



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 30

Submitted by the Committee on Energy and the Committee on Appropriations on **December 2, 2025**

Re: House Bill No. 6540

Recommending its approval, in substitution of House Bills Numbered 855, 1555, 2901, 4147 and 6111

Sponsors: Representatives Jose C. Alvarez, Mikaela Angela B. Suansing and Sergio C. Dagooc

Mr. Speaker:

The Committees on Energy and Appropriations to which were referred House Bill No. 855, introduced by Representative Presley C. de Jesus, entitled:

AN ACT
RESTRUCTURING THE ENERGY REGULATORY COMMISSION,
AMENDING FOR THE PURPOSE SECTIONS 38, 39, 40, 41, 42, 43, 44, AND
46 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE
"ELECTRIC POWER INDUSTRY REFORM ACT OF 2001"

House Bill No. 1555, introduced by Representatives Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony "Hori" G. Horibata, and Terry Ridon, entitled:

AN ACT
RESTRUCTURING THE ENERGY REGULATORY COMMISSION,
AMENDING SECTIONS 38, 39, 40, 41, 43, 44, AND 46 AND REPEALING
SECTION 42 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE
"ELECTRIC POWER INDUSTRY REFORM ACT OF 2001"

House Bill No. 2901, introduced by Representative Arnie B. Fuentesbella, entitled:

AN ACT
TO REFORM AND RESTRUCTURE THE ENERGY REGULATORY
COMMISSION

House Bill No. 4147, introduced by Representative Kristine Singson-Meehan, entitled:

AN ACT
STRENGTHENING THE ENERGY REGULATORY COMMISSION AND
AMENDING FOR THE PURPOSE SECTIONS 38, 39, 40, 41, 42, 43, 44, 45 AND
46 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE
"ELECTRIC POWER INDUSTRY REFORM ACT OF 2001"

and House Bill No. 6111, introduced by Representative Ricardo S. Cruz, Jr., entitled:

**“AN ACT
STRENGTHENING THE ENERGY REGULATORY COMMISSION,
AMENDING FOR THE PURPOSE SECTIONS 38, 39, 40, 41, 43, 44, 45, AND
46 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE
“ELECTRIC POWER INDUSTRY REFORM ACT OF 2001”**


have considered the same and recommend the approval of House Bill No. 6540, entitled:

**AN ACT
RESTRUCTURING THE ENERGY REGULATORY COMMISSION,
AMENDING FOR THE PURPOSE SECTIONS 38, 39, 40, 41, 43, 44, 46,
AND REPEALING SECTION 42 OF REPUBLIC ACT NO. 9136,
OTHERWISE KNOWN AS THE “ELECTRIC POWER INDUSTRY
REFORM ACT OF 2001”**

in substitution of House Bills Numbered 855, 1555, 2901, 4147 and 6111, with Representatives Presley C. de Jesus, Adrian E. Salceda, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony “Hori” G. Horibata, Terry L. Ridon, Arnulf Bryan B. Fuentebella, Kristine-Singson Meehan, Ricardo S. Cruz, Jr., Jose C. Alvarez, Julius Cesar “Jay” Vergara, Ma. Rene Ann Lourdes G. Matibag, Zaldy S. Villa, Reynaldo P. Salvacion, Rufus B. Rodriguez, JC Rahman A. Nava, Isidro D. Lumayag, Maximo Y. Dalog Jr., Johanne Monich G. Bautista, King George Leandro Antonio V. Collantes, Antonino B. Roman III, Ma. Isabel L. Sagarbarria, Gil “Kabarangay Jr.” A. Acosta, Eulogio “Leo” R. Rodriguez, Sergio C. Dagooc, Leila de Lima, Mikaela Angela B. Suansing, Charisse Anne C. Hernandez and Atty. Gerville “Jinky Bitrics” R. Luistro, as authors thereof.

Respectfully submitted,


MIKAELA ANGELA B. SUANSING
Chairperson
Committee on Appropriations


JOSE C. ALVAREZ
Chairperson
Committee on Energy

The HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City



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TWENTIETH CONGRESS
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House Bill No. 6540

(In substitution of House Bills Numbered 855, 1555, 2901, 4147 and 6111)

Introduced by Representatives Presley C. de Jesus, Adrian E. Salceda, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony “Hori” G. Horibata, Terry L. Ridon, Arnulf Bryan B. Fuentebella, Kristine-Singson Meehan, Ricardo S. Cruz, Jr., Jose C. Alvarez, Julius Cesar “Jay” Vergara, Ma. Rene Ann Lourdes G. Matibag, Zaldy S. Villa, Reynaldo P. Salvacion, Rufus B. Rodriguez, JC Rahman A. Nava, Isidro D. Lumayag, Maximo Y. Dalog Jr., Johanne Monich G. Bautista, King George Leandro Antonio V. Collantes, Antonino B. Roman III, Ma. Isabel L. Sagarbarria, Gil “Kabarangay Jr.” A. Acosta, Eulogio “Leo” R. Rodriguez, Sergio C. Dagooc, Leila de Lima, Mikaela Angela B. Suansing, Charisse Anne C. Hernandez and Atty. Gerville “Jinky Bitrics” R. Luistro

AN ACT

RESTRUCTURING THE ENERGY REGULATORY COMMISSION, AMENDING FOR THE PURPOSE SECTIONS 38, 39, 40, 41, 43, 44, AND 46 AND REPEALING SECTION 42 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE “ELECTRIC POWER INDUSTRY REFORM ACT OF 2001”

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

1 **SECTION 1. *Short Title.*** - This Act shall be known as the “*ERC Reform*
2 *Act.*”

3 **SEC. 2. *Declaration of Policy.*** - The State recognizes the significant role
4 of the Energy Regulatory Commission in:

5 a) Ensuring transparent and reasonable prices of electricity;

6 b) Protecting the consumers affected by the rates and services of electric
7 utilities and other providers of electric power; and

1 c) Promoting competition, encouraging market development and safeguarding
2 customer choice, and penalizing abuse of market power in the restructured
3 power industry.

4 To this end, the State shall:

5 a) Establish a strong, independent, transparent, and accountable regulatory
6 body; and

7 b) Ensure that the regulatory body performs its functions effectively and
8 efficiently to promote competition in the electric power industry.

9 **SEC. 3.** Section 38 of Republic Act (RA) 9136, otherwise known as the
10 *“Electric Power Industry Reform Act (EPIRA) of 2001”* is hereby amended to read
11 as follows:

12 ~~SEC. 38. [Creation of the Energy Regulatory Commission. There is~~
13 ~~hereby created an independent, quasi-judicial regulatory body to be~~
14 ~~named the Energy Regulatory Commissions (ERC). For this purpose,~~
15 ~~the existing Energy Regulatory Board (ERB) created under Executive~~
16 ~~Order No. 172, as amended, is hereby abolished.~~

17 ~~The Commission shall be composed of a Chairman and four (4)~~
18 ~~members to be appointed by the President of the Philippines. The~~
19 ~~Chairman and the members of the Commission shall be natural born~~
20 ~~citizens and residents of the Philippines, persons of good moral~~
21 ~~character, at least thirty five (35) years of age, and of recognized~~
22 ~~competence in any of the following fields: energy, law, economics,~~
23 ~~finance, commerce, or engineering, with at least three (3) years actual~~
24 ~~and distinguished experience in their respective fields of expertise:~~
25 ~~Provided, That out of the four (4) members of the Commission, at least~~
26 ~~one (1) shall be a member of the Philippine Bar with at least ten (10)~~
27 ~~years experience in the active practice of law, and one (1) shall be a~~
28 ~~certified public accountant with at least ten (10) years experience in~~
29 ~~active practice.~~

30 ~~Within three (3) months from the creation of the ERC, the~~
31 ~~Chairman shall submit for the approval by the President of the~~

1 ~~Philippines the new organizational structure and plantilla positions~~
2 ~~necessary to carry out the powers and functions of the ERC.~~

3 ~~The Chairman of the Commission, who shall be a member of the~~
4 ~~Philippine Bar, shall act as the Chief Executive Officer of the~~
5 ~~Commission.~~

6 ~~All members of the Commission shall have a term of seven (7)~~
7 ~~years: Provided, That for the first appointees, the Chairman shall hold~~
8 ~~office for seven (7) years, two (2) members shall hold office for five (5)~~
9 ~~years and the other two (2) members shall hold office for three (3) years;~~
10 ~~Provided, further, That appointment to any future vacancy shall only be~~
11 ~~for the unexpired term of the predecessor: Provided, finally, That there~~
12 ~~shall be no reappointment and in no case shall any member serve for~~
13 ~~more than seven (7) years in the Commission.~~

14 ~~The Chairman and members of the Commission shall assume office~~
15 ~~of the beginning of their terms: Provided, That, if upon the effectivity of~~
16 ~~this Act, the Commission has not been constituted and the new staffing~~
17 ~~pattern and plantilla positions have not been approved and filled up, the~~
18 ~~current Board and existing personnel of ERB shall continue to hold~~
19 ~~office.~~

20 ~~The existing personnel of the ERB, if qualified, shall be given~~
21 ~~preference in the filling up of plantilla positions created in the ERC,~~
22 ~~subject to existing civil service rules and regulations.~~

