

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

Twentieth Congress

HOUSE BILL NO. 8068



Introduced by Representative **CARLOS A. LORIA**

AN ACT

MANDATING THE ESTABLISHMENT OF THE BICOL ECONOMIC GATEWAY RESILIENT GRID AND UNDERGROUND UTILITY CORRIDORS IN THE SECOND DISTRICT OF THE PROVINCE OF ALBAY, PROVIDING FOR A MODERNIZATION FUND, INCENTIVIZING PRIVATE UTILITY PARTICIPATION, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The Second District of the Province of Albay, centered on the City of Legazpi and the Municipality of Daraga, functions as the preeminent administrative, logistics, and economic nexus of the Bicol Region. With the full operationalization of the Bicol International Airport (BIA) and the strategic location of the Regional Government Center, the district serves as a critical node in the national spatial development framework.

However, this strategic significance is perpetually compromised by systemic infrastructure vulnerability. The district's location within the Pacific typhoon belt subjects it to a recurring cycle of catastrophic damage to overhead power and telecommunication lines. This "destruction-restoration" cycle imposes an undue economic burden, manifesting as exorbitant electricity rates driven by technical system losses and emergency restoration expenditures. These factors contribute significantly to the P9.9 billion liability currently encumbering the regional cooperative. While financial restructuring measures address the symptoms of this distress, a permanent solution requires a fundamental re-engineering of the physical grid.

This bill, the "Bicol Gateway Grid Resiliency and Underground Utility Modernization Act," proposes a shift toward an infrastructure-led resiliency paradigm. By mandating the establishment of Underground Utility Corridors (UUC), the measure seeks to insulate critical services from meteorological shocks, thereby ensuring business continuity and safeguarding the operational integrity of regional health and government centers.

This legislative measure functions as a multisectoral intervention designed to harmonize the Second District's infrastructure needs with the strategic priorities of the House. It integrates climate change adaptation into the structural design of the national road network, ensuring the long-term sustainability of public works. By stabilizing the utility supply and establishing a calibrated fiscal framework to incentivize private sector participation, the bill directly addresses the concerns of Economic Affairs and Ways and Means regarding the "cost of doing business." Furthermore, it bridges the infrastructure gap while simultaneously

cultivating a specialized local workforce, thereby ensuring that technological advancement translates into tangible poverty alleviation and educational opportunities. Finally, the measure reinforces National Defense and Health security by mandating "zero-downtime" infrastructure for critical government command centers and tertiary medical facilities during national emergencies.

This Act does not merely seek to repair; it seeks to re-engineer. It provides the statutory and fiscal mechanisms necessary to transform the Second District into a resilient, investment-grade economic gateway, ensuring that the Bicolano people are no longer penalized by their geography.

In view of the high public interest and the demonstrable impact on regional economic stability, the immediate passage of this bill is earnestly sought.



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

SECTION 1. Short Title. — This Act shall be known as the "**Bicol Gateway Grid Resiliency Act.**"

SEC. 2. Declaration of Policy. — It is the policy of the State to ensure a reliable, adequate, and affordable supply of electric power and telecommunications as essential components of national development. The State further recognizes that the 2nd District of Albay is a vital regional hub whose infrastructure must be modernized to withstand climate-induced disasters. The undergrounding of utility lines is hereby declared a priority disaster risk reduction and management (DRRM) measure to protect economic stability and public health.

SEC. 3. Definition of Terms. — For purposes of this Act:

- a) **Underground Utility Corridor (UUC)** – refers to a system of buried, reinforced conduits, manholes, and vaults designed to house electrical power distribution lines and telecommunication cables.
- b) **Economic Resiliency Corridors (ERC)** – refers to primary roads, regional government centers, and urban hubs within the 2nd District vital for commerce and disaster response.
- c) **Migration** – refers to the physical transfer of existing overhead utility lines into the established UUC.
- d) **System Loss** – refers to the difference between energy delivered to the distribution system and energy sold, including technical losses which this Act seeks to minimize.

SEC. 4. The Albay 2nd District Resilient Grid Program. — There is hereby created the Albay 2nd District Resilient Grid Program, to be implemented over a period of ten (10) years. The program shall mandate the phased undergrounding of all 69kV and 13.2kV distribution lines, and all fiber optic and telecommunication lines within the identified ERCs of the Second District of Albay.

