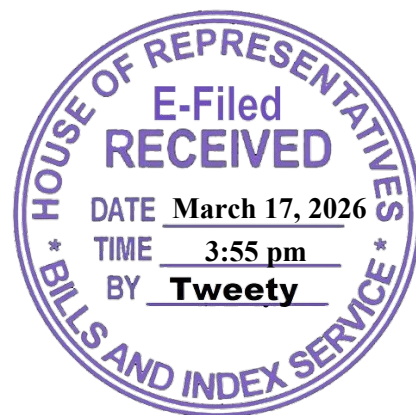




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 219

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

Re: House Bill No. 8620

Recommending its approval in substitution of House Bills Numbered 3911 and 6099

Sponsors: Representatives Jose C. Alvarez, Sergio C. Dagooc and Presley C. de Jesus

Mr. Speaker:

The Committee on Energy to which were 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”;**

and House Bill No. 6099, introduced by Representative Ziaur-Rahman “Zia” Alonto Adiong, 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. TO THE POWER
SECTOR ASSETS AND LIABILITIES MANAGEMENT
CORPORATION”**

has considered the same and recommends that the attached House Bill No. 8620, entitled:

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

be approved in substitution of House Bills Numbered 3911 and 6099, with Representatives Sergio C. Dagooc, Presley C. de Jesus, Ziaur-Rahman “Zia” Alonto Adiong, 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 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. 8620
(In substitution of House Bills Numbered 3911 and 6099)

Introduced by Representatives Sergio C. Dagooc, Presley C. de Jesus, Ziaur-Rahman “Zia” Alonto Adiong, 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

AN ACT
GRANTING THE CONDONATION OF THE UNPAID INTERESTS, PENALTIES, AND SURCHARGES ON THE OVERDUE OBLIGATIONS OF THE LANA DEL SUR 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 Lanao del Sur Electric Cooperative, Inc. (LASURECO)
3 to 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 LASURECO from the payment of said interests,
6 surcharges, and penalties: *Provided*, That the amount paid by the LASURECO in the
7 sum of Ninety-Five Million Nine Hundred Sixty-Two Thousand Five Hundred Nine
8 Pesos and Fifteen Centavos (₱95,962,509.15), covering the accumulated interests,
9 surcharges, and penalties shall be applied to and deducted from the principal
10 obligation of the LASURECO.

11 **SEC. 2.** A one-time restructuring program is hereby authorized to be adopted
12 by the PSALM Corporation in favor of the LASURECO 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 LASURECO on the principal obligations, the LASURECO 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 he said rules and regulations shall not entail
11 additional requirements that shall negate the purpose of this Act: *Provided*, That
12 subject to the LASURECO's individual circumstances, the PSALM Corporation
13 shall be empowered to determine the guidelines on which LASURECO is eligible
14 to request for condonation and shall further require it to submit a Performance
15 Improvement Plan to ensure payment compliance: *Provided further*, That the
16 failure of the PSALM Corporation to promulgate the said rules and regulations
17 shall not prevent the implementation of this Act sixty (60) days after its effectivity:
18 *Provided finally*, That the implementation of this Act shall be suspended until
19 LASURECO has complied with the conditions provided in Section 2.

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

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

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

28 Approved,



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

FACT SHEET

House Bill No. 8620

(In substitution of House Bills Numbered 3911 and 6099)
(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 LANA DEL SUR ELECTRIC COOPERATIVE, INC. TO THE POWER
SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**

Introduced by Representatives Sergio C. Dagooc, Presley C. de Jesus, Ziaur-Rahman “Zia” Alonto Adiong, 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:

- To condone all accumulated interests, surcharges, and penalties on the principal obligations incurred by the Lanao del Sur Electric Cooperative, Inc. (LASURECO) 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 in favor of the LASURECO over its unpaid principal obligations to PSALM Corporation.
- Mandates the PSALM Corporation to apply and deduct from the unpaid obligations the amount paid by LASURECO for the payment of accumulated interests, surcharges, and penalties.

- Requires the LASURECO 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