

SENATE

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Prepared and submitted by the Committee on Energy, with Senator Gatchalian  
as author thereof

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**AN ACT**  
**INSTITUTIONALIZING REFORMS IN THE PROCUREMENT**  
**BY DISTRIBUTION UTILITIES AND OTHER DISTRIBUTION ENTITIES**  
**OF SUPPLY FOR THE CAPTIVE MARKET**

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

**CHAPTER I**

**GENERAL PROVISIONS**

1 **SECTION 1. Short Title.** – This Act shall be known as the “Electricity  
2 Procurement Act of 2018”.

3  
4 **SECTION 2. Declaration of Policy.** – It is hereby declared the policy of the State  
5 to ensure the quality, reliability, security, and affordability of electric power  
6 supply. To protect public interest as it is affected by the rates and services of  
7 Distribution Utilities and Other Distribution Entities while the country has not  
8 yet transitioned to full retail competition, the State recognizes that a Competitive  
9 Selection Process in the procurement of Power Supply Contracts by Distribution  
10 Utilities and Other Distribution Entities engenders transparency, enhances  
11 security of supply, and ensures stability of electricity prices to captive  
12 consumers. Towards this end, Distribution Utilities and Other Distribution  
13 Entities can only procure their power requirements through the Wholesale

1 Electricity Spot Market or the Competitive Selection Process unless otherwise  
2 provided in this Act.

3  
4 Furthermore a Competitive Selection Process is in line with the Distribution  
5 Utilities and Other Distribution Entities' obligation in Republic Act No. 9136 to  
6 ensure the supply of electricity to its captive market in the least cost manner.

7  
8 **SECTION 3. Scope and Application.** – This Act shall apply to any Distribution  
9 Utility and Other Distribution Entities in the procurement of supply for their  
10 Captive Market, the manner in which the procurement is to be undertaken, the  
11 required review procedure, and the timelines to be observed in such procedures.

12  
13 **SECTION 4. Definition of Terms.** – For purposes of this Act, the following terms  
14 shall be defined as stated below: *Provided*, That other terms used in this Act but  
15 not defined herein shall be understood to mean the way they are defined in  
16 Republic Act No. 9136 and its Implementing Rules and Regulations:

17  
18 a) **Affiliate** – refers to any natural or juridical person which, alone or together  
19 with other natural or juridical persons, directly or indirectly, through one  
20 or more intermediaries, controls, is controlled by, or is under common  
21 control with another natural or juridical person. Affiliates shall include a  
22 subsidiary company, a parent company and the subsidiaries, directly or  
23 indirectly, of a common parent;

24  
25 b) **Bid** – refers to the offer of a price by a Generation Company or a Supply  
26 Aggregator during the Competitive Selection Process to serve the power  
27 demand volume put forward for procurement by a Distribution Utility,  
28 Other Distribution Entities, or a Demand Aggregator: *Provided*, That the  
29 price shall be the generation charge per kilowatt hour which must be  
30 inclusive of all costs that will be passed on to the consumers as determined  
31 by the Energy Regulatory Commission;

32  
33 c) **Captive Market** – refers to the electricity end-users who do not have the  
34 choice of a supplier of electricity, as may be determined by the Energy  
35 Regulatory Commission, in accordance with Republic Act No. 9136;

- 1 d) **Competitive Selection Process** (CSP) – refers to a procedure wherein a  
2 Distribution Utility, Other Distribution Entities, or a group of Distribution  
3 Utilities, on their own or through a Demand Aggregator, undertake a  
4 transparent and competitive procurement of Power Supply Contracts, in  
5 accordance with the provisions of this Act;  
6
- 7 e) **Demand Aggregator** – refers to a person or entity registered and licensed  
8 with the Energy Regulatory Commission, engaged in consolidating the  
9 power demand of Distribution Utilities and Other Distribution Entities for  
10 the purpose of subjecting it to a CSP: *Provided*, That Demand Aggregators  
11 serve as mere representatives of Distribution Utilities and Other  
12 Distribution Entities in the CSP and do not have the legal personality to  
13 enter into a power supply contract on behalf of the Distribution Utilities  
14 and Other Distribution Entities;  
15
- 16 f) **Department of Energy** (DOE) – refers to the government agency created  
17 pursuant to Republic Act No. 7638, and whose functions were expanded  
18 by Republic Act No. 9136;  
19
- 20 g) **Distribution Utility** – refers to any Electric Cooperative, private  
21 corporation, government-owned utility, or existing local government unit  
22 which has an exclusive franchise to operate a distribution system  
23 including those whose franchise area covers economic zones;  
24
- 25 h) **Energy Regulatory Commission** (ERC) – refers to the regulatory body  
26 created pursuant to Republic Act No. 9136;  
27
- 28 i) **Electric Cooperative** – refers to a Distribution Utility organized pursuant  
29 to Presidential Decree No. 269, as amended, or as otherwise provided in  
30 Republic Act No. 9136;  
31
- 32 j) **Electronic Network-Based Platform** – refers to a computer network  
33 system as well as the instruments and apparatuses allowing the execution  
34 of related methods of operation and a plurality of user client devices  
35 capable of connecting to the communication network;