SEC. 5. Priority Infrastructure Areas. — The Department of Public Works and Highways (DPWH), in coordination with the Department of Energy (DOE), shall prioritize the following for the first phase of UUC construction:

- a) The Bicol International Airport (BIA) Complex and its primary arterial routes;
- b) The Legazpi City Central Business District and the Regional Government Center in **Brgy. Rawis, Legazpi City**;
- c) Routes leading to the Bicol Regional Hospital and Medical Center (BRHMC); and
- d) Strategic segments of the Maharlika Highway within the Municipalities of Daraga, Camalig, and Guinobatan.

SEC. 6. The Resiliency Modernization Fund (RMF). — There is hereby established a Resiliency Modernization Fund (RMF) in the initial amount of **Five Billion Pesos (P5,000,000,000.00)**. This fund shall be a revolving fund managed by the National Electrification Administration (NEA) and the DPWH, intended exclusively for the civil works, trenching, and technical migration costs associated with the UUC in the 2nd District.

SEC. 7. Anti-Pass-On Provision. — Under no circumstances shall the capital expenditures for UUC construction or the migration of lines be passed on to the member-consumers of the Second District through retail rate increases. Any savings generated from reduced technical system losses or avoided restoration costs shall be utilized to amortize the cooperative's debt as part of its Governance Covenant with the NEA.

SEC. 8. The Program Steering Committee (PSC). — To ensure the efficient implementation of this Act, a Program Steering Committee (PSC) is hereby created, composed of:

- a) The Secretary of the Department of Energy (DOE), as Chairperson;
- b) The Secretary of the Department of Public Works and Highways (DPWH), as Co-Chairperson;
- c) The Governor of the Province of Albay;
- d) The Representative of the 2nd District of Albay;
- e) The City Mayor of Legazpi; (f) The Municipal Mayors of Camalig and Daraga; and
- f) The Administrator of the National Electrification Administration (NEA).

SEC. 9. Incentives for Private Utility Participation. — Private telecommunication companies and internet service providers (ISPs) that complete the migration of their lines into the UUC within twenty-four (24) months of its availability shall be entitled to a **five-year exemption** from local franchise taxes and permit fees related specifically to the use of the said corridor. This provision shall be implemented in a manner consistent with the Local Government Code and the National Internal Revenue Code, as amended, to encourage rapid private sector compliance without utilizing direct cash subsidies.

SEC. 10. Human Capital Development and Workforce Integration. — The Department of Education (DepEd) and the Technical Education and Skills Development Authority (TESDA) shall develop a specialized "Resilient Grid Maintenance" curriculum to be piloted in technical-vocational institutions within the 2nd District. This provision ensures that the maintenance of modernized infrastructure is supported by a local, highly-skilled workforce, thereby addressing poverty alleviation through high-value employment and ensuring that the 2nd District becomes a center of excellence for disaster-resilient infrastructure.

SEC. 11. Penalties. — Any utility provider that fails to comply with the mandatory migration period as provided in the Implementing Rules and Regulations shall be subject to a fine of **One Hundred Thousand Pesos (P100,000.00)** for every day of non-compliance. Such fines shall accrue to the Resiliency Modernization Fund (RMF).

SEC. 12. Implementing Rules and Regulations (IRR). — Within ninety (90) days from the effectivity of this Act, the DOE, DPWH, and NEA, in consultation with the Provincial Government of Albay and relevant stakeholders, shall promulgate the necessary IRR to carry out the provisions of this Act.

SEC. 13. Separability Clause. — If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall continue to be in full force and effect.

SEC. 14. Repealing Clause. — All laws, executive orders, or rules and regulations inconsistent with this Act are hereby repealed, amended, or modified accordingly.

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

Approved,

COMMITTEE REFERRAL:

Primary: **Committee on Public Works and Highways / Committee on Climate Change**

Secondary: **Committee on Economic Affairs / Committee on Ways and Means / Committee on Energy / Committee on Basic Education and Culture / Committee on Poverty Alleviation**