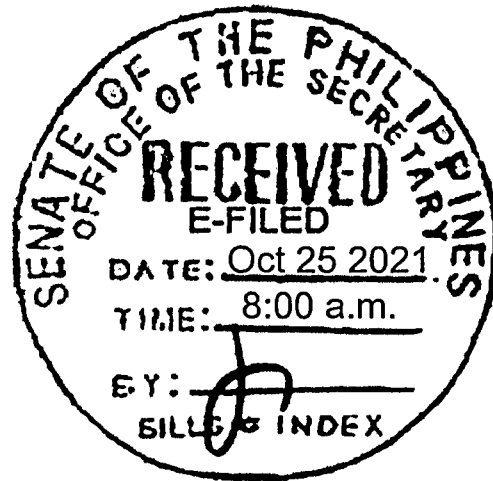


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



SENATE

P.S. Res. No. 935

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INTRODUCED BY: SENATOR EMMANUEL D. PACQUIAO

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**RESOLUTION DIRECTING THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED VIOLATIONS OF THE ELECTRIC POWER INDUSTRY REFORM ACT OF 2001 (R.A. NO. 9136), AND RAMPANT CORRUPTION, IN THE TRANSFER AND AWARD, WITHOUT PUBLIC BIDDING, OF THE CONTRACT TO THE INDEPENDENT ELECTRIC MARKET OPERATOR OF THE PHILIPPINES (IEMOP) AS THE OPERATOR OF THE PHILIPPINE WHOLESALE ELECTRICITY SPOT MARKET (WESM)**

**WHEREAS**, the State recognizes the Filipino family as the fundamental institution of nation-building, yet as a result of the Covid-19 pandemic that is continuing up to the present, the government imposed stringent measures of hard lockdowns, which constrained families, including its bread-winners, to “stay at home” and unpreparedly cope with sudden health, social, and economic adversities;

**WHEREAS**, further due to the “*stay at home*” mandate of the government, there was a recognized significant shift of the use of electricity from commercial to residential buyers, and the increased consumption of electric power by families consequently ballooned the electricity bills of many of them who remain to be challenged in the payment of the inflated charges without even considering the lack of consistent financial assistance from the government;

**WHEREAS**, the Electric Power Industry Reform Act or R. A. No. 9136 (commonly known as the EPIRA Law) was enacted as early as 2001 in order to promote competition, encourage market development, ensure consumer choice, and penalize abuse of market power in the restructured electricity industry, thereby securing lower charges for electricity buyers, and especially the Filipino families;

**WHEREAS**, under the EPIRA Law, the Energy Regulatory Commission (ERC) was mandated to promote competition by creating a level playing field, among others, in the competitive retail electricity market;

**WHEREAS**, there are reported serious violations of the provisions of the EPIRA Law in view of the Department of Energy (DOE) and Philippine Electricity Market Corporation’s (PEMC) “*transfer*” and “*award*” on 26 September 2018 of the operations of the power bourse

to a then newly formed, non-stock, non-profit corporation known as the Independent Electricity Market Operator of the Philippines (IEMOP), without any public bidding and in violation of the Implementing Rules and Regulations of the EPIRA Law;

**WHEREAS**, verification from the records of the Securities and Exchange Commission (SEC) disclosed that IEMOP was incorporated only on 15 May 2018 with initial contributions of only Seven Thousand Pesos (Php7,000.00), paid by its seven incorporators, contrary to the mandate of the EPIRA Law that the independent market operator must be *“financially and technically capable, with proven experience and expertise of not less than two (2) years as a leading independent market operator of similar or larger size electricity market”*;

**WHEREAS**, the foregoing actions of the DOE and PEMC contradict the Philippine Constitution’s principle and stated policy that: *“The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption (Article II, Section 27, 1987 Philippine Constitution).”*

**WHEREAS**, to make matters worse, the IEMOP incorporators included a certain Ma. Rene Ann Lourdes Garcia-Matibag, who is reported to be the wife of National Transmission Corporation (TRANSCO) President Atty. Melvin Matibag whose agency is directly connected with the operations of the Department of Energy, PEMC and IEMOP;

**WHEREAS**, there is a further need to investigate the reported illegal collections of market transaction fees (MTF) by PEMC and IEMOP in violation of the EPIRA Law, as well as possible overlaps in the functions of the two entities that can only increase the costs that are charged to consumers;

**WHEREAS**, the entailed deeper investigation into the foregoing matters will give meaning to the EPIRA Law’s declared policies: *“To protect the public interest as it is affected by the rates and services of electric utilities and other providers of electric power,”* and *“To ensure transparent and reasonable prices of electricity in a regime of free and fair competition and full public accountability xxx” (Sections 2 (c) and (f), R. A. No. 9136);*

**NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to direct the Committee on Energy to conduct an inquiry, in aid of legislation, on the reported violations of the provisions of the EPIRA Law and the irregularities that attended the award, without public bidding, of the contract/project to IEMOP as operator of the Wholesale Electricity Spot Market (WESM), and further, to investigate the alleged graft and corrupt practices in the collection of the market transaction fees.

*Adopted,*

  
EMMANUEL D. PACQUIAO