

HOUSE OF REPRESENTATIVES

H. No. 8145

---

BY REPRESENTATIVES DAGOOC, DE JESUS, EBCAS, GUYA, GATCHALIAN, VILLAFUERTE, TAMBUNTING, VELASCO, MACAPAGAL ARROYO, VARGAS, NOGRALES (J.J.), SUAREZ (D.), SANCHEZ, VERGARA, TULFO, GATO, TIANGCO, CUARESMA, NIETO, TAN (A.S.), MARIANO-HERNANDEZ, MATUGAS, GARIN (S.), LIM, QUIMBÓ, ARENAS AND ZARATE, PER COMMITTEE REPORT NO. 629

---

AN ACT

**EXTENDING THE IMPLEMENTATION OF THE LIFELINE RATE, AMENDING FOR THE PURPOSE SECTION 73 OF REPUBLIC ACT NO. 9136, AS AMENDED, 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. *Extension of the Lifeline Rate.* – Section 73 of Republic Act  
2 No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001, as  
3 amended by Republic Act No. 10150 entitled, Extending the Implementation of the  
4 Lifeline Rate, is hereby further amended, to read as follows:

5       "SEC. 73. Lifeline Rate. – IN ORDER TO PROVIDE ASSISTANCE TO  
6 ELECTRICITY CONSUMERS, ESPECIALLY THOSE LIVING BELOW  
7 THE POVERTY LINE, AND TO ACHIEVE A MORE EQUITABLE  
8 DISTRIBUTION OF THE LIFELINE SUBSIDY, a socialized pricing  
9 mechanism called a lifeline rate for the marginalized end-users shall be  
10 set by the ERC, which shall be exempted from the cross subsidy phase-  
11 out under this Act for a period of THIRTY (30) years, unless otherwise  
12 extended by law. The level of consumption and subsidy, rate/tariff and  
13 other conditions and parameters of qualified beneficiaries shall be

1 determined by the ERC after due notice and hearing. AS USED IN THIS  
2 ACT, "MARGINALIZED ELECTRICITY END-USERS" SHALL REFER TO  
3 LOW-INCOME CAPTIVE MARKET END-USERS WHO CANNOT  
4 AFFORD TO PAY THEIR ELECTRICITY CONSUMPTION AT FULL  
5 COST, AS MAY BE DETERMINED BY THE ERC, BASED ON THE  
6 FOLLOWING:

7 (A) POOR HOUSEHOLDS. - SELECTED THROUGH THE MEANS  
8 TEST OR ANY STATISTICAL MODEL TO IDENTIFY THE SAME AS  
9 MAY BE DETERMINED BY THE APPROPRIATE NATIONAL  
10 GOVERNMENT AGENCIES, AND VALIDATED BY THE  
11 DISTRIBUTION UTILITY; AND

12 (B) THE HOUSEHOLD ELECTRICITY CONSUMPTION. - THE  
13 CURRENT LIFELINE RATE SHALL CONTINUE TO BE APPLIED TO  
14 ALL MARGINALIZED END-USERS OF ALL DISTRIBUTION UTILITIES  
15 UNTIL SUCH TIME THAT A NEW SOCIALIZED PRICING  
16 MECHANISM BASED ON THE CRITERIA AS PROVIDED IN THE  
17 PRECEDING PARAGRAPHS SHALL HAVE BEEN DETERMINED AND  
18 APPROVED BY THE ERC, IN CONSULTATION WITH THE  
19 APPROPRIATE GOVERNMENT AGENCIES AND STAKEHOLDERS. TO  
20 ACHIEVE THE OBJECTIVE OF PROVIDING ASSISTANCE TO THE  
21 ELECTRICITY CONSUMERS ESPECIALLY THOSE LIVING BELOW  
22 THE POVERTY LINE AND ENSURE A MORE EQUITABLE  
23 DISTRIBUTION OF THE LIFELINE SUBSIDY, THE ERC SHALL  
24 CONDUCT A REVIEW OF ITS IMPLEMENTING RULES OR  
25 GUIDELINES EVERY TWO (2) YEARS.

26 SEC. 2. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the  
27 *Official Gazette* or in a newspaper of general circulation.

28 Approved,