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SENATE
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SENATE

SENATE RESOLUTION NO. 1242

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Introduced by **SENATOR AQUILINO Q. PIMENTEL, JR.**

RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE DISBURSEMENT OF PUBLIC FUNDS FOR PRIVATE PURPOSES TO THE NATIONAL ASSOCIATION OF ELECTRICITY CONSUMERS FOR REFORM (NASECORE), THE PROCUREMENT PRACTICES OF GOVERNMENT AGENCIES, AND THE ACCOUNTABILITY OF NASECORE IN THE USE OF THESE FUNDS

Whereas, the Constitution provides that public funds cannot be used for private purposes;

Whereas, R.A. 9184 or the Government Procurement Reform Act provides that all procurement of the national government, its departments, bureaus, offices and agencies, including state universities and colleges, government-owned and/or controlled corporations, government financial institutions and local government units, shall, in all cases, be governed by the principles of (a) transparency in the procurement process and in the implementation of procurement contracts; and (b) competitiveness by extending equal opportunity to enable private contracting parties who are eligible and qualified to participate in public bidding.

Whereas, the Philippine Electric Market Corporation (PEMC) is an entity under the Department of Energy created to govern the Wholesale Electricity Spot Market (WESM);

Whereas, the PEMC provided public funding, through the Consumer Education Fund (CEF), for the various fora organized by non-government organizations and private companies in line with its consumer information and education campaign;

Whereas, the National Association of Electricity Consumers for Reforms, Inc. (NASECORE) is a private organization that was given public funds by the PEMC for its consumer information and education campaign;

Whereas, the Energy Regulatory Commission admitted in a news report published in *Abante* on July 1, 2009 that various amounts totaling Php 5.8 million was granted to NASECORE through the PEMC;

Whereas, the NASECORE was able to capture the bulk of the consumer education program and collected a total of nearly P6 million out of the P11 million allocated by the state-run Wholesale Electricity Spot Market through the PEMC for consumer education fund from October 2004 to July 2007.

Whereas, the PEMC Board passed Resolution No. 2007-26 dated June 20, 2007 creating a Consumer Education Fund Committee to put a stop to the preferential treatment given to NASECORE as the sole organization given access to the Fund; and such Board Resolution was questioned by NASECORE President Pete Ilagan in a letter dated September 19, 2007;

Whereas, NASECORE President Pete Ilagan in a press statement dated July 4, 2009 in the *People's Journal* declared that the Philippine Senate has no jurisdiction or authority to investigate NASECORE's affairs and stated that "If the Senate does this, (conduct an investigation) ERC *ang kalaban nila*";

Whereas, it seems ironic that NASECORE, a self-proclaimed electricity consumer advocate and protector, through its public statements has manifested obvious bias in favour of the National Power Corporation, and vigorously opposed all moves by the independent power producers (IPPs), the Department of Energy, and the Energy Regulatory Commission, as well as the Congress to institute reforms in the power industry;

Whereas, transparency and accountability in disbursement of public funds to private entities must be further strengthened to ensure proper use of public funds by private entities;

Now therefore, be it resolved, as it is hereby resolved to direct the proper Senate Committee to conduct an investigation, in aid of legislation, into the disbursement of public funds for private purposes to the National Association of Electricity Consumers for Reform, the procurement practices of government agencies, and the accountability of NASECORE in the use of these funds.

Adopted,


AQUILINO Q. PIMENTEL, JR.