

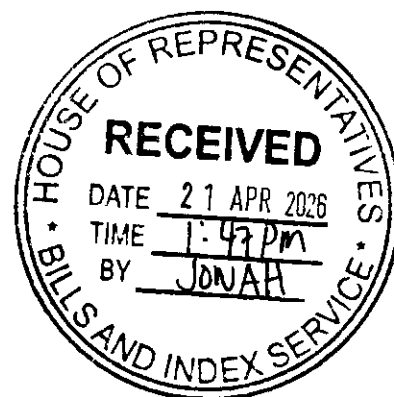


Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session

House Bill No. 8917



Introduced by Representative Maria Angela S. Garcia

EXPLANATORY NOTE

Section 66 of the Electric Power Industry Reform Act of 2001 (Republic Act No. 9136) recognizes the contributions of host communities of power generation facilities by providing a structured benefit-sharing mechanism.

However, the electricity system is not limited to generation. Transmission infrastructure—particularly the national grid operated by the National Grid Corporation of the Philippines—is indispensable in delivering power from generators to consumers. Without transmission, electricity cannot reach homes, industries, and communities.

Transmission facilities, including lines, substations, and towers, traverse wide areas and impose long-term impacts on host communities. These include right-of-way limitations, land use restrictions, safety considerations, and constraints on future development. Despite these burdens, current law does not provide a clear and equivalent benefit mechanism for communities hosting such infrastructure.

This creates a policy gap. Communities that host transmission facilities bear real and continuing impacts, yet are not accorded the same recognition as those hosting generation facilities.

This measure addresses that gap by amending Section 66 of RA 9136 to explicitly include transmission facilities within the coverage of host community benefits. It adopts a whole-of-system approach—recognizing that both generation and transmission are integral to the delivery of electricity—and ensures a more equitable distribution of benefits.

The bill also allows the Energy Regulatory Commission to determine an appropriate and reasonable framework for transmission-related benefits, ensuring flexibility, fairness, and protection of consumers.

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


MARIA ANGELA S. GARCIA
Third District, Bataan



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**AN ACT
ENSURING EQUITABLE BENEFIT-SHARING BY
HOST COMMUNITIES OF TRANSMISSION INFRASTRUCTURE
THEREBY AMENDING SECTION 66 OF REPUBLIC ACT NO. 9136,
OTHERWISE KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM ACT
OF 2001 (EPIRA)**

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

1 **SECTION 1. Amendment to Section 66 of RA 9136.** Section 66 of Republic
2 Act No. 9136 is hereby amended to read as follows:

3 **"SECTION 66. Benefits to Host Communities.** – The obligations of generation
4 companies and energy resource developers to communities hosting energy
5 generating facilities and/or energy resource developers as defined under
6 Chapter II, Sections 289 to 294 of the Local Government Code and Section 5(i)
7 of Republic Act No. 7638 and their implementing rules and regulations and
8 applicable orders and circulars consistent with this Act shall
9 continue: *Provided*, That the obligations mandated under Chapter II, Section
10 291 of Republic Act No. 7160, shall apply to privately-owned corporations or
11 entities utilizing the national wealth of the locality.

12 To ensure the effective implementation of the reduction in cost of electricity in
13 the communities where the source of energy is located, the mechanics and
14 procedures prescribed in the Department of the Interior and Local Government
15 (DILG)-DOE Circulars No. 95-01 and 98-01 dated October 31, 1995 and
16 September 30, 1998, respectively and other issuances related thereto shall be
17 pursued.

18 Towards this end, the fund generated from the eighty percent (80%) of the
19 national wealth tax shall, in no case, be used by any local government unit for
20 any purpose other than those for which it was intended.

21 In case of any violation or noncompliance by any local government official of
22 any provision thereof, the DILG shall, upon prior notice and hearing, order the
23 project operator, through the DOE, to withhold the remittance of the royalty
24 payment to the host community concerned pending completion of the
25 investigation. The unremitted funds shall be deposited in a government bank
26 under a trust fund.

27 **GENERATION COMPANIES AND TRANSMISSION ENTITIES**
28 **OPERATING AS PART OF THE NATIONAL GRID, INCLUDING THE**
29 **NATIONAL GRID CORPORATION OF THE PHILIPPINES, SHALL BE**
30 **REQUIRED TO REMIT FINANCIAL BENEFITS TO HOST COMMUNITIES.**

31
32 **SUCH BENEFITS SHALL BE EQUIVALENT TO ONE CENTAVO**
33 **(P0.01) PER KILOWATT-HOUR (KWH) OF ELECTRICITY SALES FOR**
34 **GENERATION FACILITIES, AND AN EQUIVALENT OR PROPORTIONATE**
35 **AMOUNT, AS MAY BE DETERMINED BY THE ENERGY REGULATORY**
36 **COMMISSION, FOR TRANSMISSION FACILITIES, INCLUDING**
37 **TRANSMISSION LINES, SUBSTATIONS, TOWERS, AND RELATED**
38 **INFRASTRUCTURE.**

39
40 **FOR PURPOSES OF THIS ACT, HOST COMMUNITIES SHALL**
41 **INCLUDE AREAS WHERE GENERATION AND/OR TRANSMISSION**
42 **FACILITIES ARE LOCATED, INCLUDING AREAS TRAVERSED BY**
43 **TRANSMISSION LINES AND CORRIDORS, WHETHER PERMANENTLY OR**
44 **PARTIALLY OCCUPIED.**

45
46 **THE DEPARTMENT OF ENERGY SHALL, IN CONSULTATION WITH**
47 **THE ENERGY REGULATORY COMMISSION, PRESCRIBE THE**
48 **GUIDELINES FOR THE COLLECTION, ALLOCATION, DISTRIBUTION, AND**
49 **UTILIZATION OF SUCH BENEFITS, ENSURING TRANSPARENCY,**
50 **ACCOUNTABILITY, AND EQUITABLE DISTRIBUTION.”**

51
52 **SECTION 2. *Implementing Rules and Regulations.*** - Within ninety (90) days
53 from the effectivity of this Act, the Department of Energy, in consultation with the
54 Energy Regulatory Commission, shall promulgate the necessary rules and
55 regulations.

56
57 **SECTION 3. *Separability Clause.*** - If any provision of this Act is declared
58 unconstitutional, the remaining provisions shall remain in full force and effect.

59
60 **SECTION 4. *Repealing Clause.*** - All laws, decrees, rules, and regulations
61 inconsistent with this Act are hereby repealed or modified accordingly.

62
63 **SECTION 5. *Effectivity.*** - This Act shall take effect fifteen (15) days after
64 publication in the Official Gazette or in a newspaper of general circulation.