PHILRECA
PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
The Philippines' Electric Cooperatives

11 July 2023
COMMS-2023-188

HON. RAFFY T. TULFO
Chairperson, Committee on Energy
SENATE OF THE PHILIPPINES
GSIS Bldg., Financial Center, Diokno Blvd.
Pasay City, Metro Manila

Dear **Hon. Tulfo:**

Greetings of Peace and Solidarity from PHILRECA!

We would like to express our gratitude for giving us the opportunity to take part on the scheduled hearing of the factual issues surrounding the following Senate Resolutions:

1. **Senate Resolution No. 46** entitled: A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATIONS OF THE NATIONAL GRID CORPORATION OF THE PHILIPPINES TO DETERMINE ITS COMPLIANCE WITH OBLIGATIONS AND RESPONSIBILITIES UNDER EXISTING LAWS AND REGULATIONS WITH THE END IN VIEW OF SAFEGUARDING THE GRID AND ENSURING CONTINUOUS ELECTRICITY SUPPLY IN THE COUNTRY (SEN. GATCHALIAN);

2. **Senate Resolution No. 47** entitled: A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PLANS OF THE DEPARTMENT OF ENERGY TO PROVIDE LONG TERM SOLUTIONS TO POWER SUPPLY SHORTAGES WITH THE END IN VIEW OF ENSURING THE QUALITY, RELIABILITY, SECURITY, AND AFFORDABILITY OF ELECTRIC POWER SUPPLY IN THE COUNTRY (SEN. GATCHALIAN);

3. **Senate Resolution No. 49** entitled: A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE DEPARTMENT OF ENERGY'S (DOE) NATIONAL STRATEGY TO ENSURE THE COUNTRY'S ENERGY SECURITY AND SELF-SUFFICIENCY (SEN. GATCHALIAN);

4. **Senate Resolution No. 556** entitled: A RESOLUTION URGING THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PROGRAMS, ACTIVITIES, PROJECTS AND OTHER INITIATIVES OF THE DEPARTMENT OF ENERGY AND OTHER GOVERNMENT AGENCIES TO ENSURE CONTINUOUS SUPPLY OF ELECTRICITY THROUGHOUT THE YEAR, ESPECIALLY DURING PEAK SEASONS (SEN. VILLANUEVA);

5. **Senate Resolution No. 576** entitled: A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

OF LEGISLATION, ON THE SHORT, MEDIUM, AND LONG-TERM SOLUTIONS TO END THE POWER SUPPLY CRISIS IN THE PROVINCE OF OCCIDENTAL MINDORO;

6. **Senate Resolution No. 579** entitled: A RESOLUTION URGING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PANAY ISLAND POWER SITUATION WITH THE END IN VIEW OF ENSURING CONTINUOUS SUPPLY OF ELECTRICITY TO CONSUMERS;

7. **Senate Resolution No. 601** entitled: RESOLUTION DIRECTING AN INQUIRY, IN AID OF LEGISLATION, INTO THE PRICING PRACTICES OF ENERGY GENERATION COMPANIES WHICH MAY BE VIOLATIVE OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001, REPUBLIC ACT NO. 10667, OTHERWISE KNOWN AS THE PHILIPPINE COMPETITION ACT, AND OTHER RELEVANT LAWS AND REGULATIONS, WITH THE END IN VIEW OF RECOMMENDING FURTHER MEASURES TO PROMOTE ENFORCEMENT AND COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS (SEN. TULFO); AND

8. **Senate Resolution No. 607** entitled: A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SUCCESSIVE ELECTRIC TRANSMISSION SYSTEM DISTURBANCES WITH THE END IN VIEW OF ENSURING RELIABLE AND CONTINUOUS ELECTRIC POWER SUPPLY IN THE COUNTRY;

9. **Senate Resolution No. 609** entitled: A RESOLUTION DIRECTING AN INQUIRY IN AID OF LEGISLATION, INTO THE RECENT POWER OUTAGES DUE TO THE LAPSES IN THE TRANSMISSION SYSTEM BEING OPERATED BY THE NATIONAL GRID CORPORATION OF THE PHILIPPINES (SEN. TULFO)

10. **Senate Resolution No. 629** entitled: A RESOLUTION REQUESTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE STATE OF CALAMITY STATUS OF SAMAL ISLAND DUE TO POWER CRISIS WITH AN END IN VIEW OF FINDING SHORT AND LONG-TERM SOLUTIONS TO THE DEFICIENCY OF ELECTRICITY SUPPLY IN THE ISLAND.

