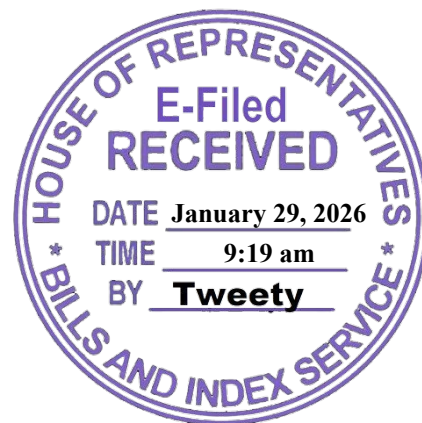




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 74

Submitted by the Committee on Energy on January 29, 2026.
Re: House Bill No. 7479
Recommending its approval in substitution of House Bill No. 3911
Sponsors: Representatives Jose C. Alvarez, Sergio C. Dagooc and Presley C. de Jesus

Mr. Speaker:

The Committee on Energy to which was referred House Bill No. 3911, introduced by Representatives Sergio C. Dagooc and Presley C. de Jesus, entitled:

**“AN ACT
PROVIDING FOR THE CONDONATION OF UNPAID INTERESTS,
PENALTIES, SURCHARGES, AND UNREMITTED UNIVERSAL
CHARGES ON THE OVERDUE OBLIGATIONS OF THE LANA
DEL SUR ELECTRIC COOPERATIVE, INC. AND THE
MAGUINDANAO ELECTRIC COOPERATIVE, INC. TO THE POWER
SECTOR ASSETS AND LIABILITIES MANAGEMENT
CORPORATION”**

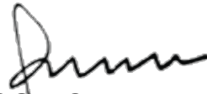
has considered the same and recommends that the attached House Bill No. 7479, entitled:

**“AN ACT
PROVIDING FOR THE CONDONATION OF UNPAID INTERESTS,
PENALTIES, AND SURCHARGES ON THE OVERDUE
OBLIGATIONS OF THE LANA DEL SUR ELECTRIC
COOPERATIVE, INC. AND THE MAGUINDANAO ELECTRIC
COOPERATIVE, INC. TO THE POWER SECTOR ASSETS AND
LIABILITIES MANAGEMENT CORPORATION”**

be approved in substitution of House Bill No. 3911, with Representatives Sergio C. Dagooc, Presley C. de Jesus, Jose C. Alvarez, Yevgeny Vincente B. Emamo, Gil “Kabarangay Jr” Acosta, Edwin Ongchuan, Julius Cesar “Jay” V. Vergara, Rosalie Ang Salvame, Maria Rachel J. Arenas, Joseph Kim C. Yu, Rufus B. Rodriguez, Arthur C. Yap, Romeo S. Momo, Sr., Sonny “SL” L. Lagon, Mark O. Cojuangco, Jose Arturo S. Garcia, Jr., King Collantes, Joseph “Jojo” L. Lara,

John Tracy F. Cagas, Jurdin Jesus M. Romualdo, Baby Aline Vargas-Alfonso, Antonino B. Roman III, Rachel Marguerite B. del Mar, Carmelo G. Lazatin, Jr., Jan "Atty. JP" Padiernos, and Ustadz Yusop T. Alano as authors thereof.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jose C. Alvarez', with a stylized, cursive script.

JOSE C. ALVAREZ
Chairperson
Committee on Energy

THE HONORABLE SPEAKER

House of Representatives
Quezon City



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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7479
(In substitution of House Bill No. 3911)

Introduced by Representatives Sergio C. Dagooc, Presley C. de Jesus, Jose C. Alvarez, Yevgeny Vincente B. Emano, Gil “Kabarangay Jr” Acosta, Edwin Ongchuan, Julius Cesar “Jay” V. Vergara, Rosalie Ang Salvame, Maria Rachel J. Arenas, Joseph Kim C. Yu, Rufus B. Rodriguez, Arthur C. Yap, Romeo S. Momo, Sr., Sonny “SL” L. Lagon, Mark O. Cojuangco, Jose Arturo S. Garcia, Jr., King Collantes, Joseph “Jojo” L. Lara, John Tracy F. Cagas, Jurdin Jesus M. Romualdo, Baby Aline Vargas-Alfonso, Antonino B. Roman III, Rachel Marguerite B. del Mar, Carmelo G. Lazatin, Jr., Jan “Atty. JP” Padiernos and Ustadz Yusop T. Alano

AN ACT
PROVIDING FOR THE CONDONATION OF UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF THE LANAO DEL SUR ELECTRIC COOPERATIVE, INC. AND THE MAGUINDANAO ELECTRIC COOPERATIVE, INC. TO THE POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION

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

1 **SECTION 1.** All accumulated interests, surcharges, and penalties on the
2 principal obligations incurred by the Lanao del Sur Electric Cooperative, Inc.
3 (LASURECO) and the Maguindanao Electric Cooperative, Inc. (MAGELCO) to the
4 Power Sector Assets and Liabilities Management (PSALM) Corporation, beginning
5 from the year 2009 until the effectivity of this Act are hereby condoned, thereby
6 perpetually relieving the LASURECO and the MAGELCO from the payment of said
7 interests, surcharges, and penalties. Moreover, the amount paid by the LASURECO
8 in the sum of Ninety-five million nine hundred sixty-two thousand five hundred nine
9 pesos and fifteen centavos (₱95,962,509.15), and the MAGELCO, in the amount of
10 Seven hundred ninety-eight million sixty-two thousand one hundred twenty-four pesos
11 and sixty-seven centavos (₱798,062,124.67), of such accumulated interests,
12 surcharges, and penalties shall be applied to and deducted from the principal

obligation of the two (2) electric cooperatives (ECs).

