

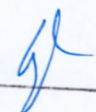
TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



Senate
Office of the Secretary

26 JUL 30 P2:07

SENATE
P.S. RES. No. 543

RECEIVED BY: 

Introduced by Senator WIN GATCHALIAN

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO RECURRING POWER PLANT OUTAGES, RISING GENERATION CHARGES, AND THE LACK OF REGULAR FUEL COST AUDITS, WITH THE AIM OF STRENGTHENING ACCOUNTABILITY IN THE POWER GENERATION SECTOR AND MAKING ELECTRICITY MORE RELIABLE AND AFFORDABLE FOR FILIPINO CONSUMERS

1 **WHEREAS**, Republic Act No. 9136, otherwise known as the "Electric Power
2 Industry Reform Act of 2001" (EPIRA), declares it a policy of the State to ensure the
3 quality, reliability, security, and affordability of the supply of electric power; ensure
4 transparent and reasonable electricity prices in a regime of free and fair competition
5 and full public accountability; and protect the public interest as affected by the rates
6 and services of electric utilities and other electric power providers;¹

7 **WHEREAS**, various parts of the country continue to experience widespread
8 and recurring power interruptions, with the National Grid Corporation of the Philippines
9 (NGCP) frequently issuing red and yellow alerts due to insufficient supply, thinning
10 reserves, and the forced outage or derated operation of multiple generating units;

11 **WHEREAS**, between May 12 and June 1, 2026, the Visayas grid experienced
12 repeated supply deficiencies, with the NGCP issuing yellow alerts 17 times and red

¹ Republic Act No. 9136, Section 2.

1 alerts four times due to the unplanned outages of several major generating facilities,
2 including units of Therma Visayas, Inc. and Palm Concepcion Power Corporation;²

3 **WHEREAS**, as of July 10, 2026, the NGCP reported that 15 power plants in
4 the Visayas had gone on forced outage during the month, in addition to 21 other
5 power plants that had remained unavailable since 2021 and 11 power plants that were
6 operating at derated capacities;³

7 **WHEREAS**, Luzon likewise experienced red and yellow alerts and rotating
8 power interruptions in May 2026, as 17 power plants had gone on forced outage since
9 March and 14 other power plants were operating at derated capacities;⁴

10 **WHEREAS**, these repeated outages and derated operations show a continuing
11 reliability problem that disrupts households, public services, and business operations
12 and places upward pressure on generation charges passed on to consumers;

13 **WHEREAS**, MERALCO residential customers consuming 200 kilowatt-hours
14 (kWh) per month experienced electricity rate increase from Php 11.74 per kWh in
15 January 2025 to Php 14.83 per kWh in July 2026, while generation charges increased
16 from Php 6.84 per kWh to Php 9.25 per kWh over the same period and accounted for
17 62% of the July 2026 residential electricity bill;⁵

18 **WHEREAS**, a comparison of the winning bid prices under MERALCO's Power
19 Supply Agreements (PSAs) and the actual generation charges shows that, in the case
20 of South Premiere Power Corporation (SPPC), consumers were charged Php 13.0886
21 per kWh in July 2026, nearly double SPPC's winning bid rate of Php 7.0718 per kWh;⁶

22 **WHEREAS**, consumers ultimately bear these generation charges, including the
23 fuel costs passed through under PSAs;

² Kurt dela Peña, Power supply troubles affect Visayas islands, Inquirer, July 13, 2026 at <https://newsinfo.inquirer.net/2262441/power-supply-troubles-affect-visayas-islands> (last accessed 28 July 2026)

³ Joann Villanueva, Yellow alert in Visayas grid extended till 9 p.m., Philippine News Agency, July 10, 2026 at <https://www.pna.gov.ph/articles/1279187> (last accessed 28 July 2026)

⁴ Joann Villanueva, Red, yellow alerts still up for Luzon, Visayas grids, PNA, May 14, 2026, at <https://www.pna.gov.ph/articles/1275003> (last accessed 28 July 2026)

⁵ Manila Electric Company (MERALCO), Rates Archives, at <https://company.meralco.com.ph/news-and-advisories/rates-archives> (last accessed 15 July 2026); OSSTG estimates

⁶ Based on select publicly available information on MERALCO's Generation Bids

1 **WHEREAS**, the Energy Regulatory Commission (ERC) last conducted a fuel
2 cost audit in 2023 during the height of the Russia-Ukraine conflict and has not
3 conducted another fuel cost audit since then;⁷

4 **WHEREAS**, without regular, timely, independent, and transparent fuel cost
5 audits, the ERC cannot fully determine whether the fuel costs passed on to consumers
6 are supported and justified;

7 **WHEREAS**, during his State of the Nation Address on July 27, 2026, President
8 Ferdinand "Bongbong" Marcos Jr. called for the immediate amendment of EPIRA to
9 prohibit the passing on of system loss charges and the corresponding value-added tax
10 to electricity consumers, underscoring the government's commitment to reducing
11 unnecessary costs and promoting more affordable electricity for Filipino households;

12 **WHEREAS**, in this context, recurring power plant outages, rising generation
13 charges, and the absence of regular fuel cost audits reveal the urgent need for
14 stronger accountability in the power generation sector and more effective protection
15 for electricity consumers;

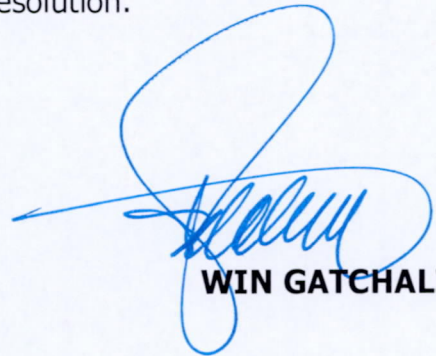
16 **NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved, to direct the
17 appropriate Senate committee to conduct an inquiry, in aid of legislation, into recurring
18 power plant outages, rising generation charges, and the absence of regular fuel cost
19 audits, with the aim of strengthening accountability in the power generation sector
20 and making electricity more reliable and affordable for Filipino consumers;

21 **RESOLVED FURTHER**, that the inquiry shall seek to: (a) identify the causes
22 of recurring unplanned or forced outages of power plants; (b) determine the
23 accountability of generation companies for acts or omissions in violation of existing
24 laws, rules, or regulations, particularly those that result in or contribute to exceeding
25 the equivalent unplanned outage days per year, as determined by the ERC; (c)
26 propose legislation in furtherance of pro-consumer reforms in the power industry,
27 including measures to reduce generation charges passed on to consumers; and (d)

⁷ Gatchalian to ERC: Audit fuel pass-through charges amid sustained spike in electricity rates, Manila Times, July 26, 2026 at <https://www.manilatimes.net/2026/07/26/tmt-newswire/gatchalian-to-erc-audit-fuel-pass-through-charges-amid-sustained-spike-in-electricity-rates/2391623> (last accessed 28 July 2026)

- 1 undertake such other actions within the Committee's jurisdiction as may be necessary
- 2 or desirable to accomplish the objectives of this Resolution.

Adopted,



WIN GATCHALIAN