23 ~~Members of the Commission shall enjoy security of tenure and~~
24 ~~shall not be suspended or removed from office except for just cause as~~
25 ~~specified by law.~~

26 ~~The Chairman and members of the Commission or any of their~~
27 ~~relatives within the fourth civil degree of consanguinity or affinity,~~
28 ~~legitimate or common law, shall be prohibited from holding any interest~~
29 ~~whatsoever, either as investor, stockholder, officer or director, in any~~
30 ~~company or entity engaged in the business of transmitting, generating,~~
31 ~~supplying or distributing any form of energy and must, therefore, divest~~
32 ~~through sale or legal disposition of any and all interests in the energy~~
33 ~~sector upon assumption of office.~~

1 ~~The presence of at least three (3) members of the Commission shall~~
2 ~~constitute a quorum and the majority vote of two (2) members in a~~
3 ~~meeting where a quorum is present shall be necessary for the adoption~~
4 ~~of any rule, ruling, order, resolution, decision, or other act of the~~
5 ~~Commission in the exercise of its quasi-judicial functions: Provided,~~
6 ~~That in fixing rates and tariffs, an affirmative vote of three (3) members~~
7 ~~shall be required.]~~ **REFORM AND RESTRUCTURING OF THE**

8 **ENERGY REGULATORY COMMISSION. – THE ENERGY**
9 **REGULATORY COMMISSION (ERC) IS HEREBY**
10 **RECONSTITUTED AS AN INDEPENDENT, ACCOUNTABLE,**
11 **QUASI-JUDICIAL, AND RULE-MAKING REGULATORY BODY,**
12 **WITH POWERS TO PROMULGATE AND ENFORCE RULES**
13 **AND REGULATIONS TO EFFECTIVELY IMPLEMENT THE**
14 **PROVISIONS OF THE EPIRA. TO THIS END, THE ERC SHALL**
15 **BE EXCLUSIVELY RESPONSIBLE FOR THE REGULATION OF**
16 **THE ELECTRIC POWER INDUSTRY.**

17 **“THE COMMISSION SHALL, IN ADDITION TO ITS YEARLY**
18 **APPROPRIATION UNDER THE GENERAL APPROPRIATIONS**
19 **ACT (GAA), BE ALLOWED TO USE FOR THE FOLLOWING**
20 **YEAR FIFTY PERCENT (50%) OF ITS REVENUES GENERATED**
21 **FROM THE COLLECTION OF FEES, ASSESSMENTS,**
22 **LICENSES, AND OTHER CHARGES: PROVIDED, THAT THE**
23 **AMOUNT SHALL NOT EXCEED SEVEN HUNDRED FIFTY**
24 **MILLION PESOS (P750,000,000.00) ANNUALLY.**

25 **“THE SAID AMOUNT SHALL BE UTILIZED TO AUGMENT**
26 **ERC’S EXPENDITURE AS FOLLOWS:**

- 27 **a) TEN PERCENT (10%) FOR CAPITAL OUTLAY;**
28 **b) SIXTY PERCENT (60%) FOR MAINTENANCE AND**
29 **OTHER OPERATING EXPENSES (MOOE); AND**
30 **c) THIRTY PERCENT (30%) FOR PERSONNEL SERVICE**
31 **(PS), TO ENHANCE THE BENEFITS OF OFFICERS,**
32 **PERSONNEL AND STAFF EXCLUDING THE**
33 **CHAIRPERSON AND COMMISSION MEMBERS.**

1 **“THE ERC MAY, SUBJECT TO THE ISSUANCE OF**
2 **APPROPRIATE RULES AND REGULATIONS, REVIEW AND**
3 **REVISE THE ABOVE ALLOCATION FOR ITEMS A AND B AS IT**
4 **MAY DEEM NECESSARY IN THE PERFORMANCE OF ITS**
5 **MANDATE UNDER THIS ACT, SUBJECT TO THE EXISTING**
6 **ACCOUNTING AND AUDITING PROCEDURES. IN CASE THE**
7 **ERC FAILS TO FULLY UTILIZE THE REVENUES MENTIONED**
8 **HEREIN, THE UNUTILIZED AMOUNT SHALL REVERT TO THE**
9 **NATIONAL TREASURY.**

10 **“THE CHAIRPERSON SHALL SUBMIT THE ORGANIZATIONAL**
11 **STRUCTURE AND STAFFING PATTERN OF THE ERC TO THE**
12 **DEPARTMENT OF BUDGET AND MANAGEMENT FOR ITS**
13 **EVALUATION AND RECOMMENDATION FOR THE APPROVAL**
14 **OF THE PRESIDENT OF THE PHILIPPINES, WITHIN THREE**
15 **(3) MONTHS FROM THE EFFECTIVITY OF THIS ACT.**

16 **“THE COMMISSION SHALL CONDUCT AN ASSESSMENT OF**
17 **THE FITNESS OF THE SKILLS AND CAPABILITIES OF**
18 **EXISTING PERSONNEL. BASED ON THE RESULTS OF THE**
19 **ASSESSMENT, THE COMMISSION MAY IMPLEMENT SUCH**
20 **MOVEMENT IN PERSONNEL TO ESTABLISH THE NEW**
21 **ORGANIZATIONAL STRUCTURE, IN ACCORDANCE WITH**
22 **APPLICABLE LAWS, ALIGNED WITH THE PERSONNEL’S**
23 **CAPACITY AND PERFORMANCE: *PROVIDED*, THAT THE NEW**
24 **POSITION TO WHICH THEY SHALL BE TRANSFERRED**
25 **SHALL BE OF THE SAME RANK AND SALARY AS THAT OF**
26 **THEIR PREVIOUS POSITIONS AFFECTED EMPLOYEES MAY**
27 **OPT FOR VOLUNTARY SEPARATION FROM SERVICE WITHIN**
28 **SIX (6) MONTHS FROM THE EFFECTIVITY OF THIS ACT AND**
29 **SHALL BE ENTITLED TO RECEIVE SEPARATION AND EARLY**
30 **RETIREMENT AND OTHER BENEFITS UNDER APPLICABLE**
31 **LAWS AND ISSUANCES WITHIN NINETY (90) DAYS FROM THE**
32 **DATE OF THE EFFECTIVITY OF THEIR SEPARATION FROM**
33 **SERVICE.**

1 “THE ERC SHALL REASSESS ITS ORGANIZATIONAL
2 STRUCTURE EVERY FIVE (5) YEARS FROM THE
3 EFFECTIVITY OF THIS ACT, OR SOONER AS NECESSARY, TO
4 DETERMINE WHETHER FURTHER RESTRUCTURING,
5 INCLUDING ADDITIONAL SERVICES, DIVISIONS, OR
6 PERSONNEL, IS NEEDED.

7 SEC. 4. New sections 38A, 38B, 38C, 38D, 38E, 38F, and 38G are hereby
8 inserted in Republic Act (RA) 9136 to read as follows:

9 “SEC. 38(A). *COMPOSITION OF THE COMMISSION AND*
10 *AND QUALIFICATIONS REQUIREMENTS.* – THE COMMISSION
11 SHALL BE COMPOSED OF A CHAIRPERSON AND EIGHT (8)
12 MEMBERS. THE CHAIRPERSON AND THE MEMBERS OF THE
13 COMMISSION SHALL BE APPOINTED BY THE PRESIDENT OF
14 THE PHILIPPINES AND SHALL SERVE A TERM OF SEVEN (7)
15 YEARS: *PROVIDED*, THAT THE CURRENT CHAIRPERSON
16 AND MEMBERS WHO HAVE BEEN APPOINTED PRIOR TO
17 THE EFFECTIVITY OF THIS ACT SHALL CONTINUE TO
18 PERFORM THEIR FUNCTIONS UNTIL THE COMPLETION OF
19 THEIR TERM: *PROVIDED, FURTHER*, THAT THE MEMBERS
20 WHO SHALL BE APPOINTED IN ADDITION TO THE CURRENT
21 MEMBERS SHALL SERVE ON A STAGGERED BASIS, WITH
22 THE FIRST AND SECOND MEMBERS TO BE APPOINTED
23 SERVING FOR A TERM OF SEVEN (7) YEARS, AND THE THIRD
24 AND FOURTH MEMBERS TO BE APPOINTED SERVING FOR A
25 TERM OF FIVE (5) YEARS: *PROVIDED, FURTHER*, THAT
26 APPOINTMENT TO ANY FUTURE VACANCY SHALL ONLY BE
27 FOR THE UNEXPIRED TERM OF THE PREDECESSOR:
28 *PROVIDED, FINALLY*, THAT THERE SHALL BE NO
29 REAPPOINTMENT AND IN NO CASE SHALL ANY MEMBER
30 SERVE FOR MORE THAN SEVEN (7) YEARS IN THE
31 COMMISSION.

