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**REPUBLIC OF THE PHILIPPINES** )  
*First Regular Session* )

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**SENATE**  
**P.S. RES. No. 616**

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**Introduced by Senator WIN GATCHALIAN**

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**A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE DELAYED DEVELOPMENT OF ELECTRIC TRANSMISSION FACILITIES AND PROVISION OF ELECTRIC TRANSMISSION SERVICES WITH THE END IN VIEW OF INCREASING AND ENSURING RELIABLE AND CONTINUOUS ELECTRIC POWER SUPPLY IN THE COUNTRY**

1           WHEREAS, pursuant Section 21 of Republic Act No. 9136, otherwise known as  
2 the Electric Power Industry Reform Act of 2001 (EPIRA) which mandates that the  
3 transmission facilities, including grid interconnections and ancillary services shall be  
4 awarded in open competitive bidding either through an outright sale or a concession  
5 contract, Republic Act No. 9511, otherwise known as the National Grid Corporation of  
6 the Philippines (NGCP) franchise, grants to NGCP the privilege to serve as the national  
7 transmission concessionaire over the national grid of the electric power industry;

8           WHEREAS, the national grid of the electric power industry is the sole backbone  
9 for the transmission of electricity throughout the country;

10           WHEREAS, by virtue of its franchise, NGPC is bound to comply with the  
11 obligations of the transmission concessionaire under Republic Act No. 9136, otherwise  
12 known as the Electric Power Industry Reform Act of 2001 (EPIRA), and its  
13 implementing rules and regulations (EPIRA IRR);

14           WHEREAS, under Section 7(d), Rule 6 of the EPIRA IRR, NGCP shall improve  
15 and expand its transmission facilities consistent with the Transmission Development  
16 Plan (TDP) and the Philippine Grid Code, to adequately serve generation companies,

1 distribution utilities and suppliers requiring transmission service and/or ancillary  
2 services through the transmission system;

3 WHEREAS, the EPIRA IRR further requires NGCP to certify that dedicated point-  
4 to-point limited transmission facilities proposed by generation companies are included  
5 and consistent with the TDP;<sup>1</sup>

6 WHEREAS, the Philippine Grid Code sets out the requirements for grid  
7 connection, which includes, among others, a set of required technical planning studies  
8 for evaluating the impact on the grid of any proposed connection<sup>2</sup> (i.e., system impact  
9 studies (SIS)), and testing and commissioning of equipment and physical connection  
10 to the grid<sup>3</sup>;

11 WHEREAS, the delays in the (1) construction of transmission lines and facilities  
12 under the TDP, (2) certification that dedicated point-to-point limited transmission  
13 facilities proposed by generation companies are included and consistent with the TDP,  
14 (3) provision of system impact studies, and (4) conduct of testing and commissioning  
15 are causing significant delays in the development and operation of power generation  
16 facilities which in turn affect the total electric power supply in the country;

17 WHEREAS, as of 31 January 2023, out of 168 TDP projects excluding the 56  
18 projects which are in the pre-construction stage, only 30 projects have been  
19 completed or are on-going within schedule, while 138 projects are delayed;<sup>4</sup>

20 WHEREAS, some of the delayed transmission projects include: the Hermosa-  
21 San Jose 500 kV Transmission Line Project which was supposed to be completed in  
22 2019 but is now expected to be completed by July 2023, the Cebu-Negros-Panay 230  
23 kV Backbone Stage 3 Project which was supposed to be completed in December 2020  
24 but is now expected to be completed by August 2023, and the Visayas-Mindanao  
25 Interconnection Project which was supposed to be completed in December 2020 but  
26 is now expected to be completed by August 2023. Although these projects are  
27 delayed, they are already part of the transmission charge being collected by the NGCP  
28 pursuant to its 2020 approved interim maximum annual revenue<sup>5</sup>;

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<sup>1</sup> Rule 5, Section 5(a)(ii) of the EPIRA IRR.

<sup>2</sup> GCR 4.3.3.1 of the Philippine Grid Code (2016 edition)

<sup>3</sup> GCR 4.3.7 of the Philippine Grid Code (2016 Edition)

<sup>4</sup> *Summary of Transmission Development Plan Projects (TDP) Projects from CY2009 to CY2022*, Transco (2023).

<sup>5</sup> Order on ERC Case No. 2019-086 RC. In the Matter of the Application for the Approval of the Interim Maximum Annual Revenue for Calendar Year 2020, with Prayer for the Urgent Issuance of Provisional Authority. Promulgated 2 April 2020.

1 WHEREAS, as of March 2023, only 6 out of 16 transmission projects which are  
2 considered to be Energy Projects of National Significance (EPNS) have been completed  
3 with an average period of delay of about 3 years. The 10 ENPS transmission projects  
4 which are currently under construction have an average period of delay of almost 5  
5 years;<sup>6</sup>

6 WHEREAS, out of 55 transmission projects under construction as of March  
7 2023, (1) 12 projects or about 22% have reached 90% completion rate, with an  
8 average period of delay of almost 4.8 years, (2) 13 projects or about 24% have  
9 reached more than 50% but less than 90% completion rate, with an average period  
10 of delay of 1.4 years, (3) 26 projects of about 47% have less than 50% completion  
11 rate, with an average delay of 0.8 years, and (4) 4 projects have no available data;<sup>7</sup>

12 WHEREAS, as of 12 May 2023, despite there being over 60 active applicants for  
13 the SIS, there are only 19 available slots for NGCP SIS with the earliest starting only  
14 on 13 May 2024, while there are only 35 available slots for third-party SIS review with  
15 the earliest starting only on 4 March 2024;<sup>8</sup>

16 WHEREAS, the delay in implementing transmission projects has led to  
17 congestion<sup>9</sup> of the grid, to the ultimate damage to consumers;

18 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the  
19 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the  
20 delayed development of electric transmission facilities and provision of electric  
21 transmission services with the end in view of increasing and ensuring reliable and  
22 continuous electric power supply in the country.

Adopted,



**WIN GATCHALIAN**

<sup>6</sup> Energy Regulatory Commission (2023).

<sup>7</sup> *Id.*

<sup>8</sup> System Impact Studies (SIS) Queuing Information. NGCP. <https://ngcp.ph/customers#sis>

<sup>9</sup> 'Congestion' is defined under the Philippine Grid Code as 'a situation where cheaper power from a Generating Unit cannot be Dispatched and is replaced by more expensive power to supply the Demand because (i) the transmission limit of a transmission line or the capacity of a Transformer is reached and no more additional power may be transmitted through this line or Transformer; and/or (ii) the Grid Operating Criteria, as it is defined in GO 6.2.3, limits the transmission capabilities in some portions of the network'.