution utilities are hereby required to list in the PSE within five (5) years from the enactment of this Act if they already own the stocks.

New controlling stockholders shall undertake such listing within five (5) years from the time they acquire ownership and control. A small distribution company is one whose peak demand is equal to or less than Ten Megawatts (IOMW).

The Energy Regulatory Commission (ERC) shall, within sixty (60) days from the effectivity of this Act, promulgate the rules and regulations to implement and effect this provision. This Section shall not apply to electric cooperatives.

SEC. 2. *Implementing Rules and Regulations* — The DOE shall, in consultation with relevant government agencies, the electric power industry participants, non-government organizations, and end users, promulgate the Implementing Rules and Regulations (IRR) of this Act within sixty (60) days from its effectivity, subject to the approval of the Power Commission.

SEC. 3. *Effectivity* — This Act shall take effect fifteen (15) days after completion of its publication in the Official Gazette or in two (2) newspapers of general circulation. .

APPROVED.