

## **Group slams DOE, utilities for crisis**

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THE National Association of Electricity Consumers for Reforms Inc. has sought a stricter implementation of the Electric Power Industry Reform Act (Epira) as it blamed the noncompliance of distribution utilities for the current power crisis in Mindanao.

In a letter to President Gloria Macapagal Arroyo, Nasecore president Pete Ilagan pointed out that the plight of Mindanao electricity consumers were due to the “patent and combined negligence of the government, specifically the Department of Energy, in enforcing its powers under Section 37 of the Epira, and of the distribution utilities for their noncompliance with DOE Circular No. 2001-12-011.”

The DOE circular mandated distribution utilities to “assume full responsibility to forecast, assure and contract for the supply of electric power in their respective [franchise](#) areas to meet their obligations as a distribution utility.”

Ilagan claimed that based on the list provided to Nasecore by the DOE, “none of the 140 distribution utilities [had] contracted for sufficient supply of electricity to meet the demand of their respective captive markets in compliance with the DOE circular.”

“We believe that had the law been enforced, the distribution utilities would have responded by contracting power supply agreements with investors in the generation sector. There would have been no power outages, which only confirm DOE’s failure to ensure compliance from distribution utilities,” Ilagan explained.

He noted that the DOE had offered nothing but a theory on the cause of the power outages that continue to plague the different regions of the country, especially Mindanao.

“In this regard, may we respectfully request Her Excellency to compel the Secretary of Energy to exercise and enforce its powers to ensure the reliability, quality and security of supply of electric power,” Ilagan said in the letter.

Nasecore has also urged Malacañang to formulate and implement programs, including a system of providing incentives and penalties, as well as establish new rules and regulations and exercise such other powers that are necessary to implement the objectives of the Epira.

In a separate letter, Nasecore pressed for the investigation of the “highly offensive prices” at the Wholesale Electricity Spot Market (WESM) last month.

In his letter to the Energy Regulatory Commission, Ilagan said WESM prices during Feb. 1, 12

and 13 had skyrocketed to “an abusive P68 per kilowatt-hour.”

According to him, the ERC did not conduct an investigation that would rule out price manipulation as a cause of the price spike.

Ilagan claimed that ERC’s apparent lack of interest in determining the cause of the spike may even be concluded from its failure to make any statement to the media regarding its plan to address the issue.

“We would like to remind the ERC to bear in mind its mandate of ensuring the adequate promotion of consumer interests in line with the dictates of the Epira Law, which under Section 43(1) explicitly provides for ERC to monitor and take measures ... to penalize abuse of market power, cartelization and anti-competitive or discriminatory behavior by any electric power industry participant,” Ilagan said.