

S. No. 1928
H. No. 8203

Republic of the Philippines
Congress of the Philippines
Metro Manila

Eighteenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-sixth day of July, two thousand twenty-one.

[REPUBLIC ACT No. **11646**]

AN ACT PROMOTING THE USE OF MICROGRID SYSTEMS
TO ACCELERATE THE TOTAL ELECTRIFICATION OF
UNSERVED AND UNDERSERVED AREAS NATIONWIDE

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

SECTION 1. *Title.* – This Act shall be referred to as the
“Microgrid Systems Act”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the
policy of the State to:

(a) Pursue sustainable rural development and poverty
reduction towards nation-building through energy access for all;

(b) Accelerate total electrification and ensure the provision
of quality, reliable, and secure electricity service at reasonable
rates in unserved and underserved areas;

(c) Promote private sector participation in the electrification of unserved and underserved areas;

(d) Provide a competitive environment for different kinds of energy sources while prioritizing low-cost, indigenous, renewable, and environment-friendly sources of energy; and

(e) Ensure the adoption of a dynamic regulatory environment that does not impair nor inhibit end-users from accessing or enjoying the benefits of technologies and innovations in the electric power industry.

SEC. 3. Scope and Application. – This Act shall apply to the development of microgrid systems in unserved and underserved areas nationwide.

SEC. 4. Definition of Terms. – For purposes of this Act, the following terms shall be defined as stated below:

(a) Authority to operate (ATO) refers to the document issued by the Energy Regulatory Commission (ERC) to the microgrid system provider, which shall constitute as the latter's license to provide integrated power generation and distribution services to unserved or underserved areas;

(b) Competitive selection process for microgrid system provider (CSP) refers to the procedure wherein an entity is awarded the contract to provide integrated power generation and distribution services to an unserved or underserved area through a transparent and competitive procedure, such as, but not limited to, an auction, unsolicited proposal, or Swiss challenge, taking into consideration the requirements of this Act and other applicable laws;

(c) Decentralized power generation (DPG) refers to small-scale power generation facilities which operate locally and are connected to the distribution system of the microgrid or end-user that could be aggregated to provide electric power necessary to meet demand, including, but not limited to, mini-wind turbines connected to a microgrid, energy storage, and solar photovoltaic rooftop of an end-user;

(d) Distribution system refers to the system of wires and associated facilities extending between the delivery points on

the transmission, subtransmission system, or power generation facility connection and the point of connection to the premises of the end-user, whichever is applicable;

(e) Distribution utility (DU) refers to any electric cooperative, private corporation, government-owned utility, or existing local government unit which has a franchise to operate a distribution system including those whose franchise covers economic zones;

(f) DU operated microgrid system refers to a microgrid system owned and operated by a DU in a DU identified unserved area in its local total electrification roadmap;

(g) Electric Cooperative (EC) refers to a DU organized pursuant to Presidential Decree No. 269, as amended, or as otherwise provided in this Act;

(h) End-user refers to any natural or juridical person requiring the supply and delivery of electricity for its own use;

(i) Grid refers to the high voltage backbone system of interconnected transmission lines, substations, and related facilities, located in each of Luzon, Visayas, and Mindanao;

(j) Grid-tied microgrid system refers to a microgrid system that is electrically connected to the distribution system of a DU and can operate in synchronized mode or in island mode;

(k) Island mode refers to a grid-tied microgrid system operating as a stand-alone system in supplying and delivering electric power to connected end-users;

(l) Isolated microgrid system refers to a microgrid system that is not electrically connected to a distribution system of a DU and is operating as a stand-alone system in supplying and delivering electric power to connected end-users;

(m) Local total electrification roadmap (LTER) refers to a DU's comprehensive strategic plan with an annual work plan to accelerate total electrification in its franchise area;

(n) Microgrid system refers to a group of interconnected loads and a generation facility or DPG with clearly defined

electrical boundaries that acts as an integrated power generation and distribution system, whether or not connected to a distribution or transmission system;

(o) Microgrid system provider service contract (MSC) refers to the contract between the microgrid system provider and the National Power Corporation (NPC) whereby the microgrid system provider performs the missionary electrification function on behalf of the NPC and provides integrated power generation and distribution services in an unserved or underserved area, and to receive subsidy whenever applicable;

