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Senate  
Office of the Secretary

**NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )**

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**SENATE  
P.S. RES. No. 46**

RECEIVED BY: 

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**Introduced by Senator WIN GATCHALIAN**

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**A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATIONS OF THE NATIONAL GRID CORPORATION OF THE PHILIPPINES TO DETERMINE ITS COMPLIANCE WITH OBLIGATIONS AND RESPONSIBILITIES UNDER EXISTING LAWS AND REGULATIONS WITH THE END IN VIEW OF SAFEGUARDING THE GRID AND ENSURING CONTINUOUS ELECTRICITY SUPPLY IN THE COUNTRY**

1 WHEREAS, the Constitution mandates that no franchise, certificate, or any  
2 other form of authorization for the operation of a public utility shall be granted except  
3 to citizens of the Philippines or to corporations or associations organized under the  
4 laws of the Philippines with at least sixty percent of capital owned by Filipinos, and  
5 that all the executive and managing officers of such corporations must be citizens of  
6 the Philippines;<sup>1</sup>

7 WHEREAS, Republic Act No. 9136, or the Electric Power Industry Reform Act,  
8 provides that the operation of the transmission grid shall be a regulated common  
9 electricity carrier business subject to the ratemaking powers of the Energy Regulatory  
10 Commission (ERC)<sup>2</sup>;

11 WHEREAS, Congress enacted Republic Act No. 9511, otherwise known as the  
12 National Grid Corporation of the Philippines (NGCP) franchise, which grants to NGCP  
13 the right to act as the national transmission concessionaire over the national grid of

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<sup>1</sup> Article XII, Sec. 11 of the Constitution.

<sup>2</sup> Sec. 43(v) of Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 (EPIRA) (Approved 8 June 2001).

1 the electric power industry, and mandates it to comply with the Constitution, which  
2 includes restrictions on foreign ownership and management;

3 WHEREAS, the obligations of transmission concessionaire as provided for in  
4 Republic Act No. 9136 are further laid down in the concession agreement entered  
5 into by the national government represented by the Power Sector Assets and Liabilities  
6 Management Corporation (PSALM) and by the National Transmission Company  
7 (TransCo) with the NGCP. In the concession, NGCP, in consultation with TransCo, is  
8 mandated to undertake the preparation of the Transmission Development Plan (TDP)  
9 which contains the program for the expansion, upgrading, rehabilitation, repair, and  
10 maintenance of the transmission system for approval by the Department of Energy  
11 (DOE).<sup>3</sup> The TDP is intended to be updated annually to be integrated with the  
12 Philippine Energy Plan;<sup>4</sup>

13 WHEREAS, as of 31 January 2022, out of 229 TDP projects implemented by  
14 NGCP, 52.84% or 121 projects are delayed;<sup>5</sup>

15 WHEREAS, there is a need to verify whether Filipinos are actually in charge of  
16 the day-to-day management of the grid as mandated by the Constitution despite the  
17 TransCo and the DOE's manifestations during the 2020 budget deliberations last 19  
18 November 2019 that all executive and management officials of NGCP are not Filipinos;

19 WHEREAS, the same budget deliberation highlighted the need for a more active  
20 government supervision over the national grid through regular audit and inspection,  
21 and the absence of a national grid security and resiliency strategy especially in the  
22 event of a nationwide black out from physical damage or a virtual attack;

23 WHEREAS, the national grid is the sole backbone for the transmission of  
24 electricity throughout the entire country, and any event leading to its failure to operate  
25 will have wide-ranging effects on the economy, public safety, and national security.

26 WHEREAS, Congress has the right and duty to examine the operations of NGCP  
27 specifically: First, to determine how faithful is NGCP implementating the TDP; Second,  
28 to determine if the Constitutional mandate for an all Filipino management is complied  
29 with; Third, to ascertain a plan of action for the regular audit and inspection of its

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<sup>3</sup> Sec. 7.01 of the NGCP-PSALM Concession Agreement. (28 February 2008)

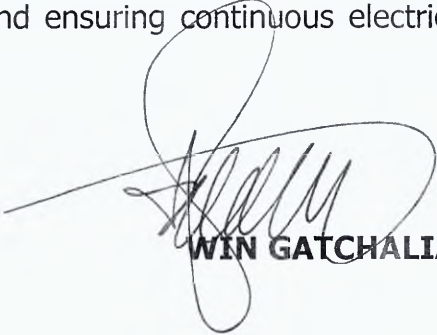
<sup>4</sup> Rule 6, Sec.8(b) of the EPIRA Implementing Rules and Regulations (IRR) (27 February 2002).

<sup>5</sup> TransCo (2022)

1 operations; and Fourth, to formulate a national strategy to ensure security and  
2 resiliency of the national grid amidst physical and virtual threats and vulnerabilities;

3 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the  
4 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the  
5 operations of the National Grid Corporation of the Philippines to determine its  
6 compliance with obligations and responsibilities under existing laws and regulations  
7 with the end in view of safeguarding the grid and ensuring continuous electricity  
8 supply in the country.

Adopted,



**WIN GATCHALIAN**