32 “THE CHAIRPERSON AND THE MEMBERS OF THE
33 COMMISSION SHALL BE NATURAL-BORN CITIZENS AND

1 RESIDENTS OF THE PHILIPPINES, PERSONS OF GOOD
2 MORAL CHARACTER, AT LEAST FORTY-FIVE (45) YEARS OF
3 AGE, OF RECOGNIZED PROBITY, COMPETENCE, IN GOOD
4 STANDING, AND WITH EXTENSIVE FAMILIARITY IN ANY OF
5 THE FOLLOWING FIELDS: ENERGY, LAW, ECONOMICS,
6 FINANCE, COMMERCE, ENGINEERING, WITH AT LEAST TEN
7 (10) YEARS OF ACTUAL AND ACTIVE EXPERIENCE IN THEIR
8 RESPECTIVE FIELDS OF EXPERTISE, AND IN GENERATION,
9 TRANSMISSION, DISTRIBUTION AND/OR RETAIL SUPPLY
10 OPERATIONS OF THE PHILIPPINE ELECTRIC POWER
11 INDUSTRY: *PROVIDED*, THAT: (A) THE CHAIRPERSON SHALL
12 BE A MEMBER OF THE PHILIPPINE BAR OR A LICENSED
13 ENGINEER; AND (B) AMONG THE EIGHT (8) MEMBERS OF
14 THE COMMISSION, AND AT LEAST ONE (1) MEMBER SHALL
15 BE A CERTIFIED PUBLIC ACCOUNTANT, ONE (1) MEMBER
16 SHALL BE A LICENSED ENGINEER, AND ONE (1) MEMBER
17 SHALL BE AN ECONOMIST.

18 “SEC. 38(B). *SECURITY OF TENURE*. - THE CHAIRPERSON
19 AND THE MEMBERS OF THE COMMISSION SHALL ENJOY
20 SECURITY OF TENURE AND SHALL NOT BE SUSPENDED OR
21 REMOVED FROM OFFICE EXCEPT FOR JUST CAUSE AS
22 SPECIFIED BY LAW.

23 “SEC. 38(C). *PROHIBITIONS*. - THE CHAIRPERSON AND
24 MEMBERS OF THE COMMISSION, WITHIN THE DURATION
25 OF THEIR TERMS, ARE HEREBY PROHIBITED FROM: (A)
26 TAKING UP ANY EMPLOYMENT OR CONSULTANCY
27 ARRANGEMENT WITH ANY ELECTRIC POWER INDUSTRY
28 PARTICIPANT; (B) HOLDING ANY COMMERCIAL OR ANY
29 PECUNIARY INTEREST IN ANY ELECTRIC POWER
30 INDUSTRY PARTICIPANT, IN ANY CAPACITY; (C) HOLDING
31 ANY OTHER OFFICE OR EMPLOYMENT; AND (D) DIRECTLY
32 OR INDIRECTLY PRACTICING ANY PROFESSION,
33 PARTICIPATING IN ANY BUSINESS, OR BE FINANCIALLY

1 INTERESTED IN ANY CONTRACT WITH, OR ANY FRANCHISE,
2 OR SPECIAL PRIVILEGES GRANTED BY THE GOVERNMENT
3 OR ANY SUBDIVISION, AGENCY, OR INSTRUMENTALITY
4 THEREOF, INCLUDING GOVERNMENT-OWNED AND
5 CONTROLLED CORPORATIONS OR THEIR SUBSIDIARIES.
6 WITHIN THREE (3) YEARS FROM CESSATION OF THEIR
7 SERVICE, THE CHAIRPERSON AND THE MEMBERS OF THE
8 COMMISSION ARE HEREBY PROHIBITED FROM: (A)
9 RUNNING FOR OFFICE IN THE ELECTION; (B) TAKING UP
10 ANY EMPLOYMENT OR CONSULTANCY ARRANGEMENT
11 WITH ANY ELECTRIC POWER INDUSTRY PARTICIPANT; AND
12 (C) PERSONALLY APPEARING OR PRACTICING AS COUNSEL
13 OR AGENT ON ANY MATTER PENDING BEFORE THE
14 COMMISSION.

15 “DURING THE INCUMBENCY OF CHAIRPERSON OR MEMBER
16 OF THE COMMISSION, ANY RELATIVE WITHIN THE FOURTH
17 CIVIL DEGREE OF CONSANGUINITY OR AFFINITY,
18 LEGITIMATE OR COMMON LAW, SHALL BE PROHIBITED
19 FROM:

20 (A) TAKING UP ANY EMPLOYMENT OR CONSULTANCY
21 ARRANGEMENT WITH AN ELECTRIC POWER
22 INDUSTRY PARTICIPANT;

23 (B) HOLDING ANY COMMERCIAL OR ANY PECUNIARY
24 INTEREST IN ANY ELECTRIC POWER INDUSTRY
25 PARTICIPANT, IN ANY CAPACITY; AND

26 (C) APPEARING AS COUNSEL OR AGENT ON ANY MATTER
27 PENDING BEFORE THE COMMISSION OR
28 TRANSACTING BUSINESS DIRECTLY OR INDIRECTLY
29 THEREIN: *PROVIDED*, THAT THIS PROHIBITION
30 SHALL CONTINUE WITHIN THREE (3) YEARS FROM
31 CESSATION OF SERVICE OF THE CONCERNED
32 CHAIRPERSON OR MEMBER OF THE COMMISSION.

1 “SEC. 38(D). *DUTIES AND RESPONSIBILITIES OF THE*
2 *CHAIRPERSON AND CHIEF EXECUTIVE OFFICER.* - THE
3 CHAIRPERSON OF THE COMMISSION, ACTING AS THE CHIEF
4 EXECUTIVE OFFICER, SHALL HAVE THE FOLLOWING
5 POWERS, FUNCTIONS AND DUTIES:

6 (A) EXECUTE, ADMINISTER AND IMPLEMENT THE
7 POLICIES AND MEASURES APPROVED AND ADOPTED
8 BY THE COMMISSION;

9 (B) SERVE AS HEAD OF AGENCY AND DIRECTLY
10 ADMINISTER AND SUPERVISE THE OPERATIONS AND
11 DAY-TO-DAY BUSINESS ACTIVITIES OF THE
12 COMMISSION;

13 (C) REPRESENT THE COMMISSION IN ALL DEALINGS
14 WITH OFFICES, AGENCIES, AND INSTRUMENTALITIES
15 OF THE GOVERNMENT, AND WITH ALL PERSONS AND
16 ENTITIES, PUBLIC OR PRIVATE, DOMESTIC OR
17 FOREIGN, UNLESS OTHERWISE DIRECTED BY THE
18 COMMISSION;

19 (D) EXECUTE, ON BEHALF OF THE COMMISSION, ALL
20 CONTRACTS, AGREEMENTS AND OTHER
21 INSTRUMENTS AFFECTING THE INTERESTS OF THE
22 ERC DULY APPROVED BY THE COMMISSION;

23 (E) DIRECT AND SUPERVISE THE PREPARATION OF THE
24 AGENDA FOR THE MEETINGS OF THE COMMISSION *EN*
25 *BANC*;

26 (F) PRESIDE AT THE MEETINGS OF THE COMMISSION *EN*
27 *BANC* AND THE DIVISION TO WHICH THEY ARE A
28 MEMBER;

29 (G) ORDER THE IMPLEMENTATION OF TEMPORARY
30 PRICE MITIGATION MEASURES TO PROTECT
31 CONSUMER INTERESTS, SUCH AS MARKET
32 SUSPENSION, PAYMENT DEFERRAL, SUSPENSION OF
33 DISCONNECTION, AND SUCH OTHER MEASURES THAT

1 MAY BE APPROVED BY THE COMMISSION, DURING
2 THE EXISTENCE OF OR DURATION OF A CALAMITY OR
3 EMERGENCY, AND UNDER SUCH CONDITIONS AS MAY
4 BE DETERMINED BY LAW OR THE GUIDELINES TO BE
5 ISSUED BY THE COMMISSION: *PROVIDED*, THAT A
6 FORMAL DECLARATION OF CALAMITY OR
7 EMERGENCY HAS BEEN ISSUED BY THE RELEVANT
8 NATIONAL GOVERNMENT AGENCY OR LOCAL
9 GOVERNMENT UNIT: *PROVIDED, FURTHER*, THAT THE
10 IMPLEMENTATION OF TEMPORARY PRICE
11 MITIGATION MEASURES SHALL BE SUBJECT TO
12 SUBSEQUENT CONFIRMATION BY THE COMMISSION
13 *EN BANC*;

14 (H) EXERCISE THE POWER TO APPOINT OFFICIALS WITH
15 THE RANK OF DIVISION CHIEF AND BELOW; AND

16 (I) EXERCISE SUCH OTHER POWERS, FUNCTIONS AND
17 DUTIES AS MAY BE ASSIGNED TO ANY MEMBER BY
18 THE COMMISSION.