We are sending herewith our position on the abovementioned Senate Resolution.

Thank you and we look forward to your positive accommodation of these comments.

Respectfully yours,

JANEENE DEPAY-COLINGAN
Executive Director/General Manager

JOSELITO P. YAP
President

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

PHILRECA
PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
The Philippines' Electric Cooperatives

POSITION PAPER

ON SENATE RESOLUTION NO. 46 "A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATIONS OF THE NATIONAL GRID CORPORATION OF THE PHILIPPINES TO DETERMINE ITS COMPLIANCE WITH OBLIGATIONS AND RESPONSIBILITIES UNDER EXISTING LAWS AND REGULATIONS WITH THE END IN VIEW OF SAFEGUARDING THE GRID AND ENSURING CONTINUOUS ELECTRICITY SUPPLY IN THE COUNTRY"

Senate Resolution No. 46 emphasizes the need for an inquiry into the National Grid Corporation of the Philippines (NGCP) operations to evaluate its compliance with existing laws and regulations; this is crucial for any organization entrusted with managing critical infrastructure like the national grid. This position paper strongly supports the resolution's objectives, emphasizing the importance of safeguarding the grid and ensuring uninterrupted electricity supply across the country. By thoroughly assessing NGCP's compliance with its obligations and responsibilities, the Senate can identify potential gaps and propose legislative measures to enhance grid stability and reliability.

May we humbly provide the following suggestions/recommendations to enhance grid stability and reliability:

1. **Enhance Regulatory Framework**
   Review and update the regulatory framework governing NGCP to provide more precise guidelines, enforcement mechanisms, and regulatory powers. This includes provisions for regular monitoring, compliance audits, and enforcement actions.

2. **Promote Grid Modernization**
   Encourage NGCP to invest in advanced grid technologies, such as smart grids, energy storage systems, and digital monitoring tools. These investments enhance grid flexibility, optimize operations, and support the integration of renewable energy sources.

ON SENATE RESOLUTION NO. 47, "A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PLANS OF THE DEPARTMENT OF ENERGY TO PROVIDE LONG TERM SOLUTIONS TO POWER SUPPLY SHORTAGES WITH THE END IN VIEW OF ENSURING THE QUALITY, RELIABILITY, SECURITY, AND AFFORDABILITY OF ELECTRIC POWER SUPPLY IN THE COUNTRY"

&

ON SENATE RESOLUTION NO. 556, "A RESOLUTION URGING THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

PROGRAMS, ACTIVITIES, PROJECTS AND OTHER INITIATIVES OF THE DEPARTMENT OF ENERGY AND OTHER GOVERNMENT AGENCIES TO ENSURE CONTINUOUS SUPPLY OF ELECTRICITY THROUGHOUT THE YEAR, ESPECIALLY DURING PEAK SEASONS"

We strongly support the resolution's objectives, emphasizing the importance of ensuring the quality, reliability, security, and affordability of electric power supply in the country. By conducting an inquiry into DOE's plans, the Senate can identify gaps, propose legislative measures, and contribute to the development of a sustainable and resilient energy sector. A robust and reliable power supply system is essential for driving economic growth, improving livelihoods, and advancing the well-being of the people.

