

MVP's pledge to bring cost of power down

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The National Association of Electricity Consumers for Reforms (Nasecore) welcomes Manuel V. Pangilinan's statement that Meralco can bring down the cost of power if only it can generate its own electricity. ("Electricity rates beyond Meralco's control"), Inquirer, 6/9/10)

We find the statement very bold in light of the contracts (power purchase agreements) that Meralco entered into with three independent power producers (IPPs), as approved by the Energy Regulatory Board, now the Energy Regulatory Commission (ERC). Two of these IPPs, (Sta. Rita and San Lorenzo) have a combined capacity of 1,500 megawatts and controlled by First Philippine Holdings Corp. (FPHC) which used to control Meralco prior to the entry of MVP. We also find such statement timely in light of the growing demand for electricity which, unfortunately, the Department of Energy has miserably failed to address.

Immediately, there are three things that cross our minds: First, that MVP, like any other consumer, finds the current Meralco generation charge excessively high and, given the chance to own generation plants, Meralco in his hands can lower the cost of electricity. Second, he is ready to challenge the long-time dominance of the Lopezes in the power industry. And thirdly, it is a clever way of calling attention to the excessive distribution rates of Meralco.

Perhaps, this is a propitious time to remind MVP that the Lopezes have no desire to give up their dominance in the power industry even with the surrender of their leadership in Meralco, and thus the aggressiveness of FPHC as manifested in its recent announcement of its P6-billion buyback plan of Meralco shares.

Perhaps, MVP, in his good intentions, should be reminded that Meralco is a franchised distribution utility and not a generation company and that as Meralco president, his primordial concern should be to arrest the deteriorating services of Meralco and start introducing the needed professional management for which he is widely known.

MVP also has to reckon with the 30-percent cross-ownership limitation under the law between distribution and generation utilities per grid in light of Meralco's current PPAs with IPPs and of the Napocor plants that FPHC has acquired. The balance in this 30 percent limitation may be so small as to influence the high IPP rates currently tied up with Meralco.

We can only wish for MVP the same wish we have for our new president, Benigno Aquino III. May he be brave and strong in protecting the Filipino people from greedy businessmen and government officials!

As for Nasecore, we maintain that through consumer-initiated and government-supported power cooperatives, the cost of constructing new generation plants should not be a problem because the combined resources of consumers cannot be matched even by the combined resources of the country's oligarchs.

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