



HOUSE OF REPRESENTATIVES

H. No. 8179

BY REPRESENTATIVES YAP (A.), ZAMORA (M.C.), ALVAREZ (F.), OAMINAL, GATCHALIAN, TUGNA, PIMENTEL, BATOCABE, ENVERGA, UNABIA, UNICO, SAVELLANO, SARMIENTO (E.M.), REVILLA, ABELLANOSA, FERRER (L.), ALMARIO, RELAMPAGOS, BRAVO (M.V.), VIOLAGO, ROMUALDO, ALVAREZ (M.), CUA, ADVINCULA, LOYOLA, VARGAS, CHIPECO, CAMPOS, MACEDA, ESPINO, ALONTE, BARZAGA, ARCILLAS, HERNANDEZ (F.), TING, RAMIREZ-SATO, RODRIGUEZ (I.), MARQUEZ, NAVA, KHO, NOLASCO, ORTEGA (P.), RAMOS, LEACHON, ONG (E.), CORTUNA, ROBES, CO, GORRICETA, GARIN (R.), BOLILIA, CASTRO (F.H.), NIETO, DEL ROSARIO, SAHALI, SY-ALVARADO, CELESTE, ABUEG, ERIGUEL, PALMA, NOEL, GARCIA-ALBANO, ANGARA-CASTILLO, BARBERS, DEFENSOR, COLLANTES, TEVES, TOLENTINO, VELOSO, YU, FLOIRENDO, SARMIENTO (C.), TUPAS, PANGANIBAN, SALCEDA, BAGUILAT, NUÑEZ-MALANYAON, DIMAPORO (M.K.), MARINO, TEJADA, PAPANDAYAN, CUEVA, SUAREZ, COSALAN, LANETE, BAUTISTA-BANDIGAN, LABADLABAD, ALBANO, CALDERON, BIRON, ACOSTA, SALIMBANGON, TAN (A.), DAZA, VARGAS-ALFONSO, DIMAPORO (A.), MERCADO, ADIONG, HOFER, BATAOIL, ACOSTA-ALBA, SEMA, CAMINERO, CORTES, ORTEGA (V.N.), GONZAGA, AMATONG, TREÑAS, CASTELO, GONZALEZ, PANCHO, GARBIN, VILLANUEVA, ZUBIRI, GO (A.C.), UY (J.), GASATAYA, PACQUIAO, PANOTES, SILVERIO, DUAVIT, OCAMPO, ANTONINO, CAYETANO, SINGSON, GARCIA (J.E.), ARAGONES, COJUANGCO, ARBISON, BULUT-BEGTANG, MADRONA, DY, VILLAFUERTE, MANGUDADATU (S.), SACDALAN, CALIXTO-RUBIANO, FORTUNO, HERNANDEZ (P.), TAN (S.), GARIN (S.), ACOP, AGARAO,

AN ACT GRANTING SOLAR PARA SA BAYAN CORPORATION
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE, AND MAINTAIN DISTRIBUTABLE
POWER TECHNOLOGIES AND MINIGRID SYSTEMS
THROUGHOUT THE PHILIPPINES TO IMPROVE
ACCESS TO SUSTAINABLE ENERGY

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

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the
2 provisions of the Constitution and applicable laws, rules and
3 regulations, there is hereby granted to Solar Para Sa Bayan
4 Corporation, hereunder referred to as the grantee, its successors
5 or assignees, a nonexclusive franchise to construct, install,
6 establish, operate, and maintain in the public interest and for
7 commercial purposes, distributable power technologies (DPTs)
8 and minigrid systems to provide electric power to customers and
9 end users in any areas to be determined by the Department of
10 Energy (DOE), which shall include unserved areas and underserved
11 areas throughout the Philippines. Likewise, the grantee is
12 authorized to engage in ancillary businesses and any related
13 business which maximize the utilization of its assets. The grantee
14 shall have the right to open and nondiscriminatory access to any
15 transmission or distribution system, subject to interconnection
16 studies required by either the Grid Code or Distribution Code, as
17 the case may be, and shall be eligible to become a member of the

1 wholesale electricity spot market, subject to compensation and
2 existing regulations.