Recommendations:

1. **Diversify Energy Sources**
   - Promote the development and utilization of diverse energy sources, including renewable energy (solar, wind, hydro, geothermal) and clean fossil fuels (natural gas)
2. **Enhance Energy Efficiency**
   - Implement energy efficiency programs and standards across sectors to reduce overall electricity demand.
3. **Strengthen Transmission and Distribution Infrastructure**
   - Invest in upgrading, expanding, and modernizing transmission and distribution networks to minimize transmission losses and improve system efficiency.
   - Expedite approval of CAPEX Applications.
   - Streamline regulatory processes.
4. **Promote Energy Storage**
   - Encourage the deployment of energy storage systems, such as batteries and pumped hydro storage, to mitigate intermittent renewable energy generation and enhance grid flexibility.
   - Support research and development efforts to improve the efficiency and affordability of energy storage technologies.
   - Develop favorable regulatory frameworks and financial incentives to incentivize energy storage investments.
6. **Strengthen Grid Resilience and Security**
7. **Invest in Research and Development**
   - Allocate resources for research and development initiatives focused on improving energy generation, transmission, distribution, and storage technologies.
8. **Promote Energy Market Reforms**
   - Encourage competition in the energy market to drive efficiency, innovation, and cost reduction.
9. **Demand-Side Management**
   - Analyzing strategies employed to manage electricity demand, especially during peak seasons. This includes reviewing consumer education and incentive programs aimed at promoting energy efficiency, demand response mechanisms, and load management practices.

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

ON SENATE RESOLUTION NO. 49, "A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE DEPARTMENT OF ENERGY'S (DOE) NATIONAL STRATEGY TO ENSURE THE COUNTRY'S ENERGY SECURITY AND SELF-SUFFICIENCY"

We support the objective outlined in the resolution, as we firmly recognize the paramount importance of energy security and self-sufficiency in fostering economic stability, national resilience, and sustainable development. Energy security refers to the availability, accessibility, reliability, and affordability of energy resources necessary to meet the country's growing energy demands. Self-sufficiency, on the other hand, entails reducing reliance on external energy sources and harnessing the potential of domestic energy resources. The inquiry will evaluate the DOE's National Strategy which includes assessing the effectiveness of policies, programs, and initiatives aimed at ensuring the country's energy security and self-sufficiency.

ON SENATE RESOLUTION NO. 576, "A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SHORT, MEDIUM, AND LONG-TERM SOLUTIONS TO END THE POWER SUPPLY CRISIS IN THE PROVINCE OF OCCIDENTAL MINDORO"

To hopefully address the recurring challenges in the power supply in the off-grid electric cooperatives and ECs with off-grid areas, may we propose the following recommendations:

1. **Provide funding for off-grid electrification both generation and distribution.**

   e.g. NEA's Strategized Total Electrification Program (STEP) which integrates various electrification strategies, namely:

   - Expanded Sitio Electrification Program (ESEP)
     - Self-contained power systems, confined to small off-grid geographic areas, powering up distant clusters of houses or villages. This is an expansion and an innovation of the Sitio Electrification Program (SEP) which has the intention to use Renewable Energy technologies or Hybrid Systems to energize isolated communities with clustered houses which electric cooperatives deem not feasible for grid connection within the next 5 years or so. The systems are typically designed to be grid connected ready, in anticipation of the coming of the grid. A hybrid energy system, or hybrid power, usually consists of two or more renewable or conventional energy sources used together to provide increased system efficiency as well as greater balance in energy supply.

   - Barangay Line Enhancement Program (BLEP)
     - Enhancement of distribution lines to barangays previously powered by gen-sets, solar home systems and other renewable energy technologies
     - Submarine Cable Systems

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

- Expanded Household Electrification Program (EHEP)

  - Solar Home Systems (SHS) that target dispersed households with no access to the grid. This is an expansion and an innovation of the Household Electrification Program (HEP) which has the intention to use Renewable Energy technologies to energize isolated communities with dispersed households which electric cooperatives deem not feasible for grid connection within the next 5 years or so.