(p) Microgrid system provider (MGSP) refers to a natural or juridical person whose business includes the installation, operation, and maintenance of microgrid systems in unserved or underserved areas nationwide;

(q) National total electrification roadmap (NTER) refers to a comprehensive national strategic plan including a work plan to accelerate total electrification in the country taking into account the various LTERs and the Distribution Development Plans (DDPs). It shall be incorporated in the Philippine Energy Plan;

(r) NPC Graduation Plan refers to a comprehensive and detailed strategy of the NPC to attract private sector participation in areas served by the NPC;

(s) Synchronized mode refers to the operation of grid-tied microgrid systems whose generation facility or DPG is able to operate in the same frequency at its connection point to the distribution system of a DU, and allows the grid-tied microgrid system to supply to or draw power from the grid;

(t) Underserved area refers to an area currently served by home power systems, microgrid systems, or DUs whose supply of electricity is less than twenty-four (24) hours daily because of the non-implementation of approved capital expenditure projects, noncompliance with the service parameters of the Philippine Distribution Code (PDC), or any other reason resulting to an overall failing mark based on ERC's latest annual technical evaluation of performance of distribution systems;

(u) Universal charge for missionary electrification (UCME) refers to the portion of the non-bypassable charge passed on and collected from all end-users on a monthly basis by the DUs pursuant to Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001", a portion of which is allocated for the provision of integrated power generation and distribution services in unserved areas and underserved areas not connected to the grid or within a franchise area where the distribution system is not connected to the grid; and

(v) Unserved area refers to an area, upon the effectivity of this Act, with no electricity access, no distribution system lines, no home power systems, no connection to any microgrid system, or for which no distribution grid extension has been developed or implemented by the DU.

SEC. 5. Microgrid Systems in Unserved and Underserved Areas. – MGSPs may provide integrated power generation and distribution services in DU identified unserved areas following the procedure in Section 9 of this Act, and shall provide the same in the Department of Energy (DOE) declared unserved and underserved areas after the conduct of a CSP in accordance with Sections 8, 11, and 12 of this Act: *Provided*, That only isolated microgrid systems and grid-tied microgrid systems operating in island mode shall be allowed: *Provided, further*, That unserved and underserved areas that already have an appropriation for electrification in the General Appropriations Act (GAA) at the time of the effectivity of this Act shall not be included in the list of DU identified unserved areas and DOE declared unserved and underserved areas.

SEC. 6. Microgrid System Providers. – The ownership and operation of a microgrid system in unserved and underserved areas pursuant to this Act shall not be considered a public utility operation. For this purpose, any MGSP shall not be required to secure a franchise from Congress, but shall secure an ATO from the ERC prior to its operation. All qualified third parties (QTPs) providing alternative electric service pursuant to Section 59 of Republic Act No. 9136 are hereby renamed and shall hereafter be known as MGSPs.

Any party, including private corporations, local government units, cooperatives, nongovernment organizations,

generation companies and their subsidiaries, and DUs and their subsidiaries who have demonstrated the capability and willingness to comply with the relevant technical, financial, and other requirements, may be an MGSP: *Provided*, That these entities shall not subsidize their respective MGSPs and shall maintain a separate account for such business undertaking pursuant to ERC's applicable rules and guidelines on business separation and unbundling, whenever applicable.

SEC. 7. *Waiver of Obligation to Provide Distribution Services and Connections and to Supply Electricity.* – DOE declared unserved or underserved areas or DU identified unserved areas which are awarded to MGSPs pursuant to Sections 8 and 9 of this Act shall be deemed waived by the DU insofar as its obligation to provide distribution services and connections to end-users and supply electricity to the area concerned. The waiver shall not transfer, abandon, or modify the DU's franchise but bestows upon the awarded and compliant MGSP the exclusive right and obligation during the existence of the MSC, on behalf of the NPC, to provide integrated power generation and distribution services to the unserved or underserved area during the period of the MSC, consistent with the NPC's missionary electrification function.