3 Distributable Power Technologies refer to devices, assets,
4 facilities and other technologies of any capacity that may
5 connect directly to customers or end users, or interconnect with
6 transmission or distribution systems or minigrid systems,
7 renewable energy facilities, and other technologies as are available
8 or will be available through technological advances or innovations
9 in the future.

10 Minigrid system refers to an integrated group of loads and
11 devices, assets, facilities and other technologies of any capacity,
12 including DPTs, that may operate either independently from or in
13 conjunction with transmission or distribution systems or other
14 minigrid systems, and is distinct from a distribution system or a
15 generation facility.

16 Minigrid company refers to any person or entity which
17 constructs, installs, establishes, operates, and maintains minigrid
18 systems or DPTs; may sell, purchase, or trade electric power with
19 customers or end users, and is distinct from a distribution utility or
20 a generation company.

21 Unserved area refers to any community, barangay,
22 municipality, city, or province where residents do not receive
23 electric services from a franchised electric utility.

24 SEC. 2. *Manner of Operation of Facilities.* – All electric
25 facilities, lines, and systems for renewable energy services owned,
26 maintained, operated, or managed by the grantee, its successors

1 or assignees, shall be operated and maintained at all times in
2 the proper and suitable manner. Whenever practicable and for
3 purposes of maintaining order, safety and aesthetics along
4 highways, roads, streets, alleys, or right-of-way, the grantee may
5 allow the use of free spaces in its poles, facilities, or right-of-way by
6 interested parties upon reasonable compensation to the grantee
7 considering costs incurred to accommodate and administer the use
8 of the grantee's facilities by such parties.

9 SEC. 3. *Authority of the Energy Regulatory Commission*
10 *(ERC) or Department of Energy (DOE)*. – The grantee shall secure
11 from the ERC, DOE or any other government agency which has
12 jurisdiction over the operation of the herein grantee, the necessary
13 certificate of public convenience and necessity and other appropriate
14 permits and licenses for the construction and operation of its
15 minigrid system, as may be applicable.

16 SEC. 4. *Excavation and Restoration Works*. – For the purpose
17 of constructing, installing, establishing, operating, and maintaining
18 poles, DPTs, minigrid systems, or any part thereof and other
19 supports for wires or other conductors for the laying and
20 maintaining of underground wires, cables, pipes or other
21 conductors, the grantee, its successors or assignees, is authorized to
22 make excavations or lay conduits in any of the public places, roads,
23 highways, streets, lanes, alleys, avenues, sidewalks, tunnels, or
24 bridges of said province, cities and/or municipalities, subject to prior
25 approval of the Department of Public Works and Highways (DPWH)
26 or the local government unit (LGU) concerned in accordance with

1 either the Grid Code or the Distribution Code, as the case may be:
2 *Provided, however,* That any public place, road, highway, street,
3 lane, alley, avenue, sidewalk, tunnel, or bridge disturbed, altered, or
4 changed by reason of erection of poles, DPTs, minigrid systems, or
5 any part thereof or other supports or the underground laying of
6 wires, other conductors or conduits, shall be repaired or replaced in
7 workmanlike manner at the expense of the grantee, its successors or
8 assignees, in accordance with the standards set by the DPWH or the
9 LGU concerned. Should the grantee, its successors or assignees,
10 after the fifteen (15)-day notice from the said authority, fail, refuse,
11 or neglect to repair or replace any part of public place, road,
12 highway, street, lane, alley, avenue, sidewalk, or bridge disturbed,
13 altered, or changed by the said grantee, its successors or assignees,
14 then the DPWH or the LGU concerned shall have the right to have
15 the same repaired or replaced in good order and condition and
16 charge the grantee, its successors or assignees, at double the
17 amount of the costs and expenses for such repair or replacement.