2. **Develop policies to support the ECs in the development of power generation facilities in off-grid, and in the availment of UCME subsidy as provided in Sec.9, RA10531**, amending (Sec. 16 (j-1) (c) of PD269):

   x x x

   Sec. 16(j-1)(c) electric cooperative submits its graduation program from the Universal Charge Missionary Electrification (UC-ME) subsidy.

   x x x

3. **Streamline Power Supply Procurement process. There should be separate process flow for:**
   a. Emergency Power Supply Procurement – 1 Year
   b. Normal Power Supply Procurement – Almost 3 Years

4. **Support the Development of renewable energy (RE) Generation Facilities of the Electric Cooperatives to addressed the issue on the increasing cost of generation charge sourced from diesel gen sets.**

5. **Develop long-term policies for Off-grid ECs to be connected to the main grid. Interconnection of off-grid islands would significantly reduce the UCME subsidy. In 2019 alone, the UC-ME subsidy remitted to Mindoro amounted to PHP 3.257 billion or 39% of the total subsidy, while Palawan received PHP 3.636 billion or 43% of the total subsidy. Together, the two areas utilized a total of PHP 6.893 billion pesos, or 82 percent of the entire UC-ME subsidy collection.**

   We strongly recommend for the <u>prioritization of connection to the main grid</u> of the viable islands of Marinduque, Aurora, Sultan Kudarat, Catanduanes, Palawan, Mindoro, and Masbate, which will reduce the UCME Subsidy.

   For your reference:
   source: NGCP

   Main Grid Development: 2022-2040
   On-going:
   1. Mindanao-Visayas Interconnection (2022)
   2. Cebu-Negros-Panay 230 kV Backbone (2022-2023)
   3. Metro Manila 500kV Backbone Loop (2024-2029)
   4. Western Luzon 500 kV Backbone (2025)
   5. Metro Cebu 230 kV Backbone Loop (2023-2040)
   6. Cebu-Bohol-Leyte 230 kV Backbone (2024-2035)

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

Proposal:
7. Luzon-Visayas HVDC Bipolar Operation (2025)
8. Batangas-Mindoro Interconnection (2026)
9. Northern Luzon 230 kV Backbone Loop (2027)
10. Bolo-Laoag 500 kV Backbone (2028)
11. Palawan-Mindoro Interconnection (2028-2035)
12. Western Mindanao 230 kV Backbone (2030)
13. Eastern Mindanao 230 kV Backbone (2031-2035)
14. Nagsaag to Kabugao 500 kV Backbone (2031-2035)
15. Mindoro-Panay 23 0kV Interconnection project (2036-2040)
16. Luzon-Visayas 23 0kV AC Interconnection Project (2036-2040)

6. On Late Disbursement of the UCME Subsidy to NPPs

To avert the shutting down of the NPPs operation due to the delayed disbursement of the UCME Subsidies to the NPPs, the EC are forced to advance the payments of the required subsidy for the NPPs to continuously provide power supply to its consumers. For several instances this happened to the operation of the ECs particularly in OMECO & ORMECO who have advances to their respective NPPs in the amount of PhP 30.0 million and PhP 90.0 million respectively.

Viewing from this situation, the ECs are the one trying finding ways to better serve their consumers, there is a larger picture in the system that we must fix to further improve the delivery of services in the off-grid areas.

We recommend to promptly release the UCME Subsidy to the NPP so that the operation of the ECs will not be disrupted by shutting down the power plants of the NPPs. This has already happened in OMECO and ORMECO.

x x x

7. Repeal or amend Rule 10 of the DC2019-01-0001

Unlike in the main grid, the recent astronomical increase of electricity can be viewed as a result of the global market forces on the price of fuel, on which we don't have or have less control its impact to the price of electricity. However, in the off-grid areas, the impending increase will be a designed or intentional increase by the government itself through the issuance of its RULE 10 of DOE Circular DC2019-01-0001 and as recommended in the studies commission by the DOE itself.

We understand the purpose of it is to reduce or get rid of the UCME Charge of PhP 0.1544/kWh, that would result to the increase in the generation rates of off-grid consumers specially those consuming 101 kWh and above. This will be a counterproductive policy, as this will discourage entrepreneurs to continue or put-up investment in the island provinces that would create jobs and provide livelihoods to these disadvantage Filipinos in these areas.

