


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

7 JUL -6 2017

SENATE
 S. B. No. 1818

RECEIVED BY: 

Introduced by SENATOR GREGORIO B. HONASAN II

EXPLANATORY NOTE

Pursuant to Section 7, Article 10 of the Constitution and Section 18 of the Local Government of 1991, the Bicol Region, which provides a considerable amount of the power requirements of the Luzon grid including Metro Manila and its environs and, as a consequence of it, shoulders the environment cost of power generation, must be given an equitable share in the utilization of the natural resources located thereat and enough latitude in applying these resources for its own welfare and development purposes.

Bicol Region has been facing a critical problem of power sourcing. The entire region depends on four (4) power lines which cater its six (6) provinces. However, recent untoward developments have caused destabilization of the power distribution in the region. According to the National Transmission Corporation (TransCo), the region has relied to only single power line, the Tayabas Naga Line 1 for its power supply stability. The other three power lines in Luzon Grid which distribute power supply to this region remained non-operational due to past typhoons and pilferages. Another line, the High Voltage Direct Current, which feeds power supply from the Visayas to Bicol, has likewise not been utilized due to problems in conversion of voltage to the Luzon Grid.¹

Primarily, the proposed measure seeks to create the Bicol Power Grid, separate and distinct from the Luzon Power Grid, in support of and respond to the growing energy requirement of the Bicol Region. It aims to guarantee and provide equitable and equal power supply to the entire Bicol Region, the same with that of the residential households in Metro Manila. It further intends to attain cheaper power rates for all as more geothermal facilities are activated in the region to service the energy requirements of other regions.

The bill further intends to: (1) provide sufficient health care subsidies for localities within the Bicol Region specially damaged and prejudiced by the highly toxic effluent of the power generation facilities situated in their respective municipalities/provinces through direct percentage allocations of at least ten percent (10%) of the gross revenues earned by the National Power Corporation in the Bicol Region; and (2) provide sufficient funding for its restoration and rehabilitation of the environment and prevention of natural calamities brought about by the power generation activities of companies and corporations operating in the region.

Although the creation of a separate grid may be done by the Secretary of Energy, pursuant to Section 8 (e) of Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992", the magnitude and scope of equitable preferential benefits to be granted to the Bicol Region necessitate a legislative action in order to fully and comprehensively translate this laudable intent into practical reality.

In view of the foregoing considerations, the immediate passage of this proposed measure is earnestly sought.



 SEN. GREGORIO B. HONASAN II

¹ News report written by Juan Escandor, Jr., *Inquirer Southern Luzon*, *Inquirer.Net*, July 16, 2007

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AN ACT
CREATING THE BICOL POWER GRID TO ENSURE THE GRANT OF
EQUITABLE PREFERENTIAL BENEFITS TO REGIONS HOSTING
RELIABLE AND CHEAP GEOTHERMAL POWER AND FOR OTHER
PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "*Bicol Power Act of 2007*".

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to grant equitable preferential benefits to regions of the country producing cheap geothermal power, in support of the growing requirements of the nation.

SEC. 3. Creation of the Bicol Power Grid. - The President, through the Department of Energy, is hereby authorized to ensure the efficient and expeditious formation and creation of the Bicol Power Grid, separate and distinct from the Luzon Power Grid, guaranteeing to the people in the region equal power with residential households in Metro Manila and eventually, cheaper power rates, depending on the increasing number of geothermal facilities operating in the region.

SEC. 4. Health Care Statistics.- A ten percent (10%) sinking fund shall be deducted from all revenues of the National Power Corporation (NAPOCOR) in the Bicol Region, to finance health care programs for residents and communities directly affected by the effluent of the geothermal facilities: Provided, that municipalities shall have a sixty percent (60%) share of the said subsidies, with the remaining forty percent (40%) being given to the province as the case maybe: Provided further, that the local government treasures shall have full access to all NAPOCOR accounts in the region for immediate availment of said funds.

SEC. 5. Environmental Rehabilitation Fund. A Five percent (5%) environmental rehabilitation fund to be taken from the national gross revenues of the Philippine Amusement and Gaming Corporation (PAGCOR), per annum, shall likewise be created to reduce the ecological harm, dislocation and damage to all regions hosting cheap geothermal power facilities in support of the energy needs of the nation.

SEC. 6. Implementing Rules and Regulations. The Department of Energy shall promulgate the pertinent rules and regulations necessary to implement the provisions of this Act.

SEC. 7. Separability Clause. - If, for any reason, any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 8. Repealing Clause. - All laws, decrees, orders, rules and regulations, or portion thereof, inconsistent with this Act are hereby repealed or modified accordingly. .

SEC. 9. Effectivity. This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,