

NINETEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*Third Regular Session*

)  
)  
)



24 JUL 29 P 6:17

**SENATE**  
**S. No. 2757**

RECEIVED BY 

---

Introduced by Senator MARK A. VILLAR

---

**AN ACT**  
**EXTENDING THE CORPORATE LIFE OF THE POWER SECTOR ASSETS AND**  
**LIABILITIES MANAGEMENT CORPORATION, AMENDING FOR THE**  
**PURPOSE SECTION 50 OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN**  
**AS THE "ELECTRIC POWER INDUSTRY REFORM ACT OF 2001"**

**EXPLANATORY NOTE**

By virtue of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA), the Power Sector Assets and Liabilities Management (PSALM) Corporation assumed the colossal mandate to manage the orderly sale, disposition, and privatization of National Power Corporation (NPC) generation assets, real estate and other disposable assets, and Independent Power Producer (IPP) contracts to liquidate all financial obligations and stranded contract costs.

As of December 2023, PSALM substantially reduced its financial obligations by seventy-six (76%) or from one trillion two hundred billion pesos (Php 1,200,000,000,000.00) to two hundred billion two hundred ninety-four million pesos (Php 294,000,000,000.00). PSALM likewise remitted to the Bureau of Treasury around twenty-six billion pesos (Php 26,000,000,000.00) as dividend to the national government.

Notwithstanding the benefits of the continued existence, non-renewal of PSALM's corporate life entails management of financial obligations that necessitate funding of the projected deficit of two hundred seventy-five billion pesos (Php 275,000,000,000.00). Upon its abolition, the national government would have to absorb all of PSALM/NPC's outstanding obligations.

Thus, this bill seeks to extend PSALM's corporate life for another twenty-five (25) years to allow more time in managing its remaining contractual obligations that will mature beyond its corporate term set to expire in June 2026. This will also enable PSALM to commence asset and management plans of several significant IPP facilities and real estate assets.

Immediate passage of this bill is earnestly sought.



**MARK A. VILLAR**

NINETEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*Third Regular Session*

)  
)  
)



24 JUL 29 P6:17

**SENATE**  
**S. No. 2757**

RECEIVED BY

---

Introduced by Senator MARK A. VILLAR

---

**AN ACT**  
**EXTENDING THE CORPORATE TERM OF THE POWER SECTOR ASSETS AND**  
**LIABILITIES MANAGEMENT CORPORATION, AMENDING FOR THE PURPOSE**  
**SECTION 50 OF REPUBLIC ACT NO. 9136, 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:*

1       Section 1. Section 50, Chapter VI of Republic Act No. 9136, otherwise known as  
2       the "Electric Power Industry Reform (EPIRA) Act of 2001", is hereby amended to read  
3       as follows:

4       "SEC. 50. *Purpose and Objective, Domicile and Term of Existence.* - The principal  
5       purpose of the PSALM Corp. is to manage the orderly sale, disposition assets, and  
6       privatization of NPC generation assets, real estate, and other disposable assets, and  
7       IPP contracts with the objective of liquidating all NPC financial obligations and  
8       stranded contract costs in an optimal manner.

9       The PSALM Corp. shall have its principal office and place of business within Metro  
10      Manila.

11      The PSALM Corp. shall exist for a period of ~~twenty-five (25)~~ **FIFTY (50)**  
12      years from the effectivity of this Act, unless otherwise provided by law, **PROVIDED,**  
13      **THAT, PSALM CORP. MAY UNDERGO RESTRUCTURING, REORGANIZATION**  
14      **OR RIGHTSIZING, AS IT MAY DEEM PROPER, PURSUANT TO EXISTING**  
15      **RULES AND REGULATIONS. THE PSALM CORP. MAY ALSO BE ABOLISHED**  
16      **DURING ITS EXTENDED TERM OF EXISTENCE, PURSUANT TO SECTION 5 OF**

1 **REPUBLIC ACT NO. 10149, OTHERWISE KNOWN AS THE "GOCC**  
2 **GOVERNANCE ACT OF 2011". PROVIDED, FURTHER, THAT ~~and~~** all liabilities  
3 outstanding upon the expiration of its term of existence shall revert to and be assumed  
4 by the National Government."

5       Sec. 2. *Repealing Clause.* – All other laws, decrees, executive orders, issuances,  
6 rules and regulations, or part thereof inconsistent with this Act are hereby repealed or  
7 modified accordingly.

8       Sec. 3. *Separability Clause.* – If any provision of this Act is held invalid or  
9 unconstitutional, the other provisions not so declared shall remain in force and effect.

10       Sec. 4. *Effectivity.* – This Act shall take effect after fifteen (15) days following its  
11 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,