

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

20 JUN -3 P2:05

SENATE
S.B. No. 1583

RECEIVED

Introduced by SEN. WIN GATCHALIAN

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

EXPLANATORY NOTE

Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), provides that one of the policies of the State is to ensure the affordability of the supply of electric power.¹ Towards this end, the EPIRA removed cross-subsidies within a grid, between grids, or between classes of customers with the sole exception of lifeline rates.²

The lifeline rate is a subsidized rate given to low income captive market end-users who cannot afford to pay at full cost.³ The collection of the lifeline rate was allowed for ten (10) years, or until 2011, unless otherwise extended by law.⁴ In 2011, Congress saw the wisdom in extending the lifeline rate for another ten (10) years, or until 2021 unless otherwise extended by law.⁵

The lifeline rate has benefitted numerous low-income households through the years. In the Meralco franchise alone, 2,410,974 households availed of the lifeline rate in 2019

¹ Sec. 2(b), Republic Act No. (RA) 9136 (Approved: 8 June 2001)

² Sec. 73 and 74, RA 9136 (2001)

³ Sec. 4(hh), RA 9136 (2001)


⁴ Sec. 73, RA 9136 (2001)

⁵ Sec. 73, RA 9136 (2001) as amended by RA 10150 (Approved: 21 June 2011)

saving them Php 3.8 billion.⁶ This translates to Php 1,576 annual savings for each of these households, money they did not have in the first place or were able to use for their other basic necessities.

With the expiration of the lifeline rate and thus higher electricity rates for marginalized end-users looming next year, this measure is filed. This bill extends the lifeline rate for an additional 20 years or up to 2041 in order to continue the much-needed assistance to low income electricity consumers, which in turn enables them to access electricity and improve their lives.

Given the foregoing, the immediate passage of this measure is sought.



WIN GATCHALIAN

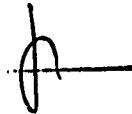
⁶ Submission by the Energy Regulatory Commission to the Senate Energy Committee (2 June 2020)

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

CHAPTER I

GENERAL PROVISIONS

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2
3
4 **SECTION 1.** *Extension of Lifeline Rate.* – Section 73 of Republic Act No. 9136,
5 otherwise known as the Electric Power Industry Reform Act of 2001, as amended by
6 Republic Act No. 10150, is hereby further amended to read as follows:

7
8 "SEC. 73. *Lifeline Rate.* – A socialized pricing mechanism called a lifeline
9 rate for the marginalized end-users shall be set by the ERC which shall be
10 exempted from the cross subsidy phase-out under this Act for a period of
11 **[twenty (20)] FORTY (40)** years, unless otherwise extended by law.

1 The level of consumption and rate shall be determined by the ERC after
2 due notice and hearing.”

3

4 **SECTION 2. *Separability Clause.*** – If, for any reason, any provision of this Act or any
5 part thereof shall be held unconstitutional and invalid, the other parts or provisions of
6 this Act, which are not affected thereby, shall remain in full force and effect.

7

8 **SECTION 3. *Repealing Clause.*** – All laws, decrees, orders, rules, and regulations or
9 parts thereof inconsistent with any of the provisions of this Act are hereby repealed,
10 amended, or modified accordingly.

11

12 **SECTION 4. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
13 publication in the Official Gazette or one (1) newspaper of general circulation.

Approved,