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SENATE

P. S. Res. No. 37

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

A RESOLUTION

URGING THE SENATE COMMITTEE ON ENERGY TO CONDUCT A COMPREHENSIVE REVIEW AND ASSESSMENT, IN AID OF LEGISLATION, OF REPUBLIC ACT NO. 9136 OR THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001, WITH THE END IN VIEW OF AMENDING THE LAW IN ORDER TO MAKE IT MORE EFFECTIVE IN LOWERING ELECTRICITY RATES

WHEREAS, Electric Power Industry Reform Act (EPIRA) of 2001 was enacted to dispose the generation and transmission assets of the National Power Corporation (NAPOCOR) and promote competition in the electric industry;

WHEREAS, the EPIRA aims to provide a reliable and competitively priced electricity;

WHEREAS, the privatization of the NAPOCOR allowed the government to shift the burden of ensuring continuous financing for the construction, operation and maintenance of power generating plants to the private sector;

WHEREAS, after more than a decade of implementing the EPIRA, the Philippines still has inadequate power supply and the most expensive electricity rates in Asia;

WHEREAS, of the 14 major cities in North and Southeast Asia plus Australia and New Zealand, Manila remains to have among the most expensive electricity prices - 3rd in overall residential tariff, 3rd in generation cost, 3rd in grid charges, and 3rd in tax rates;¹

WHEREAS, despite the EPIRA, the Power Sector Assets and Liabilities Management Corporation (PSALM) remains trapped in deep debt wherein PSALM's debt level in the 1st Quarter of 2015 was decreased to PhP574.9 billion (or USD12.83 billion) which is only 22% or PhP665.68 billion lower than the \$16.387 billion recorded in 2001 or the period prior to the privatization of the National Power Corporation's (NPC) assets;²

WHEREAS, different stakeholders have been clamoring for the review of the

¹ *Bienvenido S. Oplas, Jr.* Supplementary blog for South East Asia Network for Development (SEANET). Comparative electricity prices in Asia. <https://seanet2.files.wordpress.com/2015/08/bw2.jpg> (accessed on 20 June 2016).

² PSALM's Financial Obligations. <https://www.psalm.gov.ph/liability.asp> (accessed 20 June 2016).

EPIRA due to the various problems that continue to arise since the said law was passed;

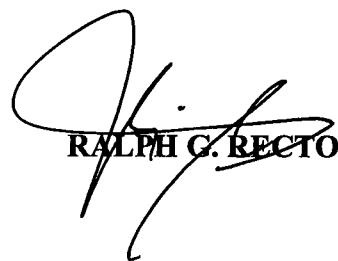
WHEREAS, the restructuring of the power industry under the EPIRA appears to have facilitated the creation of new private monopolies in the generation and transmission of electricity, hence, the continuous increase in power rates in the country;

WHEREAS, the monopolies created by the generation and distribution utilities are an obstacle in providing and maintaining a fair and level playing field for suppliers and buyers of electricity;

WHEREAS, there seems to be a need for the government to intervene and trigger competitive power rates in the country;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct the Senate Committee on Energy to conduct a comprehensive review and assessment, in aid of legislation, of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 with the end in view of amending the law in order to make it more effective in lowering electricity rates.

Adopted,


RALPH G. RECTO

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