19 “SEC. 38(D-1). *DUTIES AND RESPONSIBILITIES OF THE*
20 *MEMBERS OF THE COMMISSION.* – IN ADDITION TO THE
21 FUNCTIONS ENUMERATED IN RA 9136, THE MEMBERS OF
22 THE COMMISSION SHALL:

23 (A) REGULARLY ATTEND AND ACTIVELY PARTICIPATE IN
24 THE MEETINGS OF THE COMMISSION *EN BANC* OR
25 DIVISION WHERE ANY CASE, ISSUE OR MATTER
26 WITHIN ITS JURISDICTION IS UNDER
27 CONSIDERATION;

28 (B) RECOMMEND TO THE CHAIRPERSON OR PRESIDING
29 COMMISSIONER THE INCLUSION IN THE AGENDA OF
30 ANY CASE, ISSUE OR MATTER DEEMED APPROPRIATE
31 IN THE PERFORMANCE OF THE COMMISSION’S
32 FUNCTIONS;

- 1 (C) CONDUCT HEARINGS IN THE AFFECTED AREAS, IF
2 NECESSARY, AND THOROUGHLY ANALYZE CASES,
3 ISSUES AND MATTERS PENDING BEFORE THE
4 COMMISSION *EN BANC* OR DIVISION;
- 5 (D) TAKE PART IN CONTINUOUS EDUCATION AND
6 CAPACITY BUILDING PROGRAMS OF THE
7 COMMISSION TO ENHANCE TECHNICAL
8 COMPETENCE;
- 9 (E) REFRAIN FROM ACTS WHICH UNDULY INFLUENCE,
10 IMPEDE, OR HAMPER THE EFFECTIVE FULFILMENT
11 OF DUTIES AND RESPONSIBILITIES OF ANY OFFICIAL
12 OF THE COMMISSION;
- 13 (F) REVIEW AND ACT ON THE ENDORSEMENT OF THE
14 PROPOSED ERC BUDGET; AND
- 15 (G) TIMELY PERFORM IN GOOD FAITH AND TO THE BEST
16 OF ONE'S ABILITY THE DUTIES AND
17 RESPONSIBILITIES PROVIDED HEREIN.

18 SEC. 38(D-2). *FUNCTIONS OF THE PRESIDING*
19 *COMMISSIONER.* - EACH DIVISION SHALL HAVE A PRESIDING
20 COMMISSIONER, WHO SHALL BE THE MOST SENIOR
21 COMMISSIONER BASED ON THEIR DATES OF APPOINTMENT:
22 *PROVIDED,* THAT THE CHAIRPERSON SHALL BE
23 CONSIDERED AS THE MOST SENIOR IN THE COMMISSION.
24 THE POWERS AND DUTIES OF THE PRESIDING
25 COMMISSIONER, WHEN DISCHARGING FUNCTIONS IN CASES
26 PENDING BEFORE THE DIVISION, SHALL BE AS FOLLOWS:

- 27 (A) ISSUE CALLS FOR THE SESSIONS OF THE DIVISION;
- 28 (B) DIRECT AND SUPERVISE THE PREPARATION OF THE
29 AGENDA FOR THE MEETINGS OF THE DIVISION;
- 30 (C) PRESIDE OVER THE SESSIONS OF THE DIVISION;
- 31 (D) PRESERVE ORDER AND DECORUM DURING THE
32 SESSIONS OF THE DIVISION;

- 1 **(E) SIGN INTERLOCUTORY ORDERS IN CASES ALREADY**
2 **ASSIGNED TO THE DIVISION;**
- 3 **(F) DECIDE ALL QUESTIONS OF ORDER, SUBJECT TO**
4 **APPEAL TO THE COMMISSION *EN BANC*, AS MAY BE**
5 **PROVIDED UNDER THIS ACT; AND**
- 6 **(G) TAKE SUCH OTHER MEASURES AS MAY BE DEEMED**
7 **PROPER UPON CONSULTATION WITH THE OTHER**
8 **MEMBERS OF THE DIVISION.**

9 **“SEC. 38(E). *CREATION OF NEW DIVISIONS.* – THE**
10 **COMMISSION SHALL BE DIVIDED INTO THREE (3) DIVISIONS,**
11 **WITH THREE (3) MEMBERS EACH, INCLUDING THE**
12 **CHAIRPERSON. THE PRESENCE OF AT LEAST TWO (2) OF THE**
13 **(3) MEMBERS OF THE DIVISION SHALL CONSTITUTE A**
14 **QUORUM, AND THE MAJORITY VOTE AT LEAST TWO (2)**
15 **MEMBERS OF THE DIVISION IN WHICH A QUORUM IS**
16 **PRESENT SHALL BE NECESSARY FOR THE ADOPTION OF**
17 **ANY RULING, ORDER, RESOLUTION, DECISION OR OTHER**
18 **ACTS OF THE COMMISSION.**

19 **“SEC. 38(F). *QUORUM.* – AT LEAST FIVE (5) MEMBERS OF**
20 **THE ERC SHALL CONSTITUTE A QUORUM IN THE**
21 **COMMISSION *EN BANC*. THE CHAIRPERSON SHALL BE THE**
22 **PRESIDING OFFICER DURING A COMMISSION *EN BANC***
23 **HEARING. IN THE ABSENCE OF THE CHAIRPERSON, THE**
24 **MOST SENIOR MEMBER AMONG THE COMMISSIONERS**
25 **PRESENT SHALL SERVE AS THE PRESIDING OFFICER. A**
26 **VALID DECISION OF THE COMMISSION *EN BANC* SHALL BE**
27 **CONCURRED IN BY THE MAJORITY OF THE MEMBERS**
28 **CONSTITUTING A QUORUM.**

29 **“SUBJECT TO SECTION 44 OF THIS ACT, THE COMMISSION *EN***
30 ***BANC* SHALL ACT PRIMARILY ON THE FOLLOWING CASES:**

- 31 **(A) CASES INVOLVING THE ERC’S POWER TO**
32 **PROMULGATE RULES OR REGULATIONS;**

- 1 (B) CASES INVOLVING CAPITAL EXPENDITURES WITH A
2 GROSS VALUE OF ONE BILLION PESOS (P
3 1,000,000,000.00) AND ABOVE;
- 4 (C) CASES INVOLVING THE PERFORMANCE AND
5 OPERATIONS, AND THE SETTING OF RETAIL RATES OF
6 THE NATIONAL TRANSMISSION CORPORATION
7 (TRANSCO) OR ITS AUTHORIZED CONCESSIONAIRE,
8 AND OF DISTRIBUTION UTILITIES, AS MAY BE
9 APPLICABLE;
- 10 (D) REVIEW OF CASES DECIDED BY A DIVISION OF THE
11 ERC IN THE EVENT THERE IS A CONFLICTING
12 DECISION BY ANOTHER DIVISION;
- 13 (E) APPOINTMENTS OF OFFICIALS WITH THE RANK OF
14 DIRECTOR AND ABOVE; AND
- 15 (F) OTHER CASES AS MAY BE DETERMINED BY THE
16 COMMISSION *EN BANC* ITSELF.

17 “SEC. 38(G). *CODE OF CONDUCT AND ETHICAL*
18 *STANDARDS. – THE CHAIRPERSON AND THE MEMBERS OF*
19 *THE ERC SHALL CONFORM TO THE CODE OF CONDUCT AND*
20 *ETHICAL STANDARDS AS SPECIFIED IN REPUBLIC ACT 6713,*
21 *OTHERWISE KNOWN AS THE “CODE OF CONDUCT AND*
22 *ETHICAL STANDARDS FOR PUBLIC OFFICIALS AND*
23 *EMPLOYEE ACT.”*

24 **SEC. 5.** Section 39 of RA 9136 is hereby amended to read as follows:

25 “**SEC. 39. *ADJUSTED Compensation STRUCTURE and Other***
26 ***Emoluments for ERC Personnel.*** – The compensation and other
27 emoluments for the [~~Chairman~~] **CHAIRPERSON** and members of the
28 Commission and the ERC personnel shall be exempted from the
29 coverage of Republic Act No. 6758, otherwise known as the “*Salary*
30 *Standardization Act,*” **AS AMENDED BY EXECUTIVE ORDER NO.**
31 **201, SERIES OF 2016.**

32 x x x

1 “The [Chairman] **CHAIRPERSON** and members of the Commission
2 shall [initially] be entitled to the same [salaries,] allowances and
3 benefits as those of the Presiding Justice and Associate Justices of the
4 [~~Supreme Court~~] **COURT OF APPEALS**, respectively. The [Chairman]
5 **CHAIRPERSON** and the members of the Commission shall, upon
6 completion of their term or upon becoming eligible for retirement under
7 existing laws, be entitled to the same retirement benefits and privileges
8 provided for the Presiding Justice and Associate Justices of the
9 [~~Supreme Court~~], **COURT OF APPEALS**, respectively.

