

SIXTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session



Senate  
Office of the Secretary

13 JUL 15 P5:59

SENATE

Senate Bill No. 752

RECEIVED BY: *ja*

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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EXPLANATORY NOTE

Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" clearly stated that the obligations of generating companies and energy resource developers to communities hosting energy generating facilities and/or energy resource developers as defined under Chapter 11, Sections 289 to 294 of the Local Government Code and Section 5(i) of Republic Act No. 7638 and their implementing rules and regulations and applicable orders and circulars consistent with this Act shall continue: Provided, further, That the obligations mandated under Chapter 11, Section 291 of Republic Act No. 7160, shall apply to privately-owned corporations or entities utilizing the national wealth of the locality.

Moreover, the aforesaid law so states: To ensure the effective implementation of the reduction in cost of electricity in the communities where the source of energy is located, the mechanics and procedures prescribed in the Department of the Interior and Local Government (DILG) - DOE Circulars No. 95-01 and 98-01 dated October 31, 1995 and September 30, 1998, respectively and other issuances related thereto shall be pursued.

The aforesaid law, however, intends to mandate the direct remittance of the aforesaid benefits to the host communities instead of remitting them to the Department of Energy to assure that the said benefits may be utilized immediately for their development and for the introduction of improvements.

Through this measure, we will be able to facilitate the prompt remittance of said benefits to the host communities in consonance with the intention of all laws previously legislated.

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

JINGGOY EJERCITO ESTRADA  
Senator

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**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.** 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 II of Republic Act No. 7160, otherwise known as the "Local Government Code 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 Regulation No. 1-94.

**SEC. 2.** The use of aforesaid amounts remitted 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.

**SEC. 3.** All laws, presidential decrees, executive orders, letters of instruction, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SEC. 4.** This Act shall take effect immediately upon its complete publication in at least two (2) newspapers of general circulation.

*Approved,*