SEC. 8. *Competitive Selection Process for Electrification and Service of DOE Declared Unserved and Underserved Areas by Microgrid System Providers.* – The DOE shall declare unserved and underserved areas for electrification and service by MGSPs pursuant to Section 12 of this Act. The DOE declared unserved and underserved areas shall be subjected to CSP. All CSPs shall:

(a) Prioritize low-cost, indigenous, renewable, and environment-friendly sources of energy;

(b) Be conducted based on the list of DOE declared unserved and underserved areas, taking into account each DU's LTER and DDP in relation to the NTER: *Provided*, That the schedule shall be published and posted on the ERC and DOE websites not later than September of every year; and

(c) Be simple, uniform, streamlined, and transparent: *Provided*, That the entire procedure from pre-qualification of MGSPs until the submission to the ERC of the awarded

contract shall be no longer than ninety (90) calendar days after all the published requirements are completely submitted: *Provided, further*, That the CSP may be conducted using a secure electronic portal.

A DU's MGSP may tender a lower offer in every CSP it participates in within its franchise area, unless otherwise provided in Section 17 of this Act, within seven (7) calendar days from the announcement of the winning MGSP in the CSP: *Provided*, That such tender shall be submitted to the DOE or its authorized entity, whichever is applicable, and the winning MGSP.

The award by the DOE or its authorized entity to the MGSP, the execution of the MSC, and the filing of a complete application with the ERC shall comprise the provisional authority of the MGSP to start collection of the rate specified in the award, the MSC, and the application upon the start of the MGSP's operation: *Provided*, That the ERC shall schedule and conduct a hearing thereon within thirty (30) calendar days from receipt of the complete application, upon publication and notice to all affected parties: *Provided, further*, That the final decision shall be issued within one hundred thirty-five (135) calendar days from receipt of the complete application.

In the event that there are no participants or there is no awarded MGSP in the CSP for a particular unserved or underserved area, the NPC shall perform its missionary electrification mandate in the said area until an MGSP takes part or is awarded in the next CSP.

SEC. 9. *Procedure for Electrification of DU Identified Unserved Areas Through Microgrid System.* – The DU may identify unserved areas for electrification by DU operated microgrid systems in its LTER. The list of DU identified unserved areas shall be annually published by the DOE on its website.

The DOE, or the NPC if authorized by the DOE, may receive from MGSPs all-in price offers to provide integrated power generation and distribution services in a particular DU identified unserved area within thirty (30) calendar days from the publication of the list of DU identified unserved areas:

Provided, That the DU shall have the right to tender a lower all-in price offer within seven (7) calendar days after the DOE or the NPC publishes all price offers it has received on its website: *Provided, further*, That in the event the DU tenders a lower all-in price offer, it shall electrify the DU identified unserved area through a DU operated microgrid system within eighteen (18) months from the award by the DOE or the NPC: *Provided, finally*, That if the DU does not tender a lower all-in price offer, the DOE or the NPC shall award the MGSP with the lowest all-in price offer to electrify the DU identified unserved area and the NPC shall enter into an MSC with such MGSP. In the event there are no offers from any MGSP for a particular DU identified unserved area, the DU shall electrify the area through a DU operated microgrid system within eighteen (18) months from the lapse of the thirty (30) calendar day period for MGSPs to tender an all-in price offer. This entire procedure shall:

- (a) Prioritize low-cost, indigenous, renewable, and environment-friendly sources of energy;
- (b) Be simple, uniform, streamlined, and transparent; and
- (c) Be no longer than ninety (90) calendar days from the publication by the DOE or the NPC of the list of DU identified unserved areas.

The award by the DOE or the NPC to the DU or the MGSP, the execution of the MSC if applicable, and the filing of a complete application with the ERC shall comprise the provisional authority of the DU or MGSP to start collection of the rate specified in the award, the MSC, and the application upon the start of the DU or MGSP's operation: *Provided*, That the ERC shall schedule and conduct a hearing thereon within thirty (30) calendar days from receipt of the complete application, upon publication and notice to all affected parties: *Provided, further*, That the final decision shall be issued within one hundred thirty-five (135) calendar days from receipt of the complete application.

