


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

23 APR 25 P 3 :05

**SENATE  
P.S. RES. No. 576**

APPROVED 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 SHORT, MEDIUM,  
AND LONG-TERM SOLUTIONS TO END THE POWER SUPPLY CRISIS IN THE  
PROVINCE OF OCCIDENTAL MINDORO**

1 WHEREAS, Occidental Mindoro Electric Cooperative Inc. (OMEKO) is the electric  
2 power distribution utility in the Municipalities of Abra de Ilog, Mamburao, Sta. Cruz,  
3 Sablayan, Calintaan, Rizal, San Jose, and Magsayay in the Province of Occidental  
4 Mindoro;<sup>1</sup>

5 WHEREAS, in 2014, the Energy Regulatory Commission (ERC) approved with  
6 modification the joint application filed by OMEKO and Emerging Power, Inc. (EPI) for  
7 the approval of their Power Supply Agreement (PSA) for a contracted capacity of 20  
8 megawatts (MW) to be supplied by the 40 MW geothermal power station (the  
9 Geothermal Plant) and back-up/standby capacity to be sourced from a 20 MW diesel-  
10 fired bunker power plant (the Bunker-Diesel Plant);<sup>2</sup>

11 WHEREAS, EPI assigned its rights, interests, and obligations under the PSA to  
12 Mindoro Geothermal Power Corporation (MGPC) for the Geothermal Plant and to  
13 Occidental Mindoro Consolidated Power Corporation (OMCPC) for the Bunker-Diesel  
14 Plant;<sup>3</sup>

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<sup>1</sup> Available at <https://www.omeco.com.ph/Home/AboutOmeco> Accessed 24 April 2023

<sup>2</sup> ERC Order dated 25 January 2019, *In the Matter of the Application for Approval of the Power Supply Agreement Between Occidental Mindoro Electric Cooperative, Inc. (OMEKO) and Emerging Power, Inc. (EPI), With Prayer for Provisional Authority* (ERC Case No. 2014-102 RC).

<sup>3</sup> *Id.*

1 WHEREAS, the construction and operation of the Geothermal Plant has been  
2 indefinitely delayed, leaving the Bunker-Diesel Plant as the main plant under the terms  
3 of the PSA;<sup>4</sup>

4 WHEREAS, on 31 January 2019, OMCPD submitted a letter to the ERC,  
5 informing the latter that the former is constrained to cease operations of its Bunker-  
6 Diesel Plant as early as 1 February 2018 as it expects to lose up to Php 400 million a  
7 year at the rate approved by the ERC;<sup>5</sup>

8 WHEREAS, to ensure unhampered and continuous supply of power in areas  
9 covered by OMECO's franchise, the ERC directed a Transition Period to be observed  
10 by OMCPD, OMECO, and the National Power Corporation (NPC), within which the  
11 Bunker-Diesel Plant is authorized to operate and to collect the Universal Charge for  
12 Missionary Electrification (UC-ME) from the NPC<sup>6</sup> from 1 January 2019 to 30 June  
13 2019, or until such time as OMECO is able to secure sufficient supply to address its  
14 total load requirement, whichever comes earlier, in the amount corresponding to the  
15 plant in actual operation, but not exceeding the amounts computed from the approved  
16 PSA;<sup>7</sup>

17 WHEREAS, in 2019, the ERC further directed OMECO to, among others,  
18 undertake a competitive selection process (CSP), taking into consideration the  
19 requirements which its existing supplier/s are not able to provide;<sup>8</sup>

20 WHEREAS, while it has a 20 MW capacity, OMCPD says that it has been  
21 constrained to deliver only 12 MW of power supply as allowed by the ERC<sup>9</sup> and further  
22 reduced the power supply to 7 MW due to delay in receiving its UC-ME from the NPC;

23 WHEREAS, based on the latest Supply and Demand Outlook of OMECO, the  
24 Province of Occidental Mindoro has a power supply deficit of approximately 15 MW  
25 throughout the day;<sup>10</sup>

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Pursuant to Section 70 of the Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), the National Power Corporation (NPC) is mandated to perform missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system.

<sup>7</sup> *Id.*

<sup>8</sup> ERC Order dated February 2019.

<sup>9</sup> *Marcos' campaign promise to fix Occidental Mindoro brownouts now haunts him.* (21 April 2023). Dwight De Leon. Rappler. <https://www.rappler.com/newsbreak/in-depth/marcos-campaign-promise-fix-occidental-mindoro-power-supply-woes-haunts-him/>

<sup>10</sup> Available at <https://www.omeco.com.ph> Accessed 24 April 2023

1 WHEREAS, due to the power supply deficit, OMECO has been announcing a  
2 daily rotational power schedule in the province, with a cluster of towns only getting  
3 electricity for three and a half hours in a day;<sup>11</sup>

4 WHEREAS, on 18 April 2023, the Sangguniang Panlalawigan of Occidental  
5 Mindoro declared a state of calamity due to the “damaging effects of prolonged power  
6 interruption” in the Province of Occidental Mindoro except for the Municipalities of  
7 Looc and Lubang upon the recommendation of the Provincial Disaster Risk Reduction  
8 & Management Council;<sup>12</sup>

9 WHEREAS, the declaration of a state of calamity allows the Province of  
10 Occidental Mindoro to tap into special funds that would ensure continuous operations  
11 of essential public services such as hospitals;

12 WHEREAS, the ERC clarified that out of the three (3) PSAs signed by OMECO  
13 and OMCPD on 12 January 2022, only two (2) PSAs were actually filed with the ERC.  
14 According to the ERC, these PSAs were already granted provisional authorities on 26  
15 March 2022 and 10 June 2022 respectively, and will allow the supply of around 12  
16 MW from OMCPD to OMECO and permit the flow of subsidies from NPC to MCPC.  
17 These PSAs were provisionally resolved by the ERC