18 SEC. 5. *Responsibility to the Public.* – The grantee shall
19 operate DPTs and minigrid systems in the least cost manner. In the
20 interest of the public good and as far as feasible, the grantee shall
21 modify, improve, or change its facilities and equipment for the
22 purpose of providing efficient and reliable service and reduced
23 electricity costs. The grantee shall charge reasonable and just
24 power rates for its services to all types of consumers in order
25 that business and industries shall be able to compete. The grantee
26 under this franchise shall be subject to any and all regulatory and

1 applicable rules that govern private and public utilities under the
2 Magna Carta for Residential Electricity Consumers as adopted in
3 the resolution of the ERC dated June 9, 2004.

4 SEC. 6. *Rates for Services.* – The rates to be charged by the
5 grantee to the end users shall be regulated by the ERC. The ERC
6 shall be given three (3) months to determine the authorized
7 rates of the grantee, following which the grantee shall be
8 authorized to charge rates to the end users lower than the average
9 distribution retail supply rates for the preceding six (6) months of
10 the distribution utility with the capacity closest to the grantee's
11 minigrid system.

12 The grantee shall identify and segregate in its bill to
13 the end users the components of the retail rates to the extent
14 practicable. Such rates charged by the grantee to end users shall
15 be made public and transparent. The grantee shall implement
16 lifeline rates to marginalized end users.

17 SEC. 7. *Protection of Consumer Interests.* – The herein
18 grantee shall establish a consumer desk that will handle consumer
19 complaints and ensure adequate protection of consumer interests.
20 The grantee shall act with dispatch on all complaints brought before
21 it.

22 SEC. 8. *Right of the Government.* – A special right is hereby
23 reserved to the President of the Philippines, in times of war,
24 rebellion, public peril, calamity, emergency, disaster or disturbance
25 of peace and order, to temporarily take over and operate the
26 facilities of the grantee or to authorize the temporary use and

1 operation thereof by any agency of the government, upon due
2 compensation to the grantee, for the use of said facilities during
3 the period when these shall be so operated.

4 SEC. 9. *Right of Eminent Domain.* - Subject to the
5 limitations and procedures prescribed by law, the grantee is
6 authorized to exercise the right of eminent domain insofar as it may
7 be reasonably necessary for the construction, installation,
8 establishment, and efficient operation and maintenance of DPTs or
9 minigrid systems. The grantee is authorized to install and maintain
10 its poles, wires, and other facilities over and across public property,
11 including streets, highways, forest reserves, and other similar
12 property of the Government of the Philippines, its branches, or any
13 of its instrumentalities. The grantee may acquire such private
14 property as is needed for the realization of the purposes for which
15 this franchise is granted, including property already devoted to
16 public use or with public character: *Provided*, That this will result
17 in greater benefit for the public: *Provided, further*, That the proper
18 condemnation proceedings shall have been instituted and applicable
19 rules have been complied with.

20 SEC. 10. *Term of Franchise.* - This franchise shall be for a
21 term of twenty-five (25) years from the date of effectivity of this Act,
22 unless sooner cancelled or revoked. This franchise shall be deemed
23 *ipso facto* revoked in the event that the grantee fails to operate
24 continuously for two (2) years.

25 SEC. 11. *Warranty in Favor of the National and Local*
26 *Governments.* - The grantee shall hold the national, provincial,

1 city, and municipal governments of the Philippines free from all
2 claims, liabilities, demands, or actions arising out of accidents that
3 cause injury to persons and damage to properties, during the
4 construction, installation, operation, and maintenance of the lines
5 for electric services of the grantee.

6 SEC. 12. *Liability for Damages.* - The grantee shall be liable
7 for any injury to persons and damage to property arising from or
8 caused by accident to persons by reason of any defective
9 construction under this franchise or of any neglect or omission to
10 keep its poles and wires in safe condition.

