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SENATE

Senate Bill No. 899

RECEIVED BY:

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Section 7, Article 10 of the Constitution provides that, "*Local government shall be entitled 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.*"

While Section 18 of the Local Government Code of 1991 reads in part:

"Local government units shall have the power and authority x x x to have an equitable share in the proceeds from the utilization and development of the national wealth and resources within their respective territorial jurisdictions including sharing the same with the inhabitants by the way of direct benefits, x x x and to apply their resources and assets for productive, development or welfare purposes in the exercise or furtherance of their government or propriety powers and functions and thereby ensure their development into self-reliant communities and active participants in the attainment of national goals."

The Bicol region, which provides a considerable amount of the power requirements of Luzon grid including Metro Manila and its environs and, as a consequence of it, shoulders the environmental cost of power generation, must be given an equitable share in the utilization of the natural resources located thereat and enough latitude and applying these resources for its own welfare and development purposes.

The primary objective of this bill is the attainment of the same power rate for residential household in the entire Bicol Region with that rate of power being applied to residential households in Metro Manila.

The long-term goal is cheaper power rates for all as more geothermal facilities are activated in the region to service the energy requirements of other regions. The secondary objectives are (1) to provide sufficient health care subsidies for localities within the Bicol Region especially damaged and prejudiced by the highly toxic effluent of the power generation facilities situated in their respective municipalities/provinces through direct percentage allocation of at least ten percent (10%) of the gross revenues earned by the National Power Corporation in the Bicol Region and (2) to provide sufficient funding for the 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 (see Sec. 8 (e) of the Department of Energy

Act of 1992), the magnitude and scope or 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, early passage of this measure is earnestly requested.



JINGGOY EJERCITO ESTRADA
Senator

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

SENATE
OFFICE OF THE SECRETARY

SENATE

10 JUL -8 19:00

Senate Bill No. 899

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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 the House of Representatives of the Philippines
in Congress assembled:*

SECTION 1. Short Title. - This Act shall be known as the "***Bicol Power Act of 2010***".

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 energy 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 rates with the 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 Subsidies. - 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 the 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 may be: Provided further, that the local government treasurer 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 Philippines 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 in consultation with the Department of Health and the Department of Environment and Natural Resources shall promulgate the pertinent rules and regulations necessary to implement the provision 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 regulation, or portion thereof, inconsistent with this Act are hereby repealed or modified accordingly.

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

Approved,