SEC. 10. Availment of the UCME. – Only MGSPs and DU operated microgrid systems that operate in unserved areas and underserved areas not connected to the grid or within a franchise area where the distribution system is not connected

to the grid may be entitled to avail of the UCME as determined by the ERC. The availment of the UCME shall be rationalized by the DOE in consultation with the DUs taking into consideration equity and continued economic progress in these areas.

SEC. 11. Powers, Functions, and Responsibilities of the Energy Regulatory Commission. – In addition to its functions under Republic Act No. 9136, the ERC shall:

(a) Provide for a simplified and streamlined permitting process for MGSPs and DU operated microgrid systems in accordance with the time frame specified in Section 19 of this Act, and issue an ATO to an MGSP pursuant to such process;

(b) Develop, establish, and promulgate in consultation with the DOE, the NPC, the National Electrification Administration (NEA), and other relevant government agencies and private stakeholders in the electric power industry, the minimum technical and service performance standards for microgrid systems within one hundred twenty (120) calendar days from the effectivity of this Act: *Provided*, That these standards shall be compliant with the PDC, Philippine Small Grid Code, Philippine Grid Code, and other relevant rules and regulations;

(c) Review and act on all MSCs entered into within the time frame provided under Sections 8, 9, and 19 of this Act;

(d) Exercise its rate-making power through the evaluation and determination of the following, within the applicable time frames provided under Sections 8, 9, and 19 of this Act:

(i) An MGSP or DU operated microgrid system's full cost, approved subsidy if applicable, and retail rate imposed on end-users of unserved and underserved areas;

(ii) An equitable recovery mechanism, if applicable, for an MGSP's assets to ensure just compensation at the expiration of the MSC pursuant to Section 17 of this Act; and

(iii) In the event of a distribution grid extension, upon the expiration of the MSC, and upon decision of the DU to acquire the microgrid system, review the application of the DU

before the ERC to connect the microgrid system to the distribution grid pursuant to the equitable recovery mechanism provided in this section: *Provided*, That any connection that results in an increase in rates shall have to be approved by the ERC;

(e) Monitor the compliance of all MGSPs with their obligations under their respective ATOs; and

(f) Exercise original and exclusive jurisdiction over all cases involving the exercise of the abovementioned powers, functions, and responsibilities, and over all cases involving disputes arising from this Act, except in competition cases under Republic Act No. 10667, otherwise known as the "Philippine Competition Act".

SEC. 12. *Powers, Functions, and Responsibilities of the Department of Energy.* – In addition to its functions under Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992", as amended, the DOE shall:

(a) Prepare and publish annually on its website the NTER, upon consultation with public and private stakeholders;

(b) Provide for a simplified and streamlined permitting process for MGSPs and DU operated microgrid systems within the time frame specified in Section 19 of this Act;

(c) Determine which DUs it may cluster for the quarterly submissions of LTERs and DDPs as well as the quarterly conduct of CSPs;

(d) Determine, in consultation with DUs, the time frame for compliance with their respective LTERs and DDPs: *Provided*, That all projects in each annual work plan shall be completed not later than eighteen (18) months from submission to the DOE or, in the case of DU identified unserved areas, from the lapse of the thirty (30)-calendar day period for MGSPs to tender an all-in price offer pursuant to Section 9 of this Act;

(e) Receive and verify petitions from end-users, who are currently residing in an unserved or underserved area not identified or included by the DU in its LTER or not declared

by the DOE as such, to declare such area as an unserved or underserved area;

(f) Identify and declare regularly unserved and underserved areas based on the NTER, and the DU's LTER and DDP and its compliance with the time frame provided therein, taking into consideration the petitions it has received from end-users pursuant to this section, through the issuance of a list of such areas not later than September of every year, with the assistance of the NPC and NEA and in consultation with DUs in accordance with Section 8 of this Act: *Provided*, That the list shall also indicate the target date of distribution grid extension by the DU for the DOE declared unserved and underserved areas, if any: *Provided, further*, That the DOE shall validate any unserved and underserved area that is not included in the LTER of the DU before it can identify such area as a DOE declared unserved or underserved area;

(g) Prepare, in consultation with the ERC, standard templates for MSCs to be utilized in all CSPs;

