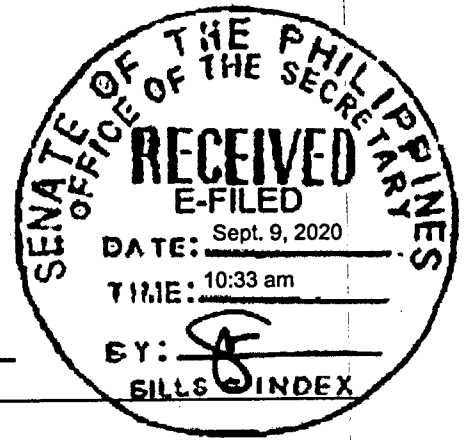


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

SENATE  
P. S. Res No. 566



Introduced by Senator Maria Lourdes Nancy S. Binay

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO REVISIT THE MANDATE, POWERS AND FUNCTIONS OF THE NATIONAL POWER CORPORATION WITH RESPECT TO THE MANAGEMENT AND REHABILITATION OF WATERSHED AREAS IN THE COUNTRY**

1 WHEREAS, the National Power Corporation (NPC) is a government-owned-and-  
2 controlled corporation and is an attached agency of the Department of Energy (DOE).  
3 It is mandated to: (1) perform missionary electrification function through its Small  
4 Power Utilities Group; (2) manage watershed and dams in support of power  
5 generation; and (3) operate and maintain the Agus and Pulangi Hydropower  
6 Complexes in Mindanao;

7  
8 WHEREAS, according to the NPC's official website, it manages eleven  
9 watershed areas with a total land area of 485,199 hectares through its Watershed  
10 Management Department. These watersheds, which support power generation,  
11 domestic water supply and irrigation, are managed through rehabilitation, protection  
12 and resources development. These programs are funded through the Universal  
13 Charge-Environmental Charge as approved by the Energy Regulatory Commission;

14  
15 WHEREAS, on October 20, 2020, the Senate Subcommittee on Finance  
16 (Subcommittee), conducted a hearing on FY 2021 budget of the DOE and its attached  
17 agencies. During the said hearing, there was a discussion on overlapping of functions  
18 between the watershed management function of the NPC and the National Greening  
19 Program (NGP) of the Department of Environment and Natural Resources (DENR). It  
20 was also mentioned that watersheds are being maintained and managed by private  
21 companies that have contracts with the government;

22  
23 WHEREAS, in the same budget hearing, the NPC said that it is also a part of  
24 the NGP, a program led by the DENR in collaboration with various government  
25 agencies. The NGP aims to rehabilitate 1.2 million hectares of denuded forest lands  
26 by 2022 and the maintenance and protection of existing forests;

1 WHEREAS, the DOE and the NPC likewise informed the Subcommittee that  
2 concerns have been raised regarding the outdated watershed management function  
3 of the NPC considering that privatization has led to the transfer of maintenance and  
4 management of the watersheds to private companies;

5  
6 WHEREAS, under Section 3(n) of Republic Act No. 6395 or An Act Revising the  
7 Charter of the National Power Corporation, one of the powers, functions, rights and  
8 activities of the NPC is to exercise complete jurisdiction and control over watersheds  
9 surrounding the reservoirs of plants and/or projects constructed or proposed to be  
10 constructed by the NPC;

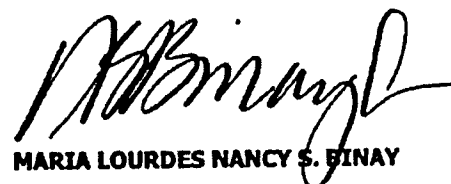
11  
12 WHEREAS, under Section 34(d) of Republic Act No. 9136 or the Electric Power  
13 Industry Reform Act of 2001 (EPIRA) and its Implementing Rules and Regulations  
14 (IRR), the NPC shall manage under existing arrangements, an environmental charge  
15 equivalent to P0.0025 per kilowatt-hour (kWh) sales, intended solely for the  
16 rehabilitation and management of watersheds nationwide;

17  
18 WHEREAS, under Section 6(c), Rule 23 of the IRR, consistent with Section 34(d)  
19 of the EPIRA, the NPC shall continue to be responsible for watershed rehabilitation  
20 and management and shall be entitled to the environmental charge equivalent to one-  
21 fourth of one centavo per kilowatt-hour sales (P0.0025/kWh), which shall form part of  
22 the Universal Charge. This environmental fund shall be used solely for watershed  
23 rehabilitation and management and shall be managed by NPC under existing  
24 arrangements. NPC shall submit an annual report to the DOE detailing the progress of  
25 the watershed rehabilitation program;

26  
27 WHEREAS, considering the concerns raised relating to the implementation of  
28 watershed management by the NPC, it is necessary for the Senate to revisit the  
29 mandate, powers and functions of the NPC for the purpose of addressing overlapping  
30 functions among various government agencies implementing watershed management  
31 projects, programs and activities, as well as to introduce reforms which will enable  
32 NPC to set its priorities and optimize the use of its resources consistent with present  
33 circumstances;

34  
35 BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate to direct the  
36 Senate Committee on Energy to conduct an inquiry, in aid of legislation, to revisit the  
37 mandate, powers and functions of the National Power Corporation with respect to the  
38 management and rehabilitation of watershed areas in the country.

Adopted,

  
MARIA LOURDES NANCY S. BINAY