10 **“THE COMPENSATION SCHEDULE OF THE PERSONNEL**
11 **SHALL BE COMPETITIVE WITH THE SALARY RANGE OF**
12 **OTHER REGULATORY AGENCIES, AND THE ELECTRIC**
13 **POWER INDUSTRY STAKEHOLDERS. FOR THIS PURPOSE,**
14 **THE COMMISSION *EN BANC* SHALL, SUBJECT TO THE**
15 **APPROVAL OF THE PRESIDENT OF THE PHILIPPINES,**
16 **ADJUST THE COMPENSATION SCHEDULE AND BENEFITS**
17 **OF ERC PERSONNEL ONCE EVERY TWO (2) YEARS TO**
18 **ENSURE THAT THE SAME IS COMPARABLE WITH THE**
19 **COMPENSATION PACKAGE OF OTHER REGULATORY**
20 **AGENCIES, AND THE ELECTRIC POWER INDUSTRY**
21 **STAKEHOLDERS.”**

22 **SEC. 6.** Section 40 of RA 9136 is hereby amended to read as follows:

23 **“SEC. 40. *Enhancement of Technical Competence.*** – [~~The~~
24 ~~ERC shall establish rigorous training programs for its staff for the~~
25 ~~purpose of enhancing the technical competence of the ERC in the~~
26 ~~following areas: evaluation of technical performance and monitoring of~~
27 ~~compliance with service and performance standards, performance-based~~
28 ~~rate-setting reform, environmental standards and such other areas as~~
29 ~~will enable the ERC to adequately perform its duties and functions.]~~

30 **THE TECHNICAL COMPETENCE OF THE ERC PERSONNEL**
31 **SHALL BE BENCHMARKED AGAINST INTERNATIONAL BEST**
32 **PRACTICES. IN VIEW THEREOF, THE ERC SHALL**

1 ESTABLISH A RIGOROUS AND SUSTAINABLE TRAINING
2 PROGRAM THAT SHALL ALLOW ITS STAFF TO ACQUIRE THE
3 NECESSARY KNOWLEDGE AND SKILLS AT PAR WITH THE
4 PERSONNEL OF REGULATORS FROM OTHER
5 JURISDICTIONS AND ECONOMIES.

6 “FOR THIS PURPOSE, THE ERC SHALL ESTABLISH A UNIT
7 WITHIN ITS STRUCTURE THAT SHALL DESIGN A
8 STANDARDIZED TRAINING AND DEVELOPMENT PROGRAM
9 AND FACILITATE THE REGULAR CONDUCT OF NECESSARY
10 TRAINING FOR NEW AND INCUMBENT ERC PERSONNEL.

11 “THE ERC SHALL ALLOT A MAXIMUM OF FIFTEEN PERCENT
12 (15%) OF THE REVENUES IT GENERATED FROM THE
13 COLLECTION OF FEES, ASSESSMENTS, LICENSES, AND
14 OTHER CHARGES FOR THE TRAINING AND UPGRADING OF
15 SKILLS OF ITS PERSONNEL. THE AMOUNT SHALL BE TAKEN
16 FROM ITS REVENUES RESERVED TO AUGMENT ERC’S
17 BUDGET AS PROVIDED UNDER SECTION 38 OF THIS ACT.”

18 SEC. 7. Section 41 of RA 9136 is hereby amended to read as follows:

19 “SEC. 41. *PROTECTION AND Promotion of Consumer*
20 *Interests.* – [~~The ERC shall handle consumer complaints and ensure the~~
21 ~~adequate promotion of consumer interests.~~] THE ERC SHALL
22 ADDRESS AND PROVIDE TIMELY RESOLUTIONS TO
23 CONSUMER COMPLAINTS AND ENSURE ADEQUATE
24 PROTECTION OF CONSUMER INTERESTS.

25 THE ERC SHALL ESTABLISH PROCEDURES FOR
26 DETERMINING LEGITIMATE REPRESENTATION OF
27 CONSUMER ORGANIZATIONS AND THE CONDUCT OF
28 FORUM, WHERE CONSUMERS CAN EXPRESS THEIR
29 CONCERNS ON POLICIES AND REGULATIONS OUTSIDE THE
30 FORMAL RULE-MAKING PROCESSES.

31 “THE ERC SHALL ALSO EXERT EFFORTS TO INFORM
32 CONSUMERS OF PENDING PROCEEDINGS. FOR THIS

1 PURPOSE, THE ERC SHALL REGULARLY CONDUCT
2 TRAININGS FOR THE EFFICIENT HANDLING OF CONSUMER
3 COMPLAINTS BY THE DISTRIBUTION UTILITIES'
4 CONSUMER WELFARE DESK (CWD). THE ERC SHALL
5 ALLOCATE AN ANNUAL BUDGET FOR THIS PURPOSE.

6 "A SUPPORT DESK SHALL BE MADE AVAILABLE TO THE
7 PUBLIC TO ASSIST CONSUMERS FOR A BETTER
8 UNDERSTANDING OF ALL PROCEEDINGS AND ISSUANCES
9 OF THE COMMISSION, AS WELL AS ANY AND ALL MATTERS
10 WHICH AFFECT THE ELECTRICITY RATES CHARGED TO
11 CONSUMERS: *PROVIDED*, THAT THE INFORMATION IS NOT
12 CONFIDENTIAL IN NATURE. EVERY CONSUMER HAS THE
13 RIGHT TO ACCESS INFORMATION OF PUBLIC CONCERN,
14 SUBJECT TO THE COMMISSION'S GUIDELINES IN THE
15 GRANT AND LIMITATIONS OF THIS RIGHT: *PROVIDED*,
16 *FURTHER*, THAT ACCESS TO INFORMATION SHALL NOT BE
17 GRANTED IF:

- 18 (A) THE INFORMATION IS CONSIDERED CONFIDENTIAL
19 UNDER EXISTING LAWS AND REGULATIONS;
20 (B) THE INFORMATION IS COVERED BY DELIBERATIVE
21 PROCESS PRIVILEGE, OR EXECUTIVE PRIVILEGE;
22 AND
23 (C) THE INFORMATION REQUESTED PERTAINS TO TRADE
24 SECRETS, COMPETITIVELY SENSITIVE, OR OTHER
25 PROPRIETARY INFORMATION, WHENEVER THE
26 REVELATION THEREOF WOULD PREJUDICE THE
27 INTERESTS OF A NATURAL OR JURIDICAL PERSON IN
28 TRADE, INDUSTRIAL, FINANCIAL, OR COMMERCIAL
29 COMPETITION."

30 SEC. 8. Sections 43 (b), (i), (k), (q), and (s) of RA 9136 are hereby amended
31 to read as follows:

1 NOT EXCEEDING ONE HUNDRED THOUSAND PESOS
2 (P100,000.00) OR BY IMPRISONMENT NOT EXCEEDING
3 TEN DAYS, OR BOTH, ANY PERSON WHO SHALL
4 OBSTRUCT THE COMMISSION OR ITS HEARING
5 OFFICERS WHILE ENGAGED IN THE DISCHARGE OF
6 OFFICIAL DUTIES, OR WHO SHALL CONDUCT
7 ONESELF IN A RUDE, DISRESPECTFUL OR
8 DISORDERLY MANNER BEFORE THE COMMISSION OR
9 ITS HEARING OFFICERS, WHILE ENGAGED IN THE
10 DISCHARGE OF OFFICIAL DUTIES, OR SHALL ORALLY
11 OR IN WRITING BE DISRESPECTFUL TO, OFFEND OR
12 INSULT THE COMMISSION OR ITS HEARING OFFICERS
13 ON OCCASION OR BY REASON OF THE PERFORMANCE
14 OF OFFICIAL DUTIES, GUILTY OF ANY ACT INTENDED
15 TO INTERRUPT THE HEARING OR SESSION OR ANY
16 PROCEEDING BEFORE THE COMMISSION, OR WHEN A
17 PERSON REFUSES TO BE SWORN IN AS A WITNESS OR
18 TO ANSWER AS SUCH WHEN LAWFULLY REQUIRED TO
19 DO SO IN ANY HEARING, SESSION, OR INVESTIGATION
20 DULY HELD BY THE COMMISSION, ITS MEMBERS OR
21 REPRESENTATIVES. OF MISCONDUCT IN THE
22 PRESENCE OF THE COMMISSION, OR ANY OF ITS
23 MEMBERS OR REPRESENTATIVES.

24 “TO ENFORCE THE PROVISIONS OF THIS SECTION,
25 THE ERC MAY, IF NECESSARY, REQUEST THE
26 ASSISTANCE OF THE PHILIPPINE NATIONAL POLICE
27 FOR THE EXECUTION OF ANY ORDER MADE FOR SAID
28 PURPOSE.

29 “(W) IN RELATION TO SECTION 6 OF THIS ACT, THE ERC
30 SHALL ISSUE A FIXED LIST OF REQUIREMENTS AND
31 ACT ON APPLICATIONS OF GENERATING COMPANIES
32 FOR THE ISSUANCE OF CERTIFICATES OF
33 COMPLIANCE (COC): *PROVIDED*, THAT THE TIMELINE

1 PROVIDED IN SECTION 13 OF RA 11234 SHALL BE
2 OBSERVED, AND FAILURE OF THE ERC TO RELEASE
3 ITS ACTION ON THE APPLICATION WITHIN THE
4 PRESCRIBED TIME FRAME SHALL DEEM SUCH COC
5 APPLICATION APPROVED;

6 “(X) ENCOURAGE AND ACTIVELY PROMOTE THE USE OF
7 ALTERNATIVE DISPUTE RESOLUTION (ADR) IN
8 DEREGULATED AREAS OF THE ELECTRIC POWER
9 INDUSTRY AS AN IMPORTANT MEANS TO ACHIEVE
10 SPEEDY AND IMPARTIAL JUSTICE, AND DECLOG THE
11 DOCKETS OF THE ERC IN ACCORDANCE WITH RA 9285,
12 OTHERWISE KNOWN AS THE “*ALTERNATIVE DISPUTE*
13 *RESOLUTION ACT OF 2004*”. TO THIS END, THE ERC
14 SHALL CONDUCT EDUCATIONAL AND INFORMATION
15 ACTIVITIES TO EQUIP ADR PRACTITIONERS TO
16 ADDRESS DEREGULATED ELECTRIC POWER
17 INDUSTRY DISPUTES.