- 1 k) **Force Majeure or Fortuitous Event** – refers to an extraordinary event  
2 which is not foreseen, or which, though foreseen, is inevitable. Such event  
3 may be produced by two general casuses: (1) by nature, such as but not  
4 limited to a typhoon, storm, tropical depression, flood, drought, volcanic  
5 eruption, earthquake, tidal wave, or landslide, and (2) by the act of man,  
6 such as but not limited to an act of war, sabotage, blockade, revolution,  
7 riot, insurrection, civil commotion, or any violent or threatening action;  
8
- 9 l) **General Conditions** – refers to provisions which are generally applicable  
10 to all Power Supply Contracts as determined by DOE;  
11
- 12 m) **Generation Company** – refers to any person or entity authorized to  
13 operate facilities used in the generation of electricity;  
14
- 15 n) **Invitation to Bid** – refers to a letter of invitation for Generation Companies  
16 and Supply Aggregators to submit a bid for a volume of power demand put  
17 forward for procurement by a Distribution Utility, Other Distribution  
18 Entities, a group of Distribution Utilities, or a Demand Aggregator, which  
19 includes information determined by ERC;  
20
- 21 o) **Market Operator** – the operator of the Wholesale Electricity Spot Market  
22 as established by the DOE pursuant to Republic Act No. 9136;  
23
- 24 p) **National Electrification Administration (NEA)** – refers to the government  
25 agency created under Presidential Decree No. 269, as amended by  
26 Republic Act No. 10531, and whose additional mandate is further set in  
27 Republic Act No. 9136;  
28
- 29 q) **National Power Corporation (NPC)** – refers to the government corporation  
30 created under Republic Act No. 6395, as amended, and whose additional  
31 mandate is further set in Republic Act No. 9136;  
32
- 33 r) **New Private Provider (NPP)** – refers to an entity deemed technically and  
34 financially capable to serve or take over existing NPC-Small Power Utilities  
35 Group areas as a result of a competitive bidding exercise;

- 1 s) **Off-grid** – refers to areas that are not connected to the main high voltage  
2 backbone system;  
3
- 4 t) **Other Distribution Entities** – refers to other entities that own, operate or  
5 control one or more distribution systems in the main grid and Off-grid  
6 other than Distribution Utilities such as Qualified Third Parties and those  
7 under a management contract;  
8
- 9 u) **Particular Conditions** – refers to additional terms in the Power Supply  
10 Contract not found in the General Conditions introduced either by the  
11 Distribution Utility, Other Distribution Entities, Generation Company, or  
12 Supply Aggregator which shall be reviewed and and approved by ERC  
13 within the timeframe provided in Section 7(b) but before the day of the  
14 actual bidding;  
15
- 16 v) **Power Supply Contract (PSC)** – refers to a contract between a Generation  
17 Company or a Supply Aggregator and a Distribution Utility or Other  
18 Distribution Entities whereby the latter purchases electricity from the  
19 former: *Provided*, That the contract resulted from a CSP or as may be  
20 allowed in Sections 16 and 17 of this Act;  
21
- 22 w) **Power Supply Procurement Plan (PSPP)** – refers to the assessment of a  
23 Distribution Utility and Other Distribution Entities of a variety of its  
24 demand side and supply side resources, as part of its Distribution  
25 Development Plan resulting in a comprehensive power supply  
26 procurement schedule to meet customer electricity demand while ensuring  
27 an optimal supply mix for its captive market and taking into account  
28 existing government policies;  
29
- 30 x) **Qualified Third Party (QTP)** – refers to the alternative electric service  
31 provider authorized to serve remote and unviable areas pursuant to  
32 Section 59 of Republic Act No. 9136 and its Implementing Rules and  
33 Regulations;  
34
- 35 y) **Reserve Price** – refers to the price set by ERC as a ceiling for each  
36 particular CSP;

1 z) **Third Party Auctioneer** – refers to the entity mandated to administer the  
2 conduct of the CSP as described in Section 9 of this Act;

3  
4 aa) **Supply Aggregator** – refers to any person or entity, registered and  
5 licensed with the ERC to sell electricity to Distribution Utilities and Other  
6 Distribution Entities by combining generation capacities of Generation  
7 Companies and/or sourcing from the Wholesale Electricity Spot Market;  
8 and

9  
10 bb) **Wholesale Electricity Spot Market (WESM)** – refers to the  
11 electricity market created under Republic Act No. 9136.

