AN ACT EXTENDING AND ENHANCING THE IMPLEMENTATION OF THE LIFELINE RATE, AMENDING FOR THE PURPOSE SECTION 73 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001, AS AMENDED BY REPUBLIC ACT NO. 10150

The lifeline rate, a subsidized rate given to low income captive market end-users who cannot afford to pay at full cost, is granted in Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), pursuant to one of its stated policies of the State is to ensure the affordability of the supply of electric power.

The lifeline rate, Section 73 of the EPIRA, is a socialized pricing mechanism for the marginalized end-users who are not capable of paying the full cost of electricity through a subsidized electricity rate.

The collection of the lifeline rate was allowed for ten (10) years, or until 2011. It was extended by law in 2011 for another ten (10) years, or until 2021. Hence, this measure seeks to extend the lifeline rate for an additional 20 years or up to 2041 to continue the much-needed assistance to low income electricity consumers.

Access to quality and low-cost electricity largely improve the lives of the marginalized with intangible impact on development indicators such as health, education and food security. The extension of the lifeline rate in the time of COVID-19 pandemic is much needed assistance in the lives of our fellow Filipinos.

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

LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8030

Introduced by HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

AN ACT EXTENDING AND ENHANCING THE IMPLEMENTATION OF THE LIFELINE RATE, AMENDING FOR THE PURPOSE SECTION 73 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001, AS AMENDED BY REPUBLIC ACT NO. 10150

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

SECTION 1. Extension of Lifeline Rate. - Section 73 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, as amended by Republic Act No. 10150, is hereby further amended to read as follows:

"SEC. 73. Lifeline Rate. - A socialized pricing mechanism called a lifeline rate for [the] QUALIFIED marginalized end-users shall be set by the ERC which shall be exempted from the cross subsidy phase-out under this Act for a period of [twenty (20)] THIRTY (30) years, unless otherwise extended by law. The level of consumption and rate shall be determined by the ERC after due notice and hearing: PROVIDED, THAT THE ERC SHALL UTILIZE DATA FROM THE PHILIPPINE STATISTICS AUTHORITY (PSA) IN THE DERMINATION OF THE LEVEL OF CONSUMPTION.

QUALIFIED MARGINALIZED END-USERS SHALL REFER TO ANY OF THE FOLLOWING:

(A) QUALIFIED HOUSEHOLD-BENEFICIARIES UNDER REPUBLIC ACT NO. 11310, OTHERWISE KNOWN AS THE PANTAWID PAMILYANG PILIPINO PROGRAM, AS REGULARLY SUBMITTED BY THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) TO THE DOE, THE ERC, AND THE DISTRIBUTION UTILITY; OR
(B) MARGINALIZED END-USERS WHO HAVE BEEN CERTIFIED AS SUCH BY THEIR DISTRIBUTION UTILITY BASED ON A CRITERIA DETERMINED BY ERC: PROVIDED, THAT THE CRITERIA SHALL TAKE INTO ACCOUNT THE POVERTY THRESHOLD SET BY THE PSA, AND SHALL CONTAIN AN EXCLUSIVE LIST OF REQUIREMENTS TO BE SUBMITTED TO THE DISTRIBUTION UTILITY: PROVIDED FURTHER, THAT THE EXCLUSIVE LIST OF REQUIREMENTS SHALL NOT BE BURdensOME FOR THE APPLICANT: PROVIDED FINALLY, THAT THE DISTRIBUTION UTILITY SHALL ACT ON THE APPLICATION FOR CERTIFICATION AS MARGINALIZED END-USER WITHIN TWO (2) WORKING DAYS FROM SUBMISSION OF COMPLETE DOCUMENTARY REQUIREMENTS.

THE ERC SHALL PROMULGATE RULES AND GUIDELINES FOR QUALIFIED MARGINALIZED END-USERS WHOSE METERS ARE NOT REGISTERED IN THEIR NAME. THE ERC SHALL SUBMIT TO THE JOINT CONGRESSIONAL ENERGY COMMISSION AN ANNUAL REPORT ON THE IMPLEMENTATION OF THE LIFELINE RATE, AND A COMPREHENSIVE EVALUATION OF ITS IMPLEMENTATION VERY THREE (3) YEARS TO INCLUDE A COST-BENEFIT ANALYSIS AS WELL AS MODES OF VALIDATION AND PREVENTION OF LEAKAGES."

SECTION 2. Implementing Rules and Regulations. The ERC, together with the DOE and DSWD, in consultation with the PSA and other public and private stakeholders, shall promulgate the implementing rules and regulations of this Act within ninety (90) calendar days from its effectivity.

SECTION 3. Separability Clause. - If, for any reason, any provision of this Act or any part thereof shall be held unconstitutional and invalid, the other parts or provisions of this Act, which are not affected thereby, shall remain in full force and effect.

SECTION 4. Repealing Clause. - All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with any of the provisions of this Act are hereby repealed amended, or modified accordingly.

SECTION 5. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or one (1) newspaper of general circulation.

Approved,