



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session



House Bill No. 7886

Introduced by
APEC Party-List Representative Sergio C. Dagooc
PhilRECA Party-List Representative Presley C. De Jesus

EXPLANATORY NOTE

For millions of Filipino households, particularly those belonging to marginalized sectors, the cost of electricity remains a persistent burden that exacerbates poverty and inequality.

Republic Act No. 9136, otherwise known as the *Electric Power Industry Reform Act of 2001 (EPIRA)*, introduced the lifeline rate as a socialized pricing mechanism intended to assist marginalized electricity consumers. This mechanism was further strengthened by Republic Act No. 11552, which expanded the lifeline rate program and institutionalized cross-subsidy mechanisms.

Despite these legislative advances, however, challenges remain in the accurate identification of beneficiaries, equitable distribution of subsidies, prevention of leakages, and the adequacy of assistance provided to vulnerable consumers amid rising energy costs.

This proposed measure seeks to further enhance the implementation of the lifeline rate by refining the definition of qualified marginalized end-users. We expressly included minimum wage earners as presumed marginalized end-users, subject to verification through official wage orders issued by the Regional Tripartite Wages and Productivity Boards (RTWPBs) or proof of employment. This inclusion reflects the realities faced by low-income workers who may not be covered by existing social protection programs but remain

exposed to energy poverty and economic vulnerability whose incomes are fixed and highly sensitive to inflation.

Moreover, the bill provides that all qualified marginalized end-users consuming not more than one hundred fifty kilowatt-hours (150 kWh) per month shall be fully subsidized by the government. This policy shift strengthens the social protection intent of the lifeline rate while promoting transparency, cost-reflectivity, and fairness in the allocation of subsidies.

To ensure accountability and continuous improvement, the measure mandates regular reporting to Congress and periodic comprehensive evaluations of the lifeline rate's implementation, including validation procedures and safeguards against subsidy leakages.

This bill advances a more inclusive, data-driven, and responsive lifeline rate policy—one that balances social equity, regulatory integrity, and fiscal responsibility—thereby reaffirming the State's commitment to protect marginalized electricity consumers and promote energy justice.

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


REP. SERGIO C. DAGOOC
APEC Party-List


REP. PRESLEY C. DE JESUS
PhilRECA Party-List



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AN ACT

TO FURTHER ENHANCE THE IMPLEMENTATION OF THE LIFELINE RATE, AMENDING FOR THE PURPOSE SECTION 73 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE "ELECTRIC POWER INDUSTRY REFORM ACT OF 2001," AS AMENDED BY REPUBLIC ACT NO. 11552

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

SECTION 1. Section 73 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001", as amended by Republic Act No. 11552, is hereby further amended to read as follows:

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

1 "Qualified marginalized end-users shall refer to any of the
2 following:

3 "(a) Qualified household-beneficiaries under Republic Act No.
4 11310, otherwise known as the "Pantawid Pamilyang Pilipino
5 Program (4Ps) Act," as regularly submitted by the Department of
6 Social Welfare and Development (DSWD) to the DOE, the ERC,
7 and the distribution utility, whose level of consumption shall be
8 within the threshold determined by the ERC, are qualified
9 marginalized end-users under this Act; or

10 "(b) Marginalized end-users who have been certified and
11 continually validated as such by their distribution utility based
12 on a criteria determined by the ERC: *Provided*, That the criteria
13 shall take into account, among others, the poverty threshold set
14 by the PSA, and shall contain an exclusive list of requirements to
15 be submitted to the distribution utility: *Provided, further*, That the
16 exclusive list of requirements shall be simplified and reasonable
17 for the applicant: *Provided, furthermore*, That the distribution
18 utility shall act on the application for certification as a
19 marginalized end-user within two (2) working days from
20 submission of complete documentary requirements: *Provided*,
21 *finally*, That the distribution utility's action on the application
22 shall be within ten (10) working days during the initial
23 implementation of this Act.