## 12 **CHAPTER II**

### 13 **COMPETITIVE SELECTION PROCESS**

14  
15 **SECTION 5. General Principles.** – Subject to all the other provisions of this Act  
16 and the CSP Rules and CSP Regulations, all CSPs shall be governed by the  
17 following principles:

18 a) DOE shall exercise its supervisory power by overseeing the entire CSP  
19 procedure as provided in this Act;1

20  
21 b) ERC shall exercise its regulatory powers as provided in this Act;

22  
23 c) NEA shall assist Electric Cooperatives in the creation of their PSPPs, and  
24 in their aggregation with other Electric Cooperatives;

25  
26 d) Consumers shall be consulted and be entitled to representation in every  
27 stage of the CSP;

28  
29 e) Distribution Utilities and Other Distribution Entities shall determine the  
30 volume of power demand they shall procure through a CSP;

31  
32 f) Distribution Utilities and Other Distribution Entities shall formulate the  
33 schedules for their CSPs in accordance with the demand indicated in their  
34 PSPPs as may be updated from time to time;

- 1 g) The Third Party Auctioneer shall be the sole body that coordinates and  
2 administers the conduct of all CSPs;  
3
- 4 h) The Third Party Auctioneer shall procure and manage a secure Electronic  
5 Network-Based Platform for the bidding component of the CSP;  
6
- 7 i) The Third Party Auctioneer shall be liable for any negligence or abuse in  
8 the conduct of the CSP attributable to its fault including breaches to the  
9 electronic platform;  
10
- 11 j) The Third Party Auctioneer shall be entitled to recover its just and  
12 reasonable costs;  
13
- 14 k) The Third Party Auctioneer shall be regulated by the ERC;  
15
- 16 l) All CSPs shall have uniform requirements and procedures;  
17
- 18 m) All CSPs shall have, as far as practicable, standardized forms, documents,  
19 and contracts in accordance with Section 13 of this Act;  
20
- 21 n) Each CSP shall be completed within a reasonable period of time as  
22 provided in Section 7(b) of this Act;  
23
- 24 o) Each CSP shall have an undisclosed Reserve Price as determined by the  
25 ERC;  
26
- 27 p) ERC shall exercise its rate-setting power by establishing the Reserve Price  
28 for every CSP by taking into consideration, among others, a Distribution  
29 Utility or Other Distribution Entities' demand profile and the available  
30 supply in the market;  
31
- 32 q) The power of review by the ERC shall be limited to verifying whether each  
33 CSP has complied with all procedures and requirements as specified in  
34 this Act and the CSP Rules except otherwise provided in Sections 16 and  
35 17 of this Act;

1 r) PSCs can only be entered into as a result of a CSP unless otherwise  
2 provided as stated in Sections 16 and 17 of this Act; and

3  
4 s) Distribution Utilities, Other Distribution Entities, Generation Companies,  
5 Supply Aggregators, and other signatories to the PSC shall be liable for all  
6 provisions in the said contract.  
7

8 **SECTION 6. Participants.** – The participants to the CSP are Distribution  
9 Utilities, Other Distribution Entities, Demand Aggregators, Generation  
10 Companies, and Supply Aggregators – all duly-registered with the Third Party  
11 Auctioneer.  
12

13 **SECTION 7. CSP Rules.** – The CSP Rules, which will serve as this Act’s  
14 implementing rules, shall be formulated by DOE in coordination with ERC, NEA,  
15 and NPC, and in consultation with all stakeholders within sixty (60) days from  
16 the promulgation of this Act. The CSP Rules shall include but shall not be  
17 limited to the following matters:

- 18 a) Rules governing the Third Party Auctioneer including but not limited to:
- 19 i. Detailed scope of work,
  - 20 ii. Bonds and guarantees,
  - 21 iii. Costs and return recovery mechanisms, including  
22 reasonable fees for the Third Party Auctioneer other than the  
23 Market Operator,
  - 24 iv. Monitoring and evaluation framework,
  - 25 v. Procurement of a Third Party Auctioneer, and
  - 26 vi. Prohibited acts;
- 27 b) Detailed procedure and timeline for the entire CSP including rules and/or  
28 guidelines for the evaluation of bids and determination of prices: *Provided*,  
29 That it shall comply with Chapters II and III of this Act: *Provided further*,  
30 That the entire CSP procedure shall not exceed ninety (90) days from the  
31 issuance of the Invitation to Bid up to the awarding of the PSC to the  
32 winning bidder;
- 33 c) Standardized contents of an Invitation to Bid and all other documents and  
34 forms necessary in the conduct of the CSP;



- 1 d) Standardized general conditions of a PSC: *Provided*, That they shall comply  
2 with Section 13 of this Act;
- 3 e) Guidance in the preparation of the particular conditions of a PSC;
- 4 f) Procedure and requirements for any complaint and its resolution in each  
5 stage of the CSP;
- 6 g) Procedure and requirements for negotiated PSCs by Distribution Utilities  
7 and Other Distribution Entities in accordance with Sections 16 and 17 of  
8 this Act; and
- 9 h) Other such rules, procedures, and requirements that will ensure the  
10 effective implementation of this Act.

11

12 **SECTION 8. CSP Regulations.** – The CSP Regulations shall be formulated by  
13 the ERC in consultation with all private and public stakeholders within thirty  
14 (30) days from the formulation of the CSP Rules. The CSP Regulations shall  
15 include but shall not be limited to the following matters:

- 16 a) Rules for registration of all CSP participants with the Third Party  
17 Auctioneer;
- 18 b) Rules for registration and licensing of Demand Aggregators;
- 19 c) Rules for registration and licensing of Supply Aggregators;
- 20 d) Rules and procedure for the determination of the Reserve Price of a CSP;
- 21 e) Fines and penalties for prohibited acts as identified by DOE and/or acts  
22 which hinder the effective implementation of this Act; and
- 23 f) Other such rules, procedures, and requirements that will ensure the  
24 effective regulation of the CSP.

25

26 **SECTION 9. Third Party Auctioneer.** – The Market Operator shall initially serve  
27 as the Third Party Auctioneer for two (2) years: *Provided*, That ERC shall annually  
28 review the performance of the Third Party Auctioneer according to a monitoring  
29 and evaluation framework incorporated in the CSP Rules in accordance with  
30 Section 7(a)(iv) of this Act: *Provided further*, that ERC can motu proprio determine  
31 negligence or abuse by the Third Party Auctioneer as contemplated in this Act.

32 At the end of two (2) years, the ERC shall designate, after competitive  
33 bidding, a new Third Party Auctioneer whose contract term shall be determined  
34 by DOE: *Provided*, That the new Third Party Auctioneer shall be a juridical entity  
35 duly recognized in the Philippines, having vast experience in competitive bidding

1 and sufficient knowledge of the electric power industry, and a demonstrated  
2 ability to manage and conduct the CSP: *Provided further*, That the Market  
3 Operator is not precluded from joining the competitive bidding.

4  
5 **SECTION 10. Disqualification as Third Party Auctioneer.** – All Generation  
6 Companies, Transmission Utilities, Distribution Utilities, Other Distribution  
7 Entities, Retail Electricity Suppliers, Demand Aggregators, Supply Aggregators,  
8 corporations involved in upstream exploration, development, and production as  
9 well as downstream operations, and all their affiliates, and all the members of  
10 the board of directors, officers, and employees, including their relatives up to the  
11 fourth degree of consanguinity or affinity are prohibited from acting as, or having  
12 any stake in, the Third Party Auctioneer.

13  
14 **SECTION 11. Mandatory Registration.** – After the promulgation of the CSP  
15 Rules and CSP Regulations, participants to the CSP shall register in accordance  
16 with Section 8 (a) of this Act: *Provided*, that such registration will serve as the  
17 contract between the Third Party Auctioneer and the CSP participant with  
18 regards to their respective duties, responsibilities, guarantees, and liabilities.  
19 Thereafter, all CSP participants shall undergo training in accessing and using  
20 the CSP Electronic Network-Based Platform to be utilized by the Third Party  
21 Auctioneer.