18 “(Y) TO ORGANIZE AND ADMINISTER THE TRANSMISSION
19 GRID RELIABILITY MANAGEMENT COMMITTEE,
20 WHICH SHALL BE TASKED TO DEVELOP, IMPROVE
21 AND CONDUCT AUDIT IN COMPLIANCE WITH THE
22 GRID CODE AND OTHER RELATED ISSUANCES, TO
23 MONITOR AND REPORT TO THE ERC ANY VIOLATIONS
24 AGAINST THE TRANSMISSION GRID CODE, TO
25 INVESTIGATE AND PROVIDE RESOLUTIONS ON GRID
26 SIGNIFICANT INCIDENTS, AND TO RECOMMEND
27 PENALTIES FOR NON-CONFORMANCE AND
28 VIOLATIONS THEREOF.

29 “(Z) TO ORGANIZE AND ADMINISTER THE DISTRIBUTION
30 GRID RELIABILITY COMMITTEE, WHICH SHALL BE
31 TASKED TO DEVELOP, IMPROVE AND CONDUCT
32 AUDIT IN COMPLIANCE WITH DISTRIBUTION
33 RELIABILITY STANDARDS, TO MONITOR AND REPORT

1 TO THE ERC ANY VIOLATIONS OF THE DISTRIBUTION
2 UTILITIES AGAINST THE DISTRIBUTION GRID CODE,
3 TO INVESTIGATE AND PROVIDE RESOLUTIONS ON
4 GRID SIGNIFICANT INCIDENTS, AND TO RECOMMEND
5 PENALTIES FOR NON-CONFORMANCE AND
6 VIOLATIONS THEREOF.

7 “All notices of hearings to be conducted by the ERC for the purpose of
8 fixing rates or fees shall be published IN at least [~~twice for two~~
9 ~~successive weeks in two (2) newspapers of nationwide circulation~~] ONE
10 (1) NEWSPAPER OF GENERAL CIRCULATION, AND/OR
11 POSTED ELECTRONICALLY.”

12 SEC. 9. Section 44 of RA 9136 is hereby amended to read as follows:

13 “SEC. 44. [~~Transfer of Powers and Functions.~~— The
14 ~~powers and functions of the Energy Regulatory Board not~~
15 ~~inconsistent with the provisions of this Act are hereby transferred~~
16 ~~to the ERC. The foregoing transfer of powers and functions shall~~
17 ~~include all applicable funds and appropriation, records,~~
18 ~~equipment, property and personnel as may be necessary.]~~

19 **NATURE OF THE REGULATORY POWERS OF THE ERC. –**
20 **IN THE PERFORMANCE OF ITS ROLE AS THE**
21 **INDEPENDENT REGULATOR OF THE ELECTRIC**
22 **POWER INDUSTRY, THE ERC SHALL PERFORM QUASI-**
23 **JUDICIAL, QUASI-LEGISLATIVE, AND**
24 **ADMINISTRATIVE FUNCTIONS. UNLESS ALREADY**
25 **PROVIDED IN THIS ACT, THE ERC SHALL IDENTIFY**
26 **WHICH AMONG ITS FUNCTIONS SHALL BE**
27 **PERFORMED AND UNDERTAKEN THROUGH**
28 **REGULAR, SUMMARY, AND ADMINISTRATIVE**
29 **PROCEEDINGS. IT SHALL ESTABLISH THE RULES OF**
30 **PROCEDURE FOR EACH TYPE OF PROCEEDING THAT**
31 **SHALL PROMOTE TRANSPARENCY, EXPEDIENCY,**
32 **CONSISTENCY, AND EFFICIENCY OF SERVICE.**

1 **SEC. 10.** New Sections 44 (A), 44 (B), 44 (C), 44 (D) and 44 (E) are hereby
2 inserted in RA 9136 to read as follows:

3 **“SEC. 44 (A). *POWER SUPPLY AGREEMENTS.* – THE**
4 **DOE SHALL ISSUE THE POLICIES ON THE**
5 **PROCUREMENT PROCESS FOR ANY POWER SUPPLY**
6 **AGREEMENT WHICH SHALL OBSERVE THE**
7 **PRINCIPLES OF TRANSPARENCY, COMPETITIVENESS,**
8 **ACCOUNTABILITY, IMPARTIALITY AND EFFICIENCY.**
9 **THE RESULTING POWER SUPPLY AGREEMENTS**
10 **SHALL EMBODY THE PRINCIPLES OF QUALITY,**
11 **AFFORDABILITY, SUSTAINABILITY AND RELIABILITY**
12 **OF SUPPLY OF ELECTRIC POWER.**

13 **“THE ERC SHALL REVIEW AND APPROVE THE POWER**
14 **SUPPLY AGREEMENT IN ACCORDANCE WITH ITS**
15 **POWERS UNDER SECTION 43 (W) OF THIS ACT. “**

16 **“SEC. 44(B). *BENCHMARK PRICES AND RATES.* –**
17 **THE ERC SHALL DETERMINE THE BENCHMARK FOR**
18 **THE RANGE OF PRICES AND RATES THAT ARE**
19 **DEEMED REASONABLE FOR BOTH THE END-USERS**
20 **AND THE OPERATIONS OF GENERATION,**
21 **TRANSMISSION, AND DISTRIBUTION ENTITIES.**

22 **“LOAD DENSITY, SALES MIX, COST OF SERVICE,**
23 **DELIVERY VOLTAGE, RESOURCE AND FUEL,**
24 **LOCATION AND OTHER TECHNICAL FACTORS SHALL**
25 **BE CONSIDERED IN THE BENCHMARK**
26 **DETERMINATION.**

27 **“THE ERC SHALL PUBLISH THE BENCHMARK PRICES**
28 **AND RATES, WHICH SHALL BE REGULARLY**
29 **UPDATED.”**

30 **“SEC. 44(C). *REGULAR AND SUMMARY***
31 ***PROCEEDINGS IN THE ERC.* - CASES FILED BEFORE THE**
32 **ERC, THAT REQUIRE THE EXERCISE OF ITS QUASI-**
33 **JUDICIAL AND ADJUDICATORY, AND QUASI-**

1 LEGISLATIVE AND RULE-MAKING FUNCTIONS, SHALL
2 BE DECIDED THROUGH REGULAR PROCEEDINGS:
3 *PROVIDED*, HOWEVER, THAT CASES RELATED TO
4 CONTRACTS OR SUBMISSIONS THAT ARE CERTIFIED
5 BY THE DOE PURSUANT TO THIS ACT AND WITHIN THE
6 BENCHMARK DETERMINED BY THE ERC, INCLUDING
7 POWER SUPPLY AGREEMENTS, SHALL BE DECIDED
8 THROUGH SUMMARY PROCEEDINGS, WITHOUT NEED
9 OF A HEARING IN ACCORDANCE WITH THE EXERCISE
10 OF THE ERC OF ITS POWERS UNDER SECTION 43(W) OF
11 THIS ACT: *PROVIDED, FURTHER*, THAT OTHER
12 CONTRACTS OR SUBMISSIONS THAT ARE NOT SUBJECT
13 TO BENCHMARKING MAY BE DECIDED THROUGH
14 SUMMARY PROCEEDINGS UPON DETERMINATION OF
15 THE COMMISSION *EN BANC*.”

16 “SEC. 44(D). *ADMINISTRATIVE PROCEEDINGS IN*
17 *THE ERC*. – MATTERS THAT REQUIRE THE EXERCISE BY
18 THE ERC OF ITS ADMINISTRATIVE FUNCTIONS AND
19 DOES NOT REQUIRE THE EXERCISE OF THE ERC’S
20 QUASI-JUDICIAL OR QUASI-LEGISLATIVE FUNCTIONS,
21 SHALL BE SUBJECT TO ADMINISTRATIVE
22 PROCEEDINGS. ADMINISTRATIVE MATTERS SHALL BE
23 DECIDED BY THE CHAIRPERSON OF THE ERC:
24 *PROVIDED*, THAT THE CHAIRPERSON MAY DELEGATE
25 THIS AUTHORITY TO A MEMBER OF THE COMMISSION
26 OR ANY OFFICER NOT LOWER THAN THE LEVEL OF A
27 DIRECTOR.”