(h) Conduct all CSPs for DOE declared unserved and underserved areas with the assistance of the NPC and NEA in accordance with Section 8 of this Act: *Provided*, That the DOE may authorize the NPC and NEA to conduct CSPs on its behalf: *Provided, further*, That the NPC and NEA shall, if authorized by the DOE to conduct CSPs, strictly comply with the procedure, guidelines, and timeframe for CSPs indicated in this Act;

(i) Conduct, or authorize the NPC to conduct, the procedure for the electrification of DU identified unserved areas through microgrid systems provided in Section 9 of this Act;

(j) Monitor the operations of all awarded MGSPs and their respective MSCs: *Provided*, That the DOE, *motu proprio* or upon complaint, may conduct a review of an MGSP's operations and its corresponding MSC should it find reasonable grounds for noncompliance with the minimum technical and service performance standards and other provisions of the MSC;

(k) Determine a detailed procedure for the transition of service from the NPC or a DU to an MGSP, or from an MGSP to a DU or another MGSP, whichever is applicable:

Provided, That such transition shall not exceed ninety (90) calendar days from the completion of the CSP; and

(l) Perform such other powers and functions as may be necessary to attain the objectives of this Act.

SEC. 13. *Functions and Responsibilities of the National Electrification Administration.* – The NEA shall:

(a) Assist ECs in the preparation of their respective LTERs; and

(b) Evaluate and verify the unserved and underserved areas submitted by ECs as part of its LTER and submit its recommendations to the DOE not later than the 15th of March of every year.

SEC. 14. *Functions and Responsibilities of the National Power Corporation.* – The NPC shall:

(a) Prepare and execute annually an NPC Graduation Plan;

(b) Continue to perform its missionary electrification mandate, including areas with no participating or awarded MGSP during a CSP;

(c) Conduct a CSP whenever authorized by the DOE pursuant to Section 12 of this Act;

(d) Execute the MSC with the awarded MGSP pursuant to the template determined by DOE in Section 12 of this Act;

(e) Exclusively collect from the DUs, administer, and apply the UCME;

(f) Simplify and streamline the procedure and requirements for the processing of UCME subsidy claims, upon consultation with public and private stakeholders: *Provided*, That the streamlined procedure shall not be more than forty-five (45) calendar days; and

(g) Release the UCME subsidy within forty-five (45) calendar days from submission to the NPC of the UCME subsidy claim with complete documentary requirements.

SEC. 15. *Functions and Responsibilities of Distribution Utilities.* – A DU may enter into a joint venture for the installation and operation of microgrid systems: *Provided*, That the DU shall maintain a separate account for such business undertaking pursuant to the ERC's applicable rules and guidelines on business separation and unbundling; *Provided, further*, That only a joint venture for the installation and operation of microgrid systems where the DU owns at least fifty-one percent (51%) of capital shall be considered as a DU operated microgrid system or a DU's MGSP.

DUs shall be allowed to impose a separate rate in DU identified unserved areas served by a DU operated microgrid system or DOE declared unserved and underserved areas served by a DU's MGSP: *Provided*, That any cross-subsidy between the end-users of the DU operated microgrid system or the DU's MGSP and the other end-users of the DU shall be prohibited.

The DU pursuant to the directive to pursue the total electrification of their franchise areas shall prepare and submit its LTER which shall contain the following, among others:

(a) A validated detailed inventory of all areas within a DU's franchise which it plans to electrify including a specific time frame for electrification, including DU identified unserved areas for electrification through DU operated microgrid systems;

(b) A validated annual work plan for electrification; and

(c) A validated detailed inventory of all unserved and underserved areas within its franchise.

The DU shall integrate the LTER in its DDP.

SEC. 16. *Functions and Responsibilities of an MGSP and a DU Operated Microgrid System.* – An MGSP and a DU operated microgrid system shall:

(a) Build, operate, maintain, and control its microgrid system in accordance with its MSC, this Act, and other applicable laws, rules, regulations, and codes;

(b) Supply the load requirements of its area of operation, faithfully implement its electrification work program, and comply with all its obligations under its MSC, if applicable;

(c) Prepare and submit any report required by the ERC and DOE pursuant to their powers under Sections 11 and 12 of this Act;

(d) Ensure end-user safety and protection at all times; and

(e) In the case of MGSPs, be exempt from the following:

(i) The public listing requirement under Section 28 of Republic Act No. 9136, and

(ii) The market share limitation requirement under Section 45(a) of Republic Act No. 9136.