24 **"(c) FOR THIS PURPOSE, MINIMUM WAGE EARNERS SHALL**
25 **BE PRESUMED MARGINALIZED END-USERS, SUBJECT TO**
26 **VERIFICATION BASED ON OFFICIAL WAGE ORDERS OF THE**
27 **REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY**
28 **BOARDS (RTWPBs), OR PROOF OF EMPLOYMENT.**

29 ~~[All-qualified marginalized end-users shall continually meet the~~
30 ~~criteria in this Act to avail of the lifeline rate.]~~

31 **"ALL QUALIFIED MARGINALIZED END-USERS WHOSE LEVEL OF**
32 **CONSUMPTION OF ELECTRICITY IS NOT MORE THAN ONE**
33 **HUNDRED FIFTY KILOWATT HOURS (150 kWh) PER MONTH SHALL**
34 **BE FULLY SUBSIDIZED BY THE GOVERNMENT.**

35 "The ERC shall promulgate rules and guidelines for qualified
36 marginalized end-users whose meters or service connections are not
37 registered in their name.

38 "The ERC shall submit to the Joint Congressional Energy Commission
39 an annual report on the implementation of the lifeline rate. To achieve

1 the objective of providing assistance to electricity consumers especially
2 those living below the poverty line and ensure a more equitable
3 distribution of the lifeline subsidy, the ERC shall conduct a
4 comprehensive quantitative and qualitative evaluation of its
5 implementation every two (2) years to include modes of validation and
6 prevention of leakages."

7 **Sec. 2. *Transitory Provision.*** – The current level of consumption,
8 subsidy, and rate shall continue to be applied to all marginalized end-users
9 of all distribution utilities until such time that a new level of consumption,
10 subsidy, and rate shall have been determined and approved by the ERC in
11 accordance with Section 1 of this Act.

12 **Sec. 3. *Appropriations.*** – The amount necessary to fully subsidize the
13 electricity consumption of qualified marginalized end-users under this Act
14 shall be included in the annual General Appropriations Act (GAA).

15 For the initial implementation of this Act, the funding requirements
16 shall be sourced from available appropriations of national government
17 agencies implementing social amelioration and income-support programs,
18 including but not limited to the Tulong Panghanapbuhay sa Ating
19 Disadvantaged/Displaced Workers (TUPAD), Assistance to Individuals in
20 Crisis Situation (AICS), and other similar "Ayuda" programs, subject to
21 applicable budgeting, accounting, and auditing rules and regulations.

22 The appropriated subsidy funds shall be directly released and
23 downloaded to the National Electrification Administration (NEA), which shall,
24 in turn, immediately remit and distribute the corresponding amounts to
25 electric cooperatives in proportion to the validated lifeline subsidy
26 requirements of their qualified consumers.

27 For privately-owned distribution utilities and local government-owned
28 utilities, the Department of Energy (DOE) shall ensure direct reimbursement
29 in accordance with the validated subsidy amounts approved by the ERC.

30 The release and remittance of funds to distribution utilities shall be
31 made on a monthly basis and shall not be subject to undue delay.

32 In order to protect distribution utilities from financial exposure arising
33 from delayed releases, insufficient appropriations, or failure of reimbursement
34 by the appropriate government agency, distribution utilities are hereby
35 authorized to temporarily suspend the implementation of the full government
36 lifeline rate subsidy under this Act upon notice to the ERC and DOE, until
37 such time that sufficient funds are made available. *Provided*, That such
38 temporary suspension shall not be construed as a violation of any franchise
39 obligation, regulatory directive, or service mandate under existing laws.

1 **Sec. 4. *Implementing Rules and Regulations.*** - Within sixty (60) days
2 from the effectivity of this Act, ERC shall, in coordination with the DOE, NEA,
3 and DSWD, and in consultation with the PSA and other relevant public and
4 private stakeholders, promulgate the implementing rules and regulations to
5 effectively implement the provisions of this Act.

6 **Sec. 5. *Separability Clause.*** - If any provision or part of this Act is
7 declared invalid or unconstitutional, the remaining parts not affected shall
8 remain in full force and effect.

9 **Sec. 6. *Repealing Clause.*** - All laws, presidential decrees, executive
10 orders, letters of instructions, proclamations or administrative regulations
11 that are inconsistent with the provisions of this Act are hereby repealed,
12 amended, or modified accordingly.

13 **Sec. 7. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
14 publication in the Official Gazette or in a newspaper of general circulation.

Approved,