22  
23 **SECTION 12. Power Supply Procurement Plan.** – Every Distribution Utility and  
24 Other Distribution Entities shall prepare and submit its PSPP to the DOE as part  
25 of its annual submission of the Distribution Development Plan, and undertake  
26 a cost-benefit analysis of the power supply requirements for its captive market  
27 taking into consideration, among others, prevailing price in the market, energy  
28 demand forecasting, load matrix, and existing DOE, ERC, NEA, and NPC  
29 circulars and resolutions, whichever is applicable, including but not limited to  
30 the Power Development Plan, the Missionary Electrification Development Plan,  
31 the National Renewable Energy Plan, the Renewable Portfolio Standard, and  
32 Retail Competition and Open Access.

33 The PSPP shall be updated annually and approved by the Board of  
34 Directors of the Distribution Utility and Other Distribution Entities and  
35 submitted to DOE on or before the 15<sup>th</sup> of March. In the case of electric  
36 cooperatives, the submission shall include the NEA: *Provided*, That NEA shall

1 provide the necessary assistance to electric cooperatives to equip them in the  
2 formulation of their respective PSPPs. In the case of Off-grid areas, the  
3 submission shall include the NPC.

4 DOE, with NEA in the case of electric cooperatives, shall endorse the  
5 submitted PSPP within thirty (30) days from receipt to the ERC and the Third  
6 Party Auctioneer. The endorsed PSPPs shall be posted by the ERC in the  
7 electronic portal as provided under Section 21 of this Act.

8 The contents of the PSPP shall be determined by the DOE in consultation  
9 with ERC, NEA, NPC, Distribution Utilities, and Other Distribution Entities.  
10

11 **SECTION 13. Standardized Contracts.** – All contracts, forms, and documents  
12 used during the CSP shall be standardized and unified. PSCs shall have General  
13 Conditions and Particular Conditions. The General Conditions shall include a  
14 maximum contract period to be determined and adjusted regularly by DOE.  
15

16 **SECTION 14. Results and Approval.** – The Third Party Auctioneer shall submit  
17 a report to ERC after the determination of the winning bidder within a period of  
18 time determined by ERC. Thereafter, ERC shall issue a certificate that the CSP  
19 procedure is compliant with CSP Rules and CSP Regulations and that the  
20 winning bid is below the Reserve Price within fifteen (15) days from the  
21 submission of the report.  
22

23 **SECTION 15. Non-Compliance with CSP Procedure.** – Upon ERC's finding of  
24 non-compliance by the Third Party Auctioneer with the CSP procedure, the entire  
25 CSP shall be repeated.  
26

27 **SECTION 16. Force Majeure or Fortuitous Event.** – A Distribution Utility or  
28 Other Distribution Entities may enter into an interim negotiated contract with a  
29 Generation Company or Supply Aggregator on the basis solely of force majeure  
30 or fortuitous event: *Provided*, That the interim negotiated contract shall be  
31 effective immediately but shall be subject to ERC review, the results of which  
32 must be concluded and released within thirty (30) days from parties' submission  
33 of all documents; *Provided further*, That the interim negotiated contract shall  
34 have a maximum period of one (1) year and the price shall not be higher than  
35 the Reserve Price for similarly situated demand.

1 **SECTION 17. Failed Bidding.** – After qualification and on the day of actual  
2 bidding, failed bidding happens under the following circumstances:

- 3 1. When there are no bids submitted for two consecutive rounds;
- 4 2. When there is only one bidder and its bid is above the Reserve Price for  
5 two consecutive rounds; or
- 6 3. When there is more than one bidder, and all bids are above the Reserve  
7 Price for two consecutive rounds.

8 Upon a failed bidding, the Distribution Utility or Other Distribution Entities can  
9 enter into a negotiated contract with a Generation Company or Supply  
10 Aggregator: *Provided*, That the contract shall be subject to a full review of ERC  
11 in the exercise of its rate-making power, the results of which must be released  
12 within ninety (90) days from the parties' submission of all documents.

13  
14 **SECTION 18. Negligence and Abuse.** – Any allegation of negligence and/or  
15 abuse on the part of the Third Party Auctioneer at any stage of the CSP shall be  
16 filed with the ERC: *Provided*, That this is without prejudice to any civil or criminal  
17 case against the Third Party Auctioneer.

18  
19 **SECTION 19. Off-Grid Areas.** – The CSP procedure as detailed in this Act shall  
20 be applicable for the selection of NPPs and QTPs in the Off-grid areas: *Provided*,  
21 That DOE shall provide a different CSP procedure in consultation with NPC and  
22 NEA for those Off-grid areas with small demand, security problems, or any other  
23 similar criteria as determined by the DOE: *Provided further*, That no CSP shall  
24 be required for the supply of the NPC to the Distribution Utilities or Other  
25 Distribution Entities in the Off-grid areas.