11 SEC. 13. *Sale, Lease, Transfer, Grant of Usufruct, or*
12 *Assignment of Franchise.* - The grantee shall not sell, lease,
13 transfer, grant the usufruct of, nor assign this franchise or
14 the rights and privileges acquired thereunder to any person,
15 firm, company, corporation or other commercial or legal entity,
16 nor merge with any other corporation or entity, nor transfer
17 the controlling interest of the grantee, whether as a whole
18 or in part, and whether simultaneously or contemporaneously,
19 to any person, firm, company, corporation, or entity, without the
20 prior approval of the Congress of the Philippines, unless to a
21 wholly-owned subsidiary of the grantee or where the grantee is
22 the surviving corporation: *Provided,* That any such transfer, sale
23 or assignment is in accordance with the constitutional limitations.

24 SEC. 14. *Compliance with Labor Standards.* - The grantee,
25 its successors or assignees shall comply with the applicable labor
26 standards under existing labor laws, rules and regulations and

1 such other issuances as may be promulgated by the Department
2 of Labor and Employment, taking into consideration the nature and
3 peculiarities of the electric power industry.

4 SEC. 15. *Reportorial Requirement.* - The grantee shall
5 submit an annual report to the Congress of the Philippines, through
6 the Committees on Legislative Franchises and Energy of the House
7 of Representatives and the Committee on Public Services of the
8 Senate, on its compliance with the terms and conditions of the
9 franchise and on its operations on or before April 30 of the
10 succeeding year.

11 The annual report shall include an update on the roll-out,
12 development, operation and/or expansion of business; audited
13 financial statements; latest General Information Sheet officially
14 submitted to the Securities and Exchange Commission (SEC),
15 if applicable; certification of the DOE on the status of its permits
16 and operations; and an update on the dispersal of ownership
17 undertaking, if applicable.

18 A reportorial compliance certificate issued by Congress shall
19 be required before any application for permit or certificate is
20 accepted by the DOE.

21 SEC. 16. *Fine.* - Failure of the grantee to submit the
22 requisite annual report to Congress shall be penalized by a fine of
23 Five thousand pesos (P5,000.00) per working day of noncompliance.
24 The fine shall be collected by the DOE from the delinquent
25 franchise grantee separate from the reportorial penalties imposed

1 by the DOE and the same shall be remitted to the National
2 Treasury.

3 SEC. 17. *Equality Clause.* – In the event that any competing
4 individual, partnership or corporation shall receive a similar
5 permit or franchise with terms and/or provisions more favorable
6 than those herein granted or which tend to place the herein grantee
7 at any disadvantage, such terms and/or provisions shall be deemed
8 part hereof and shall operate equally in favor of the herein grantee:
9 *Provided,* That any term and/or provision herein granted which
10 are not contained in other franchises that may hereafter be granted,
11 shall likewise be enjoyed by the future grantees.

12 SEC. 18. *Applicability of Existing Laws.* – The grantee shall
13 comply with and be subject to the provisions of Commonwealth Act
14 No. 146 or the “Public Service Act”, as amended; Republic Act
15 No. 9513 or the “Renewable Energy Act of 2008”; and Republic Act
16 No. 9136 or the “Electric Power Industry Reform Act of 2001”, as
17 amended.

18 SEC. 19. *Separability Clause.* – If any of the sections or
19 provisions of this Act is held invalid, all other provisions not
20 affected thereby shall remain valid.

21 SEC. 20. *Repealability and Nonexclusivity Clause.* – This
22 franchise shall be subject to amendment, alteration, or repeal by the
23 Congress of the Philippines when the public interest so requires and
24 shall not be interpreted as an exclusive grant of the privileges
25 herein provided.

1 SEC. 21. *Repealing Clause.* - All other laws, orders,
2 issuances, rules and regulations or parts thereof inconsistent with
3 this Act are hereby repealed, amended or modified accordingly.

4 SEC. 22. *Effectivity.* - This Act shall take effect fifteen (15)
5 days after its publication in the *Official Gazette* or in a newspaper of
6 general circulation.

Approved,

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