

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. **11918**]

AN ACT AMENDING SECTIONS 1, 15, AND 21 OF REPUBLIC ACT NO. 11212, ENTITLED 'AN ACT GRANTING MORE ELECTRIC AND POWER CORPORATION A FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, A DISTRIBUTION SYSTEM FOR THE CONVEYANCE OF ELECTRIC POWER TO THE END USERS IN THE CITY OF ILOILO, PROVINCE OF ILOILO, AND ENSURING THE CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY IN THE FRANCHISE AREA'

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

SECTION 1. Section 1 of Republic Act No. 11212 is hereby amended to read as follows:

“SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to MORE Electric and Power Corporation, hereunder referred to as the Grantee, its successors or assignees, a franchise to establish, operate, and maintain, for commercial purposes and in the public interest, a distribution system for the conveyance of electric power to end users in the cities of Iloilo and Passi and the municipalities of Alimodian, Leganes, Leon, New Lucena, Pavia, San Miguel, Santa Barbara, Zarraga, Anilao, Banate, Barotac Nuevo, Dingle, Dueñas, Dumangas and San Enrique, in the Province of Iloilo.

“As used in this Act, distribution system refers to the system of wires and associated facilities including subtransmission lines belonging to or used by a franchised distribution utility extending between the delivery point on the national transmission system or generating facility and the metering point or facility of the end-user.”

SEC. 2. Section 15 of Republic Act No. 11212 is hereby amended to read as follows:

“SEC. 15. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The Grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the Grantee, whether as a whole or in part, and whether simultaneously or contemporaneously, to any person, firm, company, corporation, or entity without the prior approval of the Congress of the Philippines and in compliance with legal requirements stipulated in other statutes: *Provided, That, during the period before the dispersal of its ownership under*

Section 16, the Grantee shall notify Congress in writing of any sale, or transfer of its shares less than the controlling interest: *Provided, further*, That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked: *Provided, furthermore*, That the limitations set forth in this section shall not apply to: (a) any transfer or issuance of shares of stock in the implementation of the requirement for the dispersal of the Grantee's ownership pursuant to Section 16 of this Act; and (b) any sale, transfer, or assignment of shares of the Grantee in favor of an affiliate whose controlling interest is owned by the same parent corporation of the Grantee: *Provided, finally*, That any such transfer, sale, or issuance is in accordance with any applicable constitutional limitations.

"Any person or entity to which this franchise is sold, transferred, or assigned shall be subject to the same conditions, terms, restrictions, and limitations of this Act."

SEC. 3. A new section denominated as Section 21 is inserted after Section 20 of Republic Act No. 11212, to read as follows:

"SEC. 21. *Market Abuse or Anti-Competitive Behavior.* – The ERC, in the exercise of its function, shall determine if there is any market abuse or anti-competitive behavior by any party to any existing power sales agreement covering the cities of Iloilo and Passi and the municipalities of Alimodian, Leganes, Leon, New Lucena, Pavia, San Miguel, Santa Barbara, Zarraga, Anilao, Banate, Barotac Nuevo, Dingle, Dueñas, Dumangas and San Enrique, in the Province of Iloilo, the ERC shall order the amendment of any contract which, after due determination, is found to be grossly disadvantageous.

"Notwithstanding any ERC action, the parties of any affected power sales agreement may, in accordance with the dispute resolution clause of these power sales agreement or such other applicable clause, enter into a negotiation for the reduction of any tariff or rates under the power sales agreement.

“Any amendment of the power sales agreement under this clause shall not, however, diminish or impair a party’s financial investment entered into pursuant to the said agreement.”

SEC. 4. Section 21 of Republic Act No. 11212 is hereby renumbered as Section 22 and amended to read as follows:

“SEC. 22. *Equality Clause.* – Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted to power distribution franchises, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to the herein Grantee: *Provided,* That the foregoing shall neither apply to nor affect provisions concerning territorial coverage, the term, and the type of service authorized by the franchise.”

SEC. 5. All succeeding sections of Republic Act No. 11212 are renumbered accordingly.

SEC. 6. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed and modified accordingly.

SEC. 7. *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. 8. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,


VICENTE C. SOTTO III
President of the Senate


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

This Act which originated in the House of Representatives was passed by the House of Representatives on November 8, 2021, amended by the Senate of the Philippines on May 30, 2022, and which amendments were concurred in by the House of Representatives on May 31, 2022.

MYRA MARIE D. VILLARICA
Secretary of the Senate

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

Approved:

**Lapsed into law on JUL 30 2022
without the signature of the President, in accordance with Article VI, Section 27 (1), of the Constitution.**

RODRIGO ROA DUTERTE
President of the Philippines