## 26 **CHAPTER III**

### 27 **TRANSPARENCY**

28 **SECTION 20. Observers.** – The Third Party Auctioneer shall, in all stages of the  
29 CSP, ensure that DOE, ERC, NEA, NPC, and other interested parties as  
30 determined by DOE are informed and that their representatives are allowed to  
31 observe.

1 **SECTION 21. Electronic Portal.** – The ERC shall develop or procure an  
2 electronic portal which shall serve as the primary source of information on the  
3 CSP: *Provided*, That the ERC shall ensure the integrity, security, and  
4 confidentiality of all documents submitted through the electronic portal.

5 In all stages of the CSP, the Third Party Auctioneer shall ensure that  
6 information from Generation Companies, Supply Aggregators, Distribution  
7 Utilities, Other Distribution Entities, and Demand Aggregators shall be posted  
8 on the electronic portal to ensure equal access of information for all the CSP  
9 participants: *Provided*, That no proprietary information shall be posted on the  
10 electronic portal.

## 11 **CHAPTER IV**

### 12 **PROHIBITED ACTS AND PENALTIES**

13  
14 **SECTION 22. Confidentiality.** – Prior to their official release, no aspect of the  
15 documents used in any CSP shall be divulged or released to any prospective  
16 Generation Company, Supply Aggregator, Distribution Utility, Other Distribution  
17 Entities, Demand Aggregator, or any other person or entity having direct or  
18 indirect interest in the PSCs subject of CSP.

19  
20 **SECTION 23. Administrative Offenses.** – The following acts, when committed  
21 by a government official and/or employee, shall be considered administrative  
22 offenses:

- 23 a) Breach of confidentiality as provided under Sections 21 and 22 of this Act;  
24 b) Willful acts which delay the operationalization of the CSP; and  
25 c) Failure to comply with the mandated timelines prescribed under Sections  
26 4(u), 7, 8, 9, 12, 14, 16, and 17 of this Act.

27  
28 **SECTION 24. Administrative Penalties.** – Any government official or employee  
29 found guilty of the act stated in Sections 23 (a) and (b), on the first offense shall  
30 be suspended from service for six (6) months and one (1) day to one (1) year

1 without pay, and on the second offense shall be dismissed from service that shall  
2 carry with it perpetual disqualification from holding public office.

3 Any government official or employee found guilty of the act stated in Sec.  
4 23 (c), on the first offense shall be reprimanded, on the second offense shall be  
5 suspended from service for one (1) to thirty (30) days, and on the third offense  
6 shall be dismissed from service that shall carry with it perpetual disqualification  
7 from holding public office.

8  
9 **SECTION 25. Criminal Offenses.** – The performance of the following acts by  
10 any person shall be considered a criminal offense:

- 11 1. Disclosure of the Reserve Price by any individual before the proclamation  
12 of the winning bidder;
- 13 2. Tampering with the CSP software;
- 14 3. Manipulation of any stage of the CSP procedure to unduly favor any  
15 participant; and
- 16 4. Violation of Section 22 of this Act.

17  
18 **SECTION 26. Criminal Liability.** – Any person found guilty of the acts stated  
19 in Section 25 shall receive a punishment of prison mayor and a fine ranging  
20 from Five hundred thousand Philippine pesos (P500,000.00) to Fifty million  
21 Philippines pesos (P50,000,000.00)

## 22 **CHAPTER V**

### 23 **FINAL PROVISIONS**

24 **SECTION 27. Transitory Provision.** – Pending the formulation and effectivity  
25 of the CSP Rules and CSP Regulations, the existing DOE, NEA, and ERC  
26 Circulars and Resolutions requiring a CSP shall continue to apply.

27  
28 **SECTION 28. Separability Clause.** – If, for any reason, any provision of this Act  
29 is declared to be unconstitutional or invalid, the other sections or provisions  
30 hereof which are not affected thereby shall continue to be in full force or effect.

1 **SECTION 29. Repealing Clause.** – All laws, decrees, orders, rules and  
2 regulations or parts thereof which are inconsistent with or contrary to the  
3 provisions of this Act are hereby repealed, amended or modified accordingly.

4  
5 **SECTION 30. Effectivity.** – This Act shall take effect fifteen (15) days after its  
6 publication in at least two (2) national newspapers of general circulation.

7

8 *Approved.*