

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**SEVENTEENTH CONGRESS
Third Regular Session**

House Bill No. 7015



Introduced by: Representative Carlos Roman L. Uybarreta

EXPLANATORY NOTE

This bill seeks to extend the life of the Power Sector and Liabilities Management Corporation (PSALM) created under the Electric Power Industry Reform Act of 2001, otherwise known as the EPIRA Law, for the purpose of managing the sale, disposition and privatization of the assets and IPP contracts of the National Power Corporation (NPC). Furthermore, PSALM was to exist for a period of twenty-five (25) years or until 2026.

After some of the NPC obligations were assumed by the National Government upon the effectivity of the EPIRA Law, PSALM was to optimally apply on the remaining NPC obligations the cash flow that would be generated from the privatization of NPC assets and from the collected universal charges. The goal was that by the time PSALM expires, the National Government would be left with very minimal to none liabilities of NPC.

However, with only eight (8) years remaining and most of NPC generation assets and IPP contracts having been sold and privatized, the total financial obligations of PSALM for NPC have not significantly decreased. Moreover, most outstanding NPC obligations transferred to PSALM will mature around 2036.

Therefore, it is only fitting and proper for the better management of the remaining liabilities and IPP contract obligations it assumed from the NPC, that PSALM's life be extended by 10 more years beyond 2026 or until 2036.


CARLOS ROMAN L. UYBARRETA
Representative
1-CARE Party List

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**AN ACT EXTENDING THE LIFE OF POWER SECTOR ASSETS AND
LIABILITIES CORPORATION (PSALM), AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 9136 AND FOR OTHER PURPOSES**

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

Section 1. Section 50, Chapter VI of Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” or EPIRA, is hereby amended to read as follows:

“Section 50. Purpose and Objective, Domicile and Term of Existence – The principal purpose of the PSALM Corp. is to manage the orderly sale, disposition, and privatization of NPC generation assets, real estate, and other disposable assets and IPP contracts with the objective of liquidating all NPC financial obligations and stranded contract costs in an optional manner.

The PSALM Corp. shall have its principal office and place of business within Metro Manila.

The PSALM Corp. shall exist for a period of [twenty five (25)] **THIRTY FIVE (35)** years from the effectivity of this Act, unless otherwise provided by law, and all assets held by it, all moneys and properties belonging to it, and all its liabilities outstanding upon the expiration of its term of existence shall revert to and be assumed by the National Government.”

Section 2. Separability Clause. – If any part or section of this Act is declared unconstitutional, such declaration shall not affect in any manner other parts or section of this Act.

Section 3. Repealing Clauses. – the provisions of Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001” shall continue to have full force and effect except in so far as they are inconsistent with this Act.

Section 4. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.