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

Further, in the main grid, we allow big companies to directly access power to power generation companies to source cheaper cost of power to help them reduced their cost for their products compete in the local and global market.

Finally, the policy of the DOE should be consistent. The intention to reduce the electricity rates should cover all sectors and areas of the country, not only in the main grid but likewise the island provinces and off-grid areas where in fact these are the less develop and have less opportunities in so many ways in terms of economic development.

May we appeal for the intervention of this committee for the immediate resolution of the concerns and proposed recommendations as discussed herein.

ON SENATE RESOLUTION NO. 579, "A RESOLUTION URGING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PANAY ISLAND POWER SITUATION WITH THE END IN VIEW OF ENSURING CONTINUOUS SUPPLY OF ELECTRICITY TO CONSUMERS"

We fully support the objective outlined in the resolution, especially considering the recent vilification and unjust criticism directed towards the Electric Cooperatives in Panay Island regarding the blackout experienced since April 27, 2023. We firmly stand with the Electric Cooperatives and strongly urge the National Grid Corporation of the Philippines (NGCP) to acknowledge that a problem within its transmission system was the root cause of the massive unscheduled power interruption on the island.

NGCP needs to substantiate its allegation that the tripping of the transmission system was a result of the distribution utilities (DUs). We request NGCP to provide transparent and verifiable data, as well as the basis upon which they concluded that the DUs were responsible. We are genuinely interested in understanding how a distribution utility can cause a shutdown of the entire grid. In reality, if a fault occurs in the DU line, it is isolated by a breaker or other protective devices to safeguard the rest of the system. Therefore, if NGCP can substantiate this allegation, we strongly recommend that the distribution utilities conduct a comprehensive audit of their facilities to prevent such occurrences.

It is crucial to have a fair and unbiased investigation into the Panay Island power situation, where all stakeholders can present their evidence and perspectives. This will enable us to identify the actual causes of the massive unscheduled power interruption and take appropriate measures to prevent its recurrence. It is in the best interest of the consumers, electric cooperatives, distribution utilities, and NGCP to work collaboratively towards a reliable and uninterrupted power supply for Panay Island.
We emphasize the importance of holding NGCP accountable for maintaining a robust and resilient transmission system. Their responsibility is to ensure the uninterrupted delivery of electricity to consumers, and any deficiencies or failures in their system must be promptly addressed. It is equally important to foster cooperation and understanding

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

among all parties involved, encouraging open dialogue and facilitating a constructive resolution to the power situation on Panay Island.

Recommendations:

- Implement advanced monitoring and diagnostic technologies to detect and prevent transmission system failures before they occur.
- Implement robust contingency plans and protocols to ensure effective response and quick restoration of power in the event of transmission system failures.
- Build redundancy into the transmission system by creating alternative transmission routes and loops to minimize the impact of failures in one section of the grid.
- Invest in backup and redundant equipment, such as transformers and switchgear, to ensure that failures in critical components do not result in widespread power interruptions.

By implementing these recommendations, stakeholders can mitigate the risks of massive unscheduled power interruptions caused by transmission system issues. A robust and reliable transmission infrastructure is crucial for ensuring a stable and continuous supply of electricity to consumers, supporting economic growth, and enhancing the overall resilience of the power system.

ON SENATE RESOLUTION NO. 601, "A RESOLUTION DIRECTING AN INQUIRY, IN AID OF LEGISLATION, INTO THE PRICING PRACTICES OF ENERGY GENERATION COMPANIES WHICH MAY BE VIOLATIVE OF REPUBLIC ACT NO. 9136, OTHERWISE KNOWN AS THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001, REPUBLIC ACT NO. 10667, OTHERWISE KNOWN AS THE PHILIPPINE COMPETITION ACT, AND OTHER RELEVANT LAWS AND REGULATIONS, WITH THE END IN VIEW OF RECOMMENDING FURTHER MEASURES TO PROMOTE ENFORCEMENT AND COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

This position paper aims to thoroughly analyze the resolution, emphasizing the importance of fair pricing and outlining critical considerations for promoting compliance with relevant laws and regulations.