28 “THE GRANT OF PROVISIONAL APPROVAL FOR
29 PERMITS AND LICENSES TO ELECTRIC POWER
30 INDUSTRY PARTICIPANTS SHALL BE CONSIDERED AN
31 ADMINISTRATIVE MATTER AND SHALL BE DECIDED
32 UPON BY THE CHAIRPERSON: *PROVIDED*, THAT THE
33 GRANT OF PROVISIONAL APPROVAL SHALL BE

1 SUBJECT TO SUBSEQUENT CONFIRMATION BY THE
2 COMMISSION *EN BANC*. ADMINISTRATIVE MATTERS
3 SHALL LIKEWISE INCLUDE THE FOLLOWING
4 COMPLIANCE SUBMISSIONS BY ELECTRIC POWER
5 INDUSTRY PARTICIPANTS:

- 6 i. ANNUAL OR REGULAR SUBMISSIONS, WHETHER
7 ON TECHNICAL, LEGAL OR FINANCIAL
8 MATTERS;
- 9 ii. SUBMISSIONS AND REPORTS INCLUDED IN THE
10 REVIEW FOR REGULATORY RESET: *PROVIDED*,
11 THAT THE REGULATORY RATE RESET PROCESS
12 SHALL BE DECIDED THROUGH REGULAR
13 PROCEEDINGS IN ACCORDANCE WITH THE
14 ERC’S POWERS UNDER SECTION 43(F) OF THIS
15 ACT; AND
- 16 iii. ANY OTHER CONTRACTS, APPLICATIONS, OR
17 SUBMISSIONS MADE BY PARTICIPANTS IN THE
18 ELECTRIC POWER INDUSTRY THAT DOES NOT
19 REQUIRE THE EXERCISE OF THE ERC’S QUASI-
20 JUDICIAL OR QUASI-LEGISLATIVE FUNCTIONS
21 AS MAY BE DETERMINED BY THE COMMISSION
22 *EN BANC*.”

23 “SEC. 44(E). *ISSUANCE OF DECISIONS AND RULE*
24 *ON APPEALS*. – THE ERC SHALL ISSUE AN ACTION ON
25 ALL APPLICATIONS AND SUBMISSIONS MADE IN
26 REGULAR QUASI-JUDICIAL AND QUASI-LEGISLATIVE
27 PROCEEDINGS WITHIN TWO HUNDRED SEVENTY (270)
28 CALENDAR DAYS FROM THE SUBMISSION OF A VALID
29 APPLICATION AS PROVIDED UNDER SECTION 13 OF
30 REPUBLIC ACT 11234, OTHERWISE KNOWN AS THE
31 “*ENERGY VIRTUAL ONE-STOP SHOP ACT*”: *PROVIDED*,
32 THAT FOR SUMMARY QUASI-JUDICIAL AND QUASI-
33 LEGISLATIVE PROCEEDINGS, THE RELEVANT PERIOD

1 SHALL BE SIXTY (60) CALENDAR DAYS FROM THE
2 SUBMISSION OF A VALID APPLICATION.”

3 “FOR APPLICATIONS AND SUBMISSIONS MADE IN
4 ADMINISTRATIVE PROCEEDINGS, THE ERC SHALL
5 ISSUE AN ACTION WITHIN SIXTY (60) CALENDAR DAYS
6 FROM THE SUBMISSION OF ALL DOCUMENTARY
7 REQUIREMENTS AS PROVIDED UNDER SECTION 13 OF
8 REPUBLIC ACT 11234.

9 “A DECISION ISSUED BY A DIVISION THROUGH A
10 REGULAR OR SUMMARY PROCEEDING, OR BY THE
11 CHAIRPERSON THROUGH AN ADMINISTRATIVE
12 PROCEEDING, MAY BE SUBJECT TO A MOTION FOR
13 RECONSIDERATION FILED BEFORE THE OFFICE
14 THAT ISSUED THE DECISION.

15 “UPON THE RESOLUTION OF THE MOTION FOR
16 RECONSIDERATION, AN APPEAL MAY BE MADE
17 BEFORE THE COMMISSION EN BANC SOLELY ON THE
18 GROUND THAT A PREVIOUSLY ISSUED DECISION IS IN
19 CONFLICT WITH THE DECISION SUBJECT OF THE
20 APPEAL. ALL OTHER APPEALS THAT INVOLVE
21 QUESTIONS OF FACT AND LAW SHALL BE MADE
22 BEFORE THE COURT OF APPEALS. APPEALS THAT
23 INVOLVE SOLELY QUESTIONS OF LAW SHALL BE
24 MADE BEFORE THE SUPREME COURT.

25 DECISIONS SHALL BE CONSIDERED FINAL AND
26 EXECUTORY ONLY UPON THE LAPSE OF THE PERIOD
27 TO FILE A MOTION FOR RECONSIDERATION OR AN
28 APPEAL, AS THE CASE MAY BE, WITHOUT SUCH
29 MOTION OR APPEAL BEING FILED WITHIN THE GIVEN
30 PERIOD.

31 “WITHIN SIX (6) MONTHS FROM THE EFFECTIVITY OF
32 THIS ACT, THE ERC SHALL ISSUE THE RULES OF
33 PROCEDURE FOR REGULAR AND SUMMARY QUASI-

1 JUDICIAL, AND ADMINISTRATIVE PROCEEDINGS, AS
2 PROVIDED FOR IN THIS ACT.

3 “THE RULES OF PROCEDURE TO BE ISSUED BY THE
4 ERC SHALL GOVERN ALL CASES FILED AFTER THE
5 EFFECTIVITY OF SUCH RULES INCLUDING THOSE
6 THAT ARE PENDING AT THE TIME OF THE ISSUANCE
7 OF THE RULES. FOR CASES THAT ARE PENDING AT
8 THE TIME OF ISSUANCE OF THE RULES, THE
9 COMMISSION *EN BANC* MAY WAIVE THE APPLICATION
10 OF THE RULES IF IT DEEMS THAT ITS APPLICATION
11 WOULD NOT BE FEASIBLE, CAUSE UNDUE DELAY OR
12 WOULD WORK INJUSTICE, IN WHICH CASE THE RULES
13 EXISTING AT THE TIME THE CASES WERE FILED
14 SHALL GOVERN.”

15 SEC. 11. Section 46 of RA 9136 is hereby amended to read as follows:

16 “SEC. 46. *Fines and Penalties.* - The FOLLOWING fines
17 and penalties [~~that~~] shall be imposed [~~by the ERC~~] for any
18 violation of or non-compliance with this Act or the IRR: xxx

19 (A) *ADMINISTRATIVE FINES AND PENALTIES.* - BY ANY
20 JURIDICAL ENTITY ENGAGED IN THE
21 GENERATION, TRANSMISSION, DISTRIBUTION AND
22 SUPPLY OF ELECTRICITY, THE FINE shall range from
23 a minimum of Fifty thousand pesos (₱50,000.00) to a
24 maximum of ~~Fifty million pesos (₱50,000,000.00)~~ FIVE
25 HUNDRED million pesos (₱500,000,000.00).

26 “THE COMMISSION MAY ORDER THAT SUCH
27 AMOUNT OF FINES AND PENALTIES IMPOSED FOR
28 VIOLATION OF THIS ACT BE IMMEDIATELY
29 APPLIED AS REFUND IN THE RATES CHARGED BY
30 THE OFFENDING ENTITY TO THE END-USERS

1 AFFECTED BY SUCH VIOLATION OR NON-
2 COMPLIANCE.

3 “THE ERC SHALL PROMULGATE THE SCHEDULE
4 OF PENALTIES, WITH CONSIDERATION OF THE
5 CIRCUMSTANCES SURROUNDING THE VIOLATION
6 OR NONCOMPLIANCE, SUCH AS, RECIDIVISM,
7 PERIOD OF NONCOMPLIANCE, OR ABUSE OF
8 MARKET POWER, CARTELIZATION, OR ANTI-
9 COMPETITIVE OR DISCRIMINATORY BEHAVIOR.
10 THE ERC MAY IMPOSE THESE PENALTIES FOR
11 EVERY DAY OF VIOLATION, DELAY, OR
12 NONCOMPLIANCE.

13 **(B) CRIMINAL AND CIVIL LIABILITIES.** - BY ANY
14 PERSON, A FINE OF NOT LESS THAN FIFTY
15 THOUSAND PESOS (₱50,000.00) BUT NOT MORE
16 THAN FIFTY MILLION PESOS (₱50,000,000.00), OR BY
17 IMPRISONMENT OF NOT LOWER THAN SIX (6)
18 YEARS AND ONE (1) DAY AND NOT HIGHER THAN
19 TWELVE (12) YEARS, OR BOTH, AT THE DISCRETION
20 OF THE COURT.

21 WHEN THE ENTITIES INVOLVED ARE JURIDICAL
22 PERSONS, THE PENALTY OF IMPRISONMENT
23 SHALL BE IMPOSED ON ITS OFFICERS,
24 DIRECTORS, OR EMPLOYEES HOLDING
25 MANAGERIAL POSITIONS, WHO ARE KNOWINGLY
26 AND WILLFULLY RESPONSIBLE FOR SUCH
27 VIOLATION.

