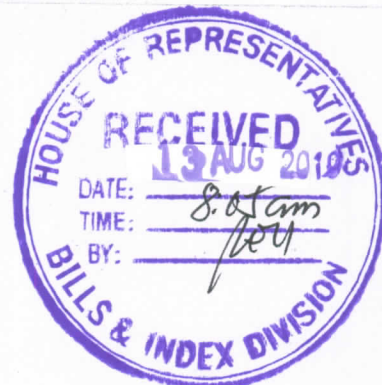


EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. **3802**

EXPLANATORY NOTE

In its report on the 2013 power supply-demand outlook, the Department of Energy (DOE) noted that the Mindanao grid has been experiencing "undergeneration" since 2010. It also said half of the region's plants are hydroelectric and depends on "the availability of water and affected by weather conditions." The DOE further said that Mindanao needs 1,600 megawatts of additional power "to meet the electricity demand and the required reserve margin of the grid".

These very dark projections can actually be already felt on the island as parts of Mindanao are now suffering from 10-12 hours of rotating power blackouts.

There has been no dramatic improvement in Mindanao's power situation since the DOE issued its outlook with it recently reporting that the region's power supply of 1,064 MW was 158 MW short of its peak demand of 1,222 MW.

Dr. Gerardo Sicat already warned about this situation as early as 2012 when he said that the electricity problem in Mindanao "has been a crisis waiting to happen". In a paper he wrote, Dr. Sicat put the blame squarely on the government, which he said "did not pursue the series of long term actions required to solve the power development problems of Mindanao". He also partly blamed the EPIRA Law which mandated that privatization of government-run power plants and prohibited the government from entering into power generation.

The government is still in the process of selling the Agus and Pulangui hydroelectric power complexes in Mindanao.

While the wisdom in privatizing these power plants and barges was sound when the EPIRA law was being crafted, recent experiences would show otherwise. These private companies who bought the power plants are all in the business of making money which would mean, as proven by recent events, higher costs of electricity.

In view of the foregoing consideration, immediate approval of this bill is highly recommended.


RUFUS B. RODRIGUEZ

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AN ACT
AMENDING PARAGRAPH (F) SECTION 47 OF REPUBLIC ACT 9136 OR THE
"ELECTRIC POWER INDUSTRY REFORM ACT OF 2001"

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

SECTION 1. Paragraph (f) of Section 47 of Republic Act 9136 or the EPIRA Law is hereby amended to read as follows:

(f) The Agus and the Pulangui complexes in Mindanao shall be excluded from among the generation companies that will be [initially] privatized. Their ownership shall be transferred to the PSALM Corp. and both shall continue to be operated by the NPC[.]; [Said complexes may be privatized not earlier than ten (10) years from the effectivity of this Act, and except for Agus III, shall not be subject to Build-Operate-Transfer (B-O-T), Build-Rehabilitate-OperateTransfer (B-R-O-T) and other variations thereof pursuant to Republic Act No. 6957, as amended by Republic Act No. 7718. The privatization of Agus and Pulangui complexes shall be left to the discretion of PSALM Corp. in consultation with Congress.]

SEC 2. EFFECTIVITY. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation in the Philippines.

Approved,