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SENATE

P. S. Res. No. 74

RECORDED BY: 

Introduced by Senator Ralph G. Recto

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POWER SITUATION STATUS OF THE LUZON GRID AND ESTABLISH THE CAUSE OF THE SIMULTANEOUS SHUTDOWN OF SIX POWER PLANTS WHICH LED TO ROLLING BLACKOUTS IN LUZON, WITH THE END IN VIEW OF DETERMINING MEASURES THAT WOULD FURTHER ENSURE A RELIABLE AND SECURE SUPPLY OF ELECTRIC POWER

WHEREAS, On the week of July 25 to 31, 2016 a red alert was raised twice and the yellow alert raised every day from July 26 to 31 on the Luzon Grid, which led to power interruptions in areas throughout Luzon;

WHEREAS, On July 30, 2016, the National Grid Corporation of the Philippines (NGCP) raised a second red alert for the week for the Luzon Grid and advised that blackouts will be experienced in Luzon until 3:00 in the afternoon of that day;

WHEREAS, The biggest power plants in the country, which include the 1,218 MW Sual and 630MW Masinloc, are located in the Luzon Grid;

WHEREAS, "Red alert" refers to the system condition when the contingency reserve is zero or a generation deficiency exists;

WHEREAS, "Yellow alert" refers to the system condition where power reserves are below the minimum level set by the regulator, which is equivalent to the capacity of the largest running power plant in the grid;

WHEREAS, The Luzon Grid was on red alert due to zero operating reserves brought about by insufficient power supply;

WHEREAS, The red alert came after six power plants in Luzon were shut down, namely:

- Sual 2 (647 MW Capacity)
- Calaca 2 (300 MW Capacity)
- Sta Rita mod. 20 (262 MW Capacity)
- SLTEC (270 MW Capacity)
- Limay 2 (60 MW Capacity)
- Angat Main 2 (50 MW Capacity);

WHEREAS, Apart from the shutdown of the six power plants, three more power plants were on limited capacity:

- Malaya 1: derated from 300MW to 170MW
- Malaya 2: derated from 350MW to 280MW

- Calaca 1: derated from 200MW to 180MW;

WHEREAS, On July 28, 2016, NGCP had issued an advisory that Luzon Grid will be on red alert from 2PM to 4PM on July 29; citing the zero operating reserves brought about by insufficient power supply;

WHEREAS, The Luzon Grid was on yellow alert several times the past week: From 12NN to 3PM on 26 July, 10AM to 4PM on 27 July 2016, 10AM to 4PM on 28 July, 10AM to 1PM and 5PM to 6PM on 29 July, 4PM to 11PM on 30 July, and 7PM to 9PM on 31 July;

WHEREAS, On August 1, 2016 the yellow alert was once again raised for the Luzon Grid from 11AM to 4PM following the shutdown of the following power plants:

- Pagbilao 2 (353MW Capacity)
- Malaya 2 (350MW Capacity)
- GNPower 1 (302 MW Capacity)
- Calaca 2 (300 MW Capacity)
- Sta. Rita mod. 20 (262 MW Capacity)
- SLTEC 1 & 2 (270 MW Capacity)
- Limay 2 (60 MW Capacity)
- Angat 2 (50 MW Capacity);

WHEREAS, There was also limited capacity from the following power plants:

- Limay: derated from 540MW to 300MW
- Malaya 1: derated from 300MW to 130MW
- Calaca 1: derated from 200MW to 150MW;

WHEREAS, Power interruptions in Luzon could disrupt the economic growth momentum of the Philippines and could discourage potential foreign investors;

WHEREAS, As of December 2014 the total installed capacity in the country totaled 17,944 MW—wherein installed capacity in Luzon totaled 13,213 MW (73.6%), Visayas at 2,520 MW (14%), and Mindanao at 2,211 MW (12.4%)¹;

WHEREAS, The electricity sales and consumption of the entire country in 2014 was at 77,261 GWh, wherein total for Luzon Grid was at 57,489 GWh or 74.4% of the total generation, 10,292 GWh or 13.3% for Visayas, and 9,481 GWh or 12.3% for Mindanao;

WHEREAS, For the Luzon Grid, the total consumption of the commercial sector had the lion's share at 28.01% followed by residential at 26.62%, industrial at 25.99%, and others² at 1.56%. The remaining percentage share to consumption went to Own-Use and System Loss³;

WHEREAS, In 2014 government estimates put the economic cost of power outages in the country at a minimum of P9.3 billion and could possibly reach P23.3 billion, excluding foregone revenues in sectors that will be affected by power interruptions;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct the Senate Committee on Energy to conduct an inquiry, in aid of legislation, on the power situation status of

¹ Department of Energy (DoE) Power Situationer 2014

² DoE defines 'Others' as public buildings, street lights, irrigation, agriculture, and others not elsewhere classified.

³ According to DoE, Own Use includes Distribution Utilities (DUs) company used and power plant station used; while system losses include DUs' losses and transmission losses

the Luzon Grid and establish the cause of the simultaneous shutdown of six power plants which led to rolling blackouts in Luzon, with the end in view of determining measures that would further ensure a reliable and secure supply of electric power.

Adopted,



RALPH G. RECTO

/s/ map