Importance of Fair Pricing in the Energy Sector

Fair pricing in the energy sector is crucial to ensure transparency, competition, and consumer protection. It fosters a competitive market environment, prevents anti-competitive behavior, and allows consumers to benefit from reasonable energy prices. Fair pricing practices contribute to economic stability, attract investment, and promote the sustainable development of the energy sector. Therefore, the government needs to scrutinize pricing practices and take measures to enforce compliance with relevant laws and regulations.

Recommendations:

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

The following recommendations can be made to promote fair pricing and enhance compliance with relevant laws and regulations:

1. **Strengthen Regulatory Oversight**
   Enhance the capacity and resources of regulatory bodies, such as the ERC, to monitor and enforce compliance with pricing regulations effectively. This includes conducting regular audits, ensuring prompt resolution of pricing-related complaints, and imposing appropriate penalties for non-compliance.

2. **Promote Transparency and Information Disclosure**
   Mandate energy generation companies to provide transparent and comprehensive information on pricing methodologies, cost components, and billing practices. Implement measures to enhance consumer understanding of energy pricing, including providing user-friendly billing statements and awareness campaigns.

3. **Competition Promotion**
   Encourage competition in the energy generation sector by implementing measures to prevent market dominance and anti-competitive behavior. This includes promoting the entry of new players, facilitating market-based pricing mechanisms, and ensuring a level playing field for all market participants.

ON SENATE RESOLUTION NO. 607, "A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SUCCESSIVE ELECTRIC TRANSMISSION SYSTEM DISTURBANCES WITH THE END IN VIEW OF ENSURING RELIABLE AND CONTINUOUS ELECTRIC POWER SUPPLY IN THE COUNTRY"

&

ON SENATE RESOLUTION NO. 609, "A RESOLUTION DIRECTING AN INQUIRY IN AID OF LEGISLATION, INTO THE RECENT POWER OUTAGES DUE TO THE LAPSES IN THE TRANSMISSION SYSTEM BEING OPERATED BY THE NATIONAL GRID CORPORATION OF THE PHILIPPINES"

We strongly support the resolution's objectives, emphasizing the importance of investigating these power outages, identifying lapses, and proposing measures to enhance the reliability and performance of the transmission system. As Electric cooperatives are being blamed for the power interruptions recently experienced by its member-consumer-owners, specifically in during the Luzon Red Alert and Line Fault or Tripping in the transmission line of NGCP in Panay and Negros.

Affected ECs who experienced power interruptions due to Luzon Grid Red Alert:
Region I
1. LUELCO (La Union Electric Cooperative, Inc.)

Region II
2. ISELCO I (Isabela I Electric Cooperative, Inc.)

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

Region III
3. NEECO II – Area 2 (Nueva Ecija II Area 2 Electric Cooperative, Inc.)
4. PELCO III (Pampanga III Electric Cooperative, Inc)

Region IV-A
5. FLECO (First Laguna Electric Cooperative, Inc.)
6. QUEZELCO II (Quezon II Electric Cooperative, Inc.)

Region V
7. CASURECO II (Camarines Sur II Electric Cooperative, Inc.)
8. CASURECO IV (Camarines Sur IV Electric Cooperative, Inc.)

Affected ECs who experienced prolonged interruption in Panay and Negros due to line fault or tripping in the transmission line of NGCP:

Panay
1. AKELCO (Aklan Electric Cooperative, Inc.)
2. ANTECO (Antique Electric Cooperative, Inc)
3. CAPELCO (Capiz Electric Cooperative, Inc.)
4. GUIMELCO (Guimaras Electric Cooperative, Inc.)
5. ILECO I (Iloilo I Electric Cooperative, Inc.)
6. ILECO II (Iloilo II Electric Cooperative, Inc.)
7. ILECO III (Iloilo III Electric Cooperative, Inc.)

