



**NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session

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SENATE
P.S. RES. No. 254

RECEIVED BY:

Introduced by Senator WIN GATCHALIAN

**A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO
CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE POWER
SITUATION IN THE PROVINCE OF ALBAY TO ENSURE THE CONTINUOUS
SUPPLY OF ELECTRICITY TO CONSUMERS**

1 WHEREAS, consistent power interruptions have plagued residential,
2 commercial, and industrial consumers across the province of Albay since the beginning
3 of the year severely disrupting economic activity in the province which serves as home
4 to the regional center for the Bicol region;¹

5 WHEREAS, while the power distribution service in the province has been under
6 a twenty-five (25) year Private Sector Participation (PSP) scheme between Albay
7 Electric Cooperative (ALECO) and Albay Power and Energy Corporation (APEC) since
8 2013, the consumers in the province have experienced no significant improvement in
9 the reliability and affordability of electricity;²

10 WHEREAS, data from the National Electrification Administration (NEA) shows
11 that over a five-month period or from January 2022 to May 2022, consumers suffered
12 a total of 851 power interruptions across the province of Albay, with NEA noting that
13 the causes of the interruptions are mostly unknown and cannot be attributed to either
14 power supplier, vegetation, or equipment defects;³

¹ Months of darkness in Albay: Power outages, rising rates. Inquirer.net. 7 July 2022. Available at: <https://newsinfo.inquirer.net/1623938/months-of-darkness-in-albay-power-outages-rising-rates>. Accessed on 12 August 2022.

² Albay power woes: Takeover seen as solution. Inquirer.net. 18 July 2022. Available at: <https://newsinfo.inquirer.net/1629735/albay-power-woes-takeover-seen-as-solution>. Accessed on 12 August 2022.

³ Data submitted by the Technical Services of NEA on 11 August 2022.

15 WHEREAS, based on the 1st Quarter 2022 Compliance Report of NEA, ALECO/
16 APEC's System Average Interruption Frequency Index (SAIFI) is 9.32 interruptions per
17 consumer which is non-compliant with the quarterly standard of 6.25;⁴

18 WHEREAS, data from NEA likewise shows that out of the 83.07 megawatts
19 (MW) total power demand of the province, only 40.797 MW or 49.11% has been
20 contracted by APEC, leaving the rest of the demand without contracted supply;⁵

21 WHEREAS, while reliability in electric supply has severely gone down, power
22 costs have significantly increased for residential customers with rates rising from Php
23 13.2996 per kilowatt hour (kWh) in January 2022 to Php 15.7233 in June 2022 or by
24 as much as 18% over a period of six (6) months;⁶

25 WHEREAS, the 1st Quarter 2022 Compliance Report of NEA classifies ALECO as
26 a "red" electric cooperative (EC) or an EC which has been declared as "ailing" after
27 observance of due process. This means, that ALECO falls under the following six
28 circumstances – (1) has negative net worth for the last three years, (2) has
29 accumulated ninety days arrearages in power supply purchases from generating
30 companies and power suppliers and the transmission charges, (3) unable to provide
31 electric service due to technical and/or financial inefficiencies, and/or institutional
32 problems, (4) unable to efficiently perform its electric distribution utility obligations or
33 continue in business due to organizational, external, and internal factors, (5) when an
34 EC has failed to meet other operation standards established by the NEA, and (6)
35 unable to set up or continuously support its Wholesale Electricity Spot Market
36 prudential requirements;⁷

37 WHEREAS, a 9 September 2022 news article stated that APEC "would no longer
38 provide credit guarantee for the purchase of electricity at the Wholesale Electricity
39 Spot Market (WESM) under the account of Albay Electric Cooperative (Aleco)"
40 following the vote of ALECO member-consumers to terminate the 25-year concession
41 agreement with APEC last 3 September 2022. As such, this will fully expose ALECO

⁴ Data submitted by the Technical Services of NEA on 11 August 2022.

⁵ See Note 4.

⁶ Months of darkness in Albay: Power outages, rising rates. Inquirer.net. 7 July 2022. Available at: <https://newsinfo.inquirer.net/1623938/months-of-darkness-in-albay-power-outages-rising-rates>. Accessed on 12 August 2022.

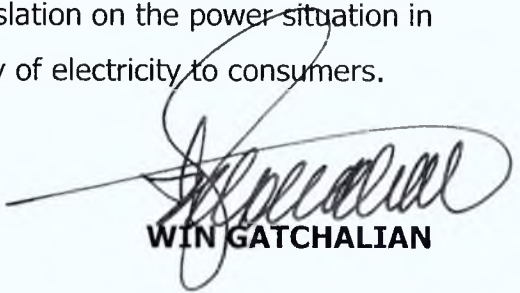
⁷ National Electrification Administration 1st Quarter Compliance Report 2022, p.5.

42 to the spot market, and may result to outages in the franchise area, should ALECO be
43 unable to pay its spot market purchases;⁸

44 WHEREAS, an open, comprehensive, and solutions-oriented discussion must be
45 made on the dire electric power situation that has interrupted economic progress in
46 the highest-ranked province in the region by the 2021 Department of Trade and
47 Industry's Cities and Municipalities Competitive Index;⁹

48 RESOLVED BY THE SENATE, as it is hereby resolved, to direct the appropriate
49 Senate Committee to conduct an inquiry in aid of legislation on the power situation in
50 the Province of Albay to ensure the continuous supply of electricity to consumers.

Adopted,



WIN GATCHALIAN

⁸ <https://newsinfo.inquirer.net/1660983/in-albay-power-cut-looms-as-co-op-distributor-fight>

⁹ Based from 2021 data from the Department of Trade and Industry's Cities and Municipalities Competitive Index, in terms of in terms of economic dynamism, government efficiency, infrastructure, and resiliency Albay is ranked 22nd, followed by Camarines Sur at 42nd, Camarines Norte at 65th, Catanduanes at 73rd, Masbate at 74th, and Sorsogon at 75th.