

EPIRA – IRR PROVISION	PROPOSED AMENDMENTS	RATTIONALE
<p><b>Sec. 4 (m), Rule 3, EPIRA IRR:</b></p> <p>The ERC shall perform such other regulatory functions as are appropriate and necessary in order to ensure the successful Restructuring and modernization of the electric power industry, such as, but not limited to, the rules and guidelines under which Generation Companies, Distribution Utilities, which are not publicly listed, shall offer and sell to the public a portion not less than fifteen percent (15%) of their common shares of stocks: <i>Provided, however,</i> That Generation Companies, Distribution Utilities or their respective holding companies that are already listed in the Philippine Stock Exchange (PSE) are deemed in compliance. For existing companies, such public offering shall be implemented not later than five (5) years from the effectivity of the Act. New companies shall implement their</p>	<p>The ERC shall perform such other regulatory functions as are appropriate and necessary in order to ensure the successful Restructuring and modernization of the electric power industry, such as, but not limited to, the rules and guidelines under which Generation Companies, Distribution Utilities, which are not publicly listed, shall offer and sell to the public a portion not less than fifteen percent (15%) of their common shares of stocks: <i>Provided, however,</i> That Generation Companies, Distribution Utilities or their respective holding companies that are already listed in the Philippine Stock Exchange (PSE) are deemed in compliance; <b><u>Provided, Further, That public offering pursuant to the Revised Securities Act (R.A. No. 8799) shall be deemed compliant hereof.</u></b> For existing companies, such public offering shall be implemented not later than five (5) years from the</p>	<p>The primary objective of small DUs in offering their shares to the public is to raise funds for their CAPEX projects.</p> <p>Listing at the PSE may not be practical for small Distribution Utilities (DUs) as the cost of doing an Initial Public Offering (IPO) and PSE listing could be quite prohibitive for them. This would defeat the purpose of small DUs in going public as it might not leave sufficient funds to fund their CAPEX projects.</p> <p>If listing at the PSE would not be practical, small DUs should be allowed to explore other innovative ways to raise funds from the public.</p>

<p>respective public offerings not later than five (5) years from the issuance of their Certificate of Compliance (COC);</p>	<p>effectivity of the Act. New companies shall implement their respective public offerings not later than five (5) years from the issuance of their Certificate of Compliance (COC);</p>	
<p><b>Rule 4 (p), EPIRA IRR</b></p> <p>(p) <b><i>“Contestable Market”</i></b> refers to the electricity End-users who have a choice of a Supplier of electricity, as may be determined by the ERC in accordance with the Act;</p>	<p>(p) <b><i>“Contestable Market”</i></b> refers to the electricity End-users who have a choice of a Supplier of electricity, as may be determined by the ERC in accordance <b><u>with Sec. 31 of the Act. An electricity End-user may choose to remain in the Captive Market despite being certified as belonging to the Contestable Market;</u></b></p>	<p>Electricity end-users should have the option to remain in the Captive Market despite being certified as belonging to the Contestable Market if there is no advantage to switch to the Contestable Market. After all, it is the declared policy of the EPIRA to ensure the quality, reliability, security <b><i>and affordability</i></b> of the supply of electric power (Sec. 2a, EPIRA).</p>
<p><b>Sec. 1 (b), Rules 8, EPIRA IRR</b></p> <p>(b) The Supply of Electricity to End-users in Contestable Market requires a license from the ERC except for the Supply of Electricity by Distribution Utilities within their Franchise Areas and Persons authorized to supply electricity within their respective EZs.</p>	<p>(b) The Supply of Electricity to End-users in Contestable Market requires a license from the ERC except for the Supply of Electricity by Distribution Utilities <b><u>to End-users in Contestable Market located</u></b> within their Franchise Areas and Persons authorized to supply electricity within their respective EZs.</p>	<p>Distribution Utilities supplying electricity to End-users in the Contestable Market located within their Franchise Areas should no longer be required to get a license from the ERC for they have already proven themselves to be technically and financially capable when they were granted their legislative franchises, and Certificates of Public Convenience and Necessity (CPCN).</p>