Negros
8. CENECO (Central Negros Electric Cooperative, Inc)

Recommendations:

1. **Conduct a Comprehensive Investigation**
   Initiate a thorough investigation into the recent power outages, explicitly focusing on the lapses in the NGCP's transmission system. This investigation should include a detailed analysis of the causes, contributing factors, and areas where lapses occurred.

2. **Review Maintenance and Inspection Practices**
   Evaluate the maintenance and inspection procedures of the NGCP to identify any deficiencies or gaps that may have contributed to the power outages. Assess the frequency, effectiveness, and adherence to maintenance schedules and the allocation of resources and personnel for system upkeep.

3. **Improve System Resilience and Redundancy**
   Identify vulnerabilities in the transmission system and implement measures to enhance its resilience and redundancy. This may include upgrades to critical infrastructure, diversifying transmission routes (looping), and ensuring spare equipment available to minimize the impact of failures or disruptions.

4. **Strengthen Regulatory Oversight**
   Review the role of regulatory bodies, such as the Energy Regulatory Commission (ERC), in monitoring and enforcing compliance with transmission system standards and regulations. Ensure that regulatory frameworks are robust, effective, and responsive to evolving industry needs.

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

5. **Regular Evaluation and Reporting**
   Establish a mechanism for regularly evaluating the transmission system's performance, including periodic reporting on key performance indicators, system upgrades, and maintenance activities. This will ensure continuous improvement and transparency in the operation of the transmission system.

ON SENATE RESOLUTION NO. 629, "A RESOLUTION REQUESTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE STATE OF CALAMITY STATUS OF SAMAL ISLAND DUE TO POWER CRISIS WITH AN END IN VIEW OF FINDING SHORT AND LONG-TERM SOLUTIONS TO THE DEFICIENCY OF ELECTRICITY SUPPLY IN THE ISLAND"

We wholeheartedly support this resolution and firmly believe that conducting an inquiry is of utmost importance in addressing the deficiency of electricity supply on Samal Island and finding viable short and long-term solutions.

The resolution rightly acknowledges that the power deficiency on Samal Island has posed significant challenges for its residents and businesses. By initiating an inquiry, we can delve deeper into the underlying causes of the power crisis and explore potential solutions. It is essential to consider short-term measures that can alleviate the immediate situation and long-term strategies that ensure a stable and reliable electricity supply for the island.

While it is true that there have been a series of power interruptions on Samal Island, it is essential to acknowledge that the issue is not solely attributed to the negligence of NORDECO. The shutdown of three units of Mindoro Grid Corporation has also played a significant role in contributing to the power crisis. Therefore, a comprehensive investigation is required to identify all the factors that have led to the deficiency of electricity supply.

Recommendations:

1. **Immediate Measures**
   - Emergency Power Supply - Provide temporary emergency power supply to alleviate the immediate shortage. This can be achieved through the deployment of mobile power generators or utilizing power barges.

2. **Long-term Measures**
   - **Grid Expansion and Upgrades** - Invest in expanding and upgrading the existing power grid infrastructure to accommodate the increasing demand for electricity in Samal Island. This can involve constructing additional transmission lines and substations.
   - **Distributed Generation** - Promote the adoption of distributed generation systems, such as solar panels and wind turbines, to decentralize power generation and reduce dependence on the main grid.

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org

- **Renewable Energy Development** - Facilitate the development of renewable energy projects in Samal Island, such as solar, wind, and hydroelectric power.
- **Long-term Energy Planning** - Develop a comprehensive and long-term energy plan for Samal Island that takes into account population growth, industrial development, and projected energy demand. This plan should prioritize sustainable and reliable energy sources.

2nd Floor, PNB Building, No. 92 West Avenue, Quezon City, Philippines
Telephone Nos.: 8967-1580/0917-850-6830/0939-905-2206
Website: www.philreca.org; e-mail address: core@philreca.org