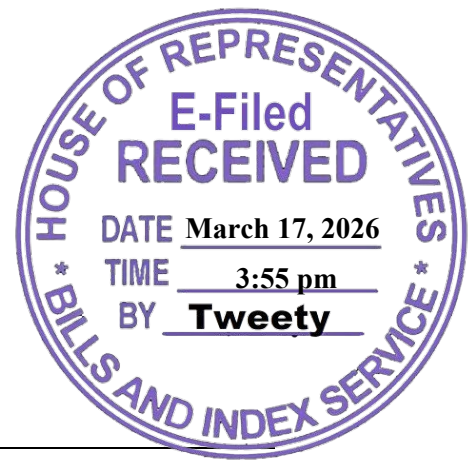




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session



**COMMITTEE REPORT NO. 218**

Submitted by the Committee on Energy on March 17, 2026.

Re: House Bill No. 8619

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 LANAO  
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. 8619, entitled:

**“AN ACT  
GRANTING THE CONDONATION OF THE UNPAID INTERESTS,  
PENALTIES, AND SURCHARGES ON THE OVERDUE  
OBLIGATIONS OF 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, Bambi 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 as authors thereof.

Respectfully submitted,



**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. 8619**  
(In substitution of House Bill No. 3911)

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Introduced by Representatives Sergio C. Dagooc, Presley C. de Jesus, Jose C. Alvarez, Bambi 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

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**AN ACT**  
**GRANTING THE CONDONATION OF THE UNPAID INTERESTS, PENALTIES,**  
**AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF 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 principal  
2 obligations incurred by the Maguindanao Electric Cooperative, Inc. (MAGELCO) to  
3 the Power Sector Assets and Liabilities Management (PSALM) Corporation,  
4 beginning from the year 2009 until the effectivity of this Act are hereby condoned,  
5 thereby perpetually relieving the MAGELCO from the payment of said interests,  
6 surcharges, and penalties: *Provided*, That the amount paid by the MAGELCO, in the  
7 amount of Seven Hundred Ninety-Eight Million Sixty-Two Thousand One Hundred  
8 Twenty-Four Pesos and Sixty-Seven Centavos (₱798,062,124.67), covering the  
9 accumulated interests, surcharges, and penalties shall be applied to and deducted  
10 from the principal obligation of MAGELCO.

11       **SEC. 2.** A one-time restructuring program is hereby authorized to be adopted  
12 by the PSALM Corporation in favor of the MAGELCO over its unpaid principal  
13 obligations upon the effectivity of this Act: *Provided*, That once a staggered

1 payment scheme shall have been adopted between the PSALM Corporation and  
2 the MAGELCO on the principal obligations, the MAGELCO shall regularly submit  
3 to the PSALM Corporation its performance improvement programs and the status  
4 of its implementation within a prescribed period.

5 **SEC. 3.** Within sixty (60) days after the effectivity of this Act, the PSALM  
6 Corporation shall, in coordination with the National Electrification Administration,  
7 promulgate the necessary rules and regulations for the effective implementation  
8 of this Act. Taking into account the legislative intent to grant the condonation of  
9 interests, surcharges, and penalties and the one-time restructuring program on  
10 the unpaid principal obligations, the said rules and regulations shall not entail  
11 additional requirements that shall negate the purpose of this Act: *Provided*, That  
12 subject to the MAGELCO's individual circumstances, the PSALM Corporation  
13 shall be empowered to determine the guidelines on which the MAGELCO is  
14 eligible to request for condonation and shall further require it to submit a  
15 Performance Improvement Plan to ensure payment compliance: *Provided further*,  
16 That the failure of the PSALM Corporation to promulgate the said rules and  
17 regulations shall not prevent the implementation of this Act sixty (60) days after  
18 its effectivity: *Provided finally*, That the implementation of this Act shall be  
19 suspended until MAGELCO has complied with the conditions provided in Section  
20 2.

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

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

27 **SEC. 6.** This Act shall take effect fifteen (15) days after its publication in the  
28 *Official Gazette* or in a newspaper of general circulation.

29 Approved,



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

FACT SHEET

**House Bill No. 8619**  
(In substitution of House Bill No. 3911)  
(Approved by the Committee on February 24, 2026)

**AN ACT**  
**GRANTING THE CONDONATION OF THE UNPAID INTERESTS, PENALTIES,**  
**AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF 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, Bambi 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

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

**OBJECTIVE:**

- Condones all accumulated interests, surcharges, and penalties on the principal obligations incurred by the Maguindanao Electric Cooperative, Inc. (MAGELCO) to the Power Sector Assets and Liabilities Management (PSALM) Corporation beginning 2009 until the effectivity of the Act.

**KEY PROVISIONS:**

- Provides a one-time restructuring program to be adopted by the PSALM Corporation on the unpaid principal obligations of MAGELCO.
- Mandates the PSALM Corporation to apply and deduct from the unpaid obligations the amount paid by MAGELCO for the payment of accumulated interests, surcharges, and penalties.

- Requires 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