28 **(C) OFFER OF COMPROMISE.** - ANY PERSON OR
29 ENTITY SUBJECT TO AN ADMINISTRATIVE
30 PROCEEDING IN THE COMMISSION THAT MAY
31 RESULT IN THE IMPOSITION OF FINES, REFUNDS
32 AND/OR PENALTIES, PURSUANT TO THIS SECTION,

1 MAY ENTER A PLEA OF *NOLO CONTENDERE*, IN
2 WHICH SUCH PERSON OR ENTITY DOES NOT
3 ACCEPT NOR DENY RESPONSIBILITY FOR THE
4 CHARGES BUT AGREES TO ACCEPT THE
5 OBLIGATION TO PAY FINES, REFUNDS AND/OR
6 PENALTIES AS IF ALREADY FOUND LIABLE. THE
7 PLEA CANNOT BE USED AGAINST SUCH PERSON OR
8 ENTITY TO PROVE LIABILITY IN A CRIMINAL
9 ACTION NOR IN ANOTHER CAUSE OF ACTION:
10 *PROVIDED*, THAT A PLEA OF *NOLO CONTENDERE*
11 MAY BE ENTERED ONLY WITH THE PRIOR
12 APPROVAL OF THE COMMISSION *EN BANC* WHICH
13 SHALL ACCEPT IT ONLY AFTER WEIGHING ITS
14 EFFECT ON THE PARTIES AND THE CONSUMERS:
15 *PROVIDED, FURTHER*, THAT SHOULD THE
16 COMMISSION ACCEPT THE PLEA OF *NOLO*
17 *CONTEDERE*, THE FINE, REFUND AND/OR PENALTY
18 TO BE ADJUDGED FOR PAYMENT SHALL NOT BE
19 LESS THAN FIFTY PERCENT (50%) OF THE
20 CORRESPONDING FINE, REFUND AND/OR PENALTY
21 FOR THE SUBJECT OFFENSE: *PROVIDED*,
22 *FURTHERMORE*, THAT ANY PERSON OR ENTITY
23 CAN NOT ENTER INTO A PLEA OF *NOLO*
24 *CONTENDERE* FOR A VIOLATION OF ITS
25 FRANCHISE OR CERTIFICATE OF PUBLIC
26 CONVENIENCE AND NECESSITY, AND SUCH OTHER
27 CASES AS DETERMINED BY THE COMMISSION:
28 *PROVIDED, FINALLY*, THAT THE COMMISSION
29 SHALL ISSUE GUIDELINES FOR THIS PROVISION,
30 SUBJECT TO PUBLIC CONSULTATION.

31 (D) *ROLE OF THE DEPARTMENT OF JUSTICE*. - CIVIL
32 AND CRIMINAL ACTIONS AND PROCEEDINGS
33 INSTITUTED ON BEHALF OF THE GOVERNMENT

1 UNDER THE AUTHORITY OF THIS ACT OR OTHER
2 LAWS ENFORCED BY THE ERC SHALL BE BROUGHT
3 IN THE NAME OF THE GOVERNMENT OF THE
4 PHILIPPINES AND SHALL BE PROSECUTED AND
5 HANDLED BY THE ERC WITH THE ASSISTANCE OF
6 THE DEPARTMENT OF JUSTICE (DOJ): *PROVIDED*,
7 THAT THE DETERMINATION OF THE EXISTENCE OF
8 PROBABLE CAUSE AND THE SUBSEQUENT FILING
9 OF ANY CRIMINAL OR CIVIL CASE WITH THE
10 PROPER COURT AGAINST VIOLATORS OF THIS ACT
11 SHALL EXCLUSIVELY BELONG TO THE DOJ:
12 *PROVIDED, HOWEVER*, THAT NO CIVIL OR
13 CRIMINAL ACTION FOR THE RECOVERY OF DUTIES
14 OR THE ENFORCEMENT OF ANY FINE, PENALTY OR
15 FORFEITURE UNDER THIS ACT SHALL BE FILED IN
16 COURT WITHOUT THE APPROVAL OF THE ERC.

17 (E) *ADJUSTMENT OF FINES AND PENALTIES.* - THE
18 FINES AND PENALTIES MAY BE ADJUSTED TO ITS
19 PRESENT VALUE EVERY FIVE (5) YEARS USING THE
20 CONSUMER PRICE INDEX (CPI) AS PUBLISHED BY
21 THE PHILIPPINE STATISTICS AUTHORITY.”

22 **SEC. 12. Appropriations.** – The amount necessary for the initial
23 implementation of this Act shall be charged against the current year’s
24 Appropriations of the ERC. Thereafter, such amount shall be included in the
25 annual General Appropriations Act.

26 **SEC. 13. Congressional Oversight.** – The Joint Congressional Energy
27 Commission shall exercise oversight powers over the implementation of this Act.

28 **SEC. 14. Repealing Clause.** – Sections 1 and 2 of Executive Order No.
29 172, entitled “*Creating the Energy Regulatory Board*”, AND Sections 38 and 42 of
30 RA 9136 ARE HEREBY REPEALED.

31 All laws, decrees, orders, rules and regulations or parts thereof which are
32 inconsistent with or contrary to the provisions of this Act are hereby repealed or

1 amended accordingly without prejudice to Republic Act 10667, otherwise known
2 as the “*Philippine Competition Act*”.

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

Approved,



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

COMMITTEE ON ENERGY

FACT SHEET

House Bill No. **6540**

AN ACT
RESTRUCTURING THE ENERGY REGULATORY COMMISSION,
AMENDING SECTIONS 38, 39, 40, 41, 43, 44, AND 46 AND
REPEALING SECTION 42 OF REPUBLIC ACT NO. 9136,
OTHERWISE KNOWN AS THE “ELECTRIC POWER INDUSTRY
REFORM ACT OF 2001”

Introduced by: Representatives Presley C. De Jesus, Adrian E. Salceda, Miguel Luis R. Villafuerte, Vincenzo Renato Luigi R. Villafuerte, Tsuyoshi Anthony “Hori” G. Horibata, Terry L. Ridon, Arnulf Bryan B. Fuentebella, Kristine-Singson Meehan, Ricardo S. Cruz, Jr., Jose C. Alvarez, Julius Cesar “Jay” Vergara, Ma. Rene Ann Lourdes G. Matibag, Zaldy S. Villa, Reynaldo P. Salvacion, Rufus B. Rodriguez, Jc Rahman A. Nava, Isidro D. Lumayag, Maximo Y. Dalog Jr., Johanne Monich G. Bautista, King George Leandro Antonio V. Collantes, Antonino B. Roman III, Ma. Isabel L. Sagarbarria, Gil “Kabarangay Jr.” A. Acosta, Eulogio “Leo” R. Rodriguez, Sergio C. Dagooc, Leila de Lima, Mikaela Angela B. Suansing, Charisse Anne C. Hernandez and Atty. Gerville “Jinky Bitrics” R. Luistro

Committee Referral: **COMMITTEE ON ENERGY (Primary)**

Committee Chairperson: **HON. JOSE C. ALVAREZ**

Committee Referral: **COMMITTEE ON APPROPRIATIONS (Secondary)**

Committee Chairperson: **HON. MIKAELA ANGELA B. SUANSING**

OBJECTIVES:

- To establish a strong, independent, transparent, and accountable energy regulatory body.
- To ensure transparent and reasonable prices of electricity.
- To protect the consumers as they are affected by the high rates and poor

services of electric utilities and other providers of electric power.

- To promote competition, encouraging market development, and ensuring customer choice in the restructured power industry.

KEY PROVISIONS:

- Reconstitutes the Energy Regulatory Commission (ERC) as an independent, accountable, quasi-judicial, and rule-making body.
- Stipulates that the ERC shall be allowed to use fifty percent (50%) of its revenues generated from the collection of fees, assessments, licenses, and other charges, and how such amount shall be utilized.
- Mandates the ERC to submit its proposed organizational restructuring to the Department of Budget and Management.
- Provides that the Commission shall be composed of eight (8) members and a Chairperson.
- Provides for the qualifications of the Chairperson and the members of the Commission.
- Grants security of tenure to the Chairperson and the members of the Commission.
- Provides for acts which the Chairperson and the members of the Commission are prohibited from performing during their terms of office and three (3) years after the cessation of their service.
- Provides for the duties and responsibilities of the Chairperson, also acting as Chief Executive Officer, and the members of the Commission.
- Stipulates the creation of new divisions.
- Provides for the adjusted compensation structure and other emoluments for ERC personnel.
- Provides for the enhancement of technical competence of the ERC personnel.
- Mandates the protection and promotion of consumer interests.
- Specifies the manner of how regular, summary and administrative proceedings shall be conducted by the ERC;
- Stipulates the fines and penalties which the ERC may impose;
- Grants a person or juridical entity subject of an administrative proceeding in the Commission the choice to enter a plea of nolo contendere; and

- Mandates that the Joint Congressional Energy Commission shall exercise oversight powers over the implementation of the Act.

RELATED LAWS:

- Executive Order No. 172 - *Creating the Energy Regulatory Board*
- Executive Order No. 201, Series of 2016 - *Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel*
- Republic Act No. 6713, otherwise known as the “*Code of Conduct and Ethical Standards for Public Officials and Employees*”
- Republic Act No. 6758, otherwise known as the “*Compensation and Position Classification Act of 1989*”, as amended by Executive Order No. 201, Series of 2016
- Republic Act No. 9136, otherwise known as the “*Electric Power Industry Reform Act (EPIRA) of 2001*”
- Republic Act No. 9285, otherwise known as the “*Alternative Dispute Resolution Act of 2004*”
- Republic Act No. 10667, otherwise known as the “*Philippine Competition Act*”
- Republic Act No. 11234, otherwise known as the “*Energy Virtual One-Stop Shop Act*”