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SENATE

S. No. 1009

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Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

The 1987 Constitution promotes local autonomy. Towards this end, the fundamental law mandates local government units to create its own sources of revenues in consonance with right to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits.

Pursuant to this mandate, Congress passed several measures, among which are the Electric Power Industry Reform Act of 2001, the Department of Energy Act of 1992, and the Local Government Code of 1991. The pertinent provisions of these laws, however, fail to realize the expediency of sharing the benefits brought about by the proceeds of these revenues directly to the inhabitants of the concerned local government unit.

This bill thus seeks to expedite the enjoyment by the inhabitants concerned the benefits from the proceeds of energy related project within a given locality. It introduces amendments to the aforementioned laws.

In view of the foregoing, early passage of this bill is earnestly requested.



MANUEL "LITO" M. LAPID
Senator

SENATE

S. No. 1009

Introduced by Senator Manuel "Lito" M. Lapid

AN ACT
REQUIRING ALL INDEPENDENT POWER PRODUCERS, GENERATION COMPANIES OR ENERGY RESOURCE DEVELOPERS TO REMIT THE AMOUNT THEY ARE REQUIRED TO SET ASIDE AS FINANCIAL BENEFIT DIRECTLY TO THE HOST COMMUNITIES

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

SECTION 1. *Direct Remittance to the Host Communities.* - All independent power producers, generation companies or energy resource developers, whether publicly or privately owned, shall remit directly to the local government units or other host communities the benefits they are required to set aside as financial benefit to host communities pursuant to Section 66 of Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001", as defined in Sections 289 to 294, Chapter 11 of Republic Act No. 7160, otherwise known as the "Local Government Act of 1991", the benefits defined in Section 5(i) of Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992" and Rule 29 of energy Regulations No. 1-94.

SEC. 2. The use of the aforesaid amounts required by independent power producers, generation companies or energy resource developers to the host communities concerned shall remain subject to the guidelines set by the Department of Energy (DOE).

SEC. 3. *Separability Clause.* - If, for any reason, any provision of this Act is declared to be unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.

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

SEC. 5. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,