SEC. 2. Restructuring Program. - A one-time restructuring program is hereby authorized to be adopted by the PSALM Corporation in favor of the LASURECO and the MAGELCO over their unpaid principal obligations: *Provided*, That once a staggered payment scheme shall have been adopted between the PSALM Corporation and the two ECs on the principal obligations, the LASURECO and the MAGELCO shall regularly submit to the PSALM Corporation their performance improvement programs and the status of their implementation within a prescribed period.

SEC. 3. Implementing Rules and Regulations. - Within sixty (60) days from the effectivity of this Act, the PSALM Corporation shall, in coordination with the National Electrification Administration, promulgate the necessary rules and regulations for the effective implementation of this Act. Taking into account the legislative intent to authorize the condonation of interests, surcharges, and penalties and the one-time restructuring program, the said rules and regulations shall not entail additional requirements that shall negate the purpose of this Act: *Provided*, That subject to the two ECs' individual circumstances, the PSALM Corporation shall be empowered to determine the guidelines on which the two ECs are eligible to request for condonation and shall further require the EC to submit a Performance Improvement Plan to ensure payment compliance: *Provided further*, That the failure of the PSALM Corporation to promulgate the said rules and regulations shall not prevent the implementation of this Act sixty (60) days after its effectivity.

SEC. 4. Separability Clause. - If any provision of this Act is declared invalid or unconstitutional, the remainder of the law or the provisions not otherwise affected shall continue to be valid and in full force and effect.

SEC. 5. Repealing Clause. - All laws, decrees, executive orders and issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 6. Effectivity. - This Act shall take effect fifteen (15) days after its 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

FACT SHEET

House Bill No. 7479
(In substitution of House Bill No. 3911)

AN ACT
PROVIDING FOR THE CONDONATION OF UNPAID INTERESTS,
PENALTIES, AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF
THE LANAO DEL SUR ELECTRIC COOPERATIVE, INC. AND THE
MAGUINDANAO ELECTRIC COOPERATIVE, INC. TO THE POWER SECTOR
ASSETS AND LIABILITIES MANAGEMENT CORPORATION

Introduced by Representatives Sergio C. Dagooc, Presley C. de Jesus, Jose C. Alvarez, Yevgeny Vincente B. Emano, Gil “KabarangayJr” Acosta, Edwin Ongchuan, Julius Cesar “Jay” V. Vergara, Rosalie Ang Salvame, Maria Rachel J. Arenas, Joseph Kim C. Yu, Rufus B. Rodriguez, Arthur C. Yap, Romeo S. Momo, Sr., Sonny “SL” L. Lagon, Mark O. Cojuangco, Jose Arturo S. Garcia, Jr., King Collantes, Joseph “Jojo” L. Lara, John Tracy F. Cagas, Jurdin Jesus M. Romualdo, Baby Aline Vargas-Alfonso, Antonino B. Roman III, Rachel Marguerite B. del Mar, Carmelo G. Lazatin, Jr., Jan “Atty. JP” Padiernos, and Ustadz Yusop T. Alano

Committee Referral: **COMMITTEE ON ENERGY**
Committee Chairperson: **REP. JOSE C. ALVAREZ**

OBJECTIVE:

- To establish a one-time restructuring program to be adopted by the Power Sector Assets and Liabilities Management (PSALM) Corporation in favor of the Lanao Del Sur Electric Cooperative, Inc. (LASURECO) and the Maguindanao Electric Cooperative, Inc. (MAGELCO) over their unpaid principal obligations

KEY PROVISIONS:

- Condones all accumulated interests, surcharges, and penalties on the principal obligations incurred by the LASURECO and the MAGELCO to the PSALM Corporation beginning 2009 until the effectivity of this Act.

- Mandates the PSALM Corporation to apply and deduct from the principal obligation the amount paid by the two (2) electric cooperatives (ECs) for the payment of accumulated interests, surcharges, and penalties.
- Requires the LASURECO and the MAGELCO to regularly submit to the PSALM Corporation their performance improvement programs and the status of their implementation once the staggered payment scheme is adopted.
- Directs the PSALM Corporation, in coordination with the National Electrification Administration, to promulgate the necessary rules and regulations for the effective implementation of the Act.

RELATED LAW:

- Republic Act No. 9136, Electric Power Industry Reform Act (EPIRA) of 2001
- Republic Act No. 10531, National Electrification Administration Reform Act of 2013