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S E N A T E

P.S. RES. No. 1018

Introduced by Senator WIN GATCHALIAN

A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PREVAILING RED AND YELLOW ALERT WARNINGS CAUSING POWER INTERRUPTIONS NATIONWIDE WITH THE END IN VIEW OF ENSURING RELIABLE AND CONTINUOUS ELECTRIC POWER SUPPLY IN THE COUNTRY

WHEREAS, Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) declares it policy of the State to ensure the quality, reliability, security, and affordability of electric power;[1]

WHEREAS, since April 16, 2024, yellow alert[2] warnings for at least 48 interval hours and red alert[3] warnings for at least 34 interval hours have been issued by the National Grid Corporation of the Philippines as the System Operator on the Luzon, Visayas, and Mindanao Grids

WHEREAS, issuance of these alert warnings[4] signal alarming states of thinning reserves or worse, insufficiency of power supply on the nationwide Grid unable to meet the electricity demand of consumers;

[1] Section 2(b) of the EPIRA.
[2] Yellow Alert refers to an alert notice issued by the System Operator when the Primary Reserve is less than the capacity of the largest Synchronized Generating Unit or power import from a single interconnection, whichever is higher (2016 Philippine Grid Code).
[3] Red Alert refers to an alert notice issued by the System Operator when the Primary Reserve is zero, a generation deficiency exists, or there is Critical Loading or Imminent Overloading of transmission lines or Equipment (2016 Philippine Grid Code).
[4] Alert Warnings refer to notices issued by the System Operator, including Yellow Alert, Blue Alert, and Red Alert, to notify the Users of the Grid that an alert state exists (2016 Philippine Grid Code).

WHEREAS, the issuance of these alert warnings[5] have been caused by forced outages[6] of at least 44 generation units, 21 of which are hydro power plants that have been out of operation due to low water levels caused by the current El Niño phenomenon;

WHEREAS, other generation units reported outages due to operational issues such as equipment failure, and lack of and/or interruption to gas supply;

WHEREAS, at least 14 generation units nationwide were operating at derated capacities or decrease in available generation capacity due to low water supply, poor coal quality affecting the unit's allowed carbon emissions, and lack of and/or interruption to gas supply;

WHEREAS, these conditions have led to a loss of more than 2,000 megawatts (MW) of power causing power interruptions in at least 12 franchise areas[7];

WHEREAS, the average of price of electricity in the Wholesale Electricity Spot Market between April 16 to 22, 2024 in the Luzon Grid increased by 35.0%, representing an increase to Php 8.51 per kilowatt hour (kWh) from the previous week's average of only Php 6.30 per kWh. Meanwhile, the average price of electricity in the WESM for the same period in the Visayas Grid increased by 13.0% representing an increase to Php 9.02 per kWh compared to the previous week's average of Php 7.98 per kWh;

WHEREAS, the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) has warned that while the El Niño phenomenon is weakening, hotter and drier conditions may still persist until the end of May,[8] which means that the prevailing climactic conditions are likely to continue affecting water

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[5] Alert Warnings refer to notices issued by the System Operator, including Yellow Alert, Blue Alert, and Red Alert, to notify the Users of the Grid that an alert state exists (2016 Philippine Grid Code).

[6] Forced Outage refers to an Outage that results from (a) emergency conditions directly associated with a Component, (b) human error, or (c) the improper operation of Equipment, requiring that it be taken out of service immediately, either automatically or as soon as switching operations can be performed (2016 Philippine Grid Code).

[7] Distribution Utilities may be required to implement Manual Load Dropping (MLD) refers to the process of manually and deliberately removing pre-selected Loads from a Power System, in response to an abnormal condition, and in order to maintain the integrity of the Power System (2016 Philippine Grid Code).

[8] Available at https://mb.com.ph/2024/4/24/pagasa-el-nino-continues-to-weaken-but-hotter-drier-conditions-may-persist-1. Accessed 26 April 2024.

supply to the hydro power plants, and increasing consumers' electricity demand due to record-breaking heat indices observed in the past weeks;

WHEREAS, the prevailing problem of insufficient electricity supply suffered by Filipinos require a comprehensive solution from all electric power industry participants;

WHEREAS, concrete actions by all electric power industry participants, including the Department of Energy and the Energy Regulatory Commission, are urgently needed in order to address the prevailing power supply issues which ultimately affect not only the economic activities, but the health and welfare, of each Filipino;

NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the issuance of alert warnings by the National Grid Corporation of the Philippines causing power interruptions nationwide, and the current status of and power supply outlook of the country with the end in view of ensuring (a) reliable and continuous electric power supply in the Philippines, (b) electric power industry participants who are remiss in their duties and obligations are held accountable, (c) that generation companies comply with the highest standards, practices, methods and procedures generally followed or approved in the electric power industries around the world including ERC's reliability index; (d) that policies and plans affecting the country's power supply, including the Philippine Energy Plan and Power Development Program are crafted with accurate data and input from all relevant persons and agencies, and timely issued; (e) that Republic Act No. 11258 or the Energy Efficiency and Conservation Act which include demand side management is effectively implemented; and (f) that all existing rules and regulations aimed at ensuring quality, reliability, security, and affordability of electric power are strictly enforced.

Adopted,

WIN GATCHALIAN