The end-users in unserved areas and underserved areas not connected to the grid or within a franchise area where the distribution system is not connected to the grid shall be exempt from the following:

(a) The payment of feed-in-tariff (FIT) allowance under the FIT system in Section 7 of Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", and

(b) The payment of universal charges under Section 34 of Republic Act No. 9136.

SEC. 17. Expiration of Microgrid System Provider Service Contract. – In the event of a distribution grid extension upon the expiration of an MSC, the DU shall have the option to acquire the microgrid system of the MGSP, and resume its obligation to provide distribution services and connection, and supply electricity to the said area subject to the approval of the ERC and pursuant to the detailed transition procedure of the DOE provided in Sections 11 and 12 of this Act. If a DU's distribution system is connected to the grid, the resumption of the DU's obligation over the area shall no longer entitle the end-users in the said area to the UCME.

Should the DU choose not to exercise its option, or should there be no distribution grid extension upon the expiration of

an MSC, a CSP shall be conducted pursuant to Sections 8 and 12 of this Act to determine who shall provide integrated power generation and distribution services in the area: *Provided*, That the MGSP with the expiring MSC over the area that participates in such CSP shall have the exclusive right to tender a lower offer within seven (7) calendar days from the announcement of the winning MGSP in the CSP: *Provided, further*, That such tender shall be submitted to the DOE or its authorized entity, whichever is applicable, and the winning MGSP. The ERC shall determine whether the awarded MGSP shall be entitled to subsidy in accordance with Section 10 of this Act.

SEC. 18. Non-Disqualification from Extension of Franchise. – The presence of an MGSP in the franchise area of a DU shall not disqualify the said DU from seeking a renewal of its Certificate of Public Convenience and Necessity from the ERC or an extension of the term of its franchise from Congress.

SEC. 19. Permitting Process. – Republic Act No. 11234, otherwise known as the "Energy Virtual One-Stop Shop Act", shall apply to the permitting process of all MGSPs: *Provided*, That the applicable time frames shall be reduced to half of the time frames indicated in Sections 13, 14, 15, and 16 of Republic Act No. 11234 unless the specific time frame is provided in this Act.

SEC. 20. Strengthening and Expansion of the Electric Power Industry Management Bureau in the Department of Energy. – The DOE shall strengthen and expand the Electric Power Industry Management Bureau (EPIMB) for the effective implementation of this Act. The new organizational structure and staffing complement for the EPIMB shall be determined by the DOE Secretary, in consultation with the Department of Budget and Management, and in accordance with existing civil service rules and regulations. The budgetary requirements shall be taken from the current appropriations of the DOE. Thereafter, the funding for the expanded EPIMB shall be included in the annual GAA.

SEC. 21. Creation of a Special Division in the Energy Regulatory Commission. – A Special Division attached to the appropriate Service Department in the ERC is hereby created

for the effective implementation of this Act. The new organizational structure and staffing complement shall be determined by the Commission and approved by the Office of the President in accordance with existing laws, rules, and regulations. The budgetary requirements shall be taken from the current appropriations of the ERC. Thereafter, the funding for the dedicated division shall be included in the GAA.

SEC. 22. *Transitory Provision.* – Benefits or incentives extended to QTPs under existing laws not amended or repealed under this Act shall remain in full force and effect. No provision of this Act shall be taken as to diminish any right vested by virtue of existing laws, contracts, or agreements.

SEC. 23. *Prohibited Acts.* – Any person, natural or juridical, is prohibited from the following acts:

(a) Refusal to allow the installation of any microgrid system by an MGSP: *Provided*, That the requirements under Sections 5, 6, 7, 8, and 9 of this Act are complied with;

(b) Refusal to turn over the provision of integrated power generation and distribution services to an MGSP, or distribution services and connection and supply of electricity to a DU, whichever is applicable;

(c) Refusal to allow a DU to acquire a microgrid system pursuant to Section 17 of this Act;

(d) Imposition of new contractual terms and charges on the end-user which are not part of the MSC or not approved by the ERC, whichever is applicable; and

(e) Failure to comply with the functions, responsibilities, and time frames in Sections 5 to 19 of this Act.

SEC. 24. *Criminal and Administrative Penalties.* – The responsible officers and employees of any private corporation or government agency who commit the following prohibited acts shall, upon conviction, suffer the following penalties:

(a) Violation of Section 23(a), (b), and (c) – Imprisonment of six (6) years to eight (8) years, or a fine ranging from a minimum of Seventy-five million pesos (P75,000,000.00) to One

hundred million pesos (P100,000,000.00), upon the discretion of the court;

(b) Violation of Section 23(d) – Imprisonment of four (4) years to six (6) years, or a fine ranging from a minimum of Fifty million pesos (P50,000,000.00) to Seventy-five million pesos (P75,000,000.00), upon the discretion of the court; and

(c) Violation of Section 23(e) – Imprisonment of two (2) years to four (4) years, or a fine ranging from a minimum of Twenty-five million pesos (P25,000,000.00) to Fifty million pesos (P50,000,000.00), upon the discretion of the court.

Any person who willfully aids or abets the commission of these prohibited acts or who causes the commission of any such act by another shall be liable in the same manner as the principal. In cases of an association, partnership, or corporation, the penalty shall be imposed on the member, partner, president, chief operating officer, chief executive officer, director, or officer responsible for the violation.

Without prejudice to the aforementioned criminal liabilities, any government officer or employee who violates Section 23(e) of this Act shall be held administratively liable, as follows:

(a) First offense – Thirty (30) days suspension without pay and mandatory attendance in Values Orientation Program;

(b) Second offense – Three (3) months suspension without pay; and

(c) Third offense – Dismissal and perpetual disqualification from public service, and forfeiture of retirement benefits.

SEC. 25. *Congressional Oversight.* – The Joint Congressional Energy Commission (JCEC) shall exercise oversight powers over the implementation of this Act. The DOE and ERC shall submit annually to the JCEC a thorough report on the implementation of this Act not later than 15 March of every year: *Provided*, That the report shall include identification of legislative gaps, if any, and recommended ways forward.

SEC. 26. *Implementing Rules and Regulations.* – The DOE, in consultation with the appropriate government agencies mentioned herein and electric power industry stakeholders, shall issue the implementing rules and regulations of this Act within sixty (60) working days upon its effectivity.

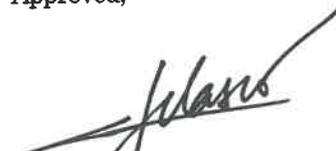
SEC. 27. *Amendatory Clause.* – This Act amends Section 16(c) of Commonwealth Act No. 146 otherwise known as the “Public Service Act”; Section 8 of Executive Order No. 172 Series of 1987, entitled “Creating the Energy Regulatory Board”; Sections 28, 43, 45(a), 51(l), 59, and 70 of Republic Act No. 9136; Sections 13, 14, 15, and 16 of Republic Act No. 11234; and any other law, presidential decree or issuance, executive order, letter of instruction, rules, and regulations inconsistent with the provisions of this Act.

SEC. 28. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in force and effect.

SEC. 29. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, rules and regulations, and legislative or administrative franchises inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

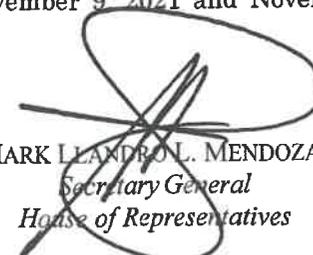
SEC. 30. *Effectivity.* – This Act shall take effect fifteen (15) days following its complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,


LORD ALLAN JAY Q. VELASCO
*Speaker of the House
of Representatives*


VICENTE C. SOTTO III
President of the Senate

This Act which is a consolidation of Senate Bill No. 1928 and House Bill No. 8203 was passed by the Senate of the Philippines and the House of Representatives on November 9, 2021 and November 17, 2021, respectively.


MARK LLANDRO L. MENDOZA
*Secretary General
House of Representatives*


MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: JAN 21 2022


RODRIGO ROA DUTERTE
President of the Philippines



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