COMMITTEE REPORT NO. 629

Submitted by the Committee on Energy on DEC 05 2020
Re: House Bill No. 8145

Recommend its approval, in substitution of House Bills Numbered 7059, 7341, 8030 and 8054
Sponsors: Representatives Juan Miguel M. Arroyo, Sergio C. Dagooc, Wesley T. Gatchalian, Luis Raymund “LRay” F. Villafuerte, Jr. and Joy Myra S. Tambunting

Mr. Speaker:

The Committee on Energy to which were referred:

House Bill No. 7059, introduced by Representatives Sergio C. Dagooc, Presley C. de Jesus, Adriano A. Ebcas and Godofredo N. Guya, entitled: “An Act Extending 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”;

House Bill No. 7341, introduced by Representative Wesley T. Gatchalian, entitled: “An Act Extending 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”;

House Bill No. 8030, introduced by Representative Luis Raymund “LRay” F. Villafuerte, Jr., entitled: “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”; and

House Bill No. 8054, introduced by Representative Joy Myra S. Tambunting, entitled: “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”

has considered the same and recommends the approval of House Bill No. 8145, entitled:

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

Respectfully submitted,

JUAN MIGUEL “MIKEY” M. ARROYO
Chairperson
Committee on Energy

The HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City
AN ACT
EXTENDING THE IMPLEMENTATION OF THE LIFELINE RATE, AMENDING FOR THE PURPOSE SECTION 73 OF REPUBLIC ACT NO. 9136, AS AMENDED, 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.

Section 1. Extension of the 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 entitled, Extending the Implementation of the Lifeline Rate, is hereby further amended, to read as follows:

"SEC. 73. Lifeline Rate. – IN ORDER TO PROVIDE ASSISTANCE TO ELECTRICITY CONSUMERS, ESPECIALLY THOSE LIVING BELOW THE POVERTY LINE, AND TO ACHIEVE A MORE EQUITABLE DISTRIBUTION OF THE LIFELINE SUBSIDY, a socialized pricing mechanism called a lifeline rate for the 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 THIRTY (30) years, unless otherwise extended by law. The level of consumption and subsidy, rate/tariff and other conditions and parameters of qualified beneficiaries shall be
determined by the ERC after due notice and hearing. AS USED IN THIS
ACT, "MARGINALIZED ELECTRICITY END-USERS" SHALL REFER TO
LOW-INCOME CAPTIVE MARKET END-USERS WHO CANNOT
AFFORD TO PAY THEIR ELECTRICITY CONSUMPTION AT FULL
COST, AS MAY BE DETERMINED BY THE ERC, BASED ON THE
FOLLOWING:
(A) POOR HOUSEHOLDS. - SELECTED THROUGH THE MEANS
TEST OR ANY STATISTICAL MODEL TO IDENTIFY THE SAME AS
MAY BE DETERMINED BY THE APPROPRIATE NATIONAL
GOVERNMENT AGENCIES, AND VALIDATED BY THE
DISTRIBUTION UTILITY; AND
(B) THE HOUSEHOLD ELECTRICITY CONSUMPTION. - THE
CURRENT LIFELINE RATE SHALL CONTINUE TO BE APPLIED TO
ALL MARGINALIZED END-USERS OF ALL DISTRIBUTION UTILITIES
UNTIL SUCH TIME THAT A NEW SOCIALIZED PRICING
MECHANISM BASED ON THE CRITERIA AS PROVIDED IN THE
PRECEDING PARAGRAPHS SHALL HAVE BEEN DETERMINED AND
APPROVED BY THE ERC, IN CONSULTATION WITH THE
APPROPRIATE GOVERNMENT AGENCIES AND STAKEHOLDERS. TO
ACHIEVE THE OBJECTIVE OF PROVIDING ASSISTANCE TO THE
ELECTRICITY CONSUMERS ESPECIALLY THOSE LIVING BELOW
THE POVERTY LINE AND ENSURE A MORE EQUITABLE
DISTRIBUTION OF THE LIFELINE SUBSIDY, THE ERC SHALL
CONDUCT A REVIEW OF ITS IMPLEMENTING RULES OR
GUIDELINES EVERY TWO (2) YEARS.

SEC. 2. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the
*Official Gazette* or in a newspaper of general circulation.

Approved,
FACT SHEET

House Bill No. 8145 (As Approved by the Committee on Energy on October 30, 2020 in substitution of House Bills No. 7059, 7341, 8030 and 8054)

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


Committee Referral: COMMITTEE ON ENERGY (Primary)
Committee Chairperson: REP. JUAN MIGUEL "MIKEY" M. ARROYO

OBJECTIVE/S:

- To make electricity more affordable for consumers who are living below the poverty line

KEY PROVISION/S:

- Mandates the Energy Regulatory Commission to determine the socialized pricing mechanism for the marginalized end-users.
- Extends the implementation of the Lifeline Rate to another ten (10) years;
- Exempts the marginalized end-users from the cross-subsidy phase-out;
- Supports the low-income captive power customers who are not capable of paying the full cost of services through a subsidized electricity rate.

RELATED LAWS:

Republic Act 10150 – Extending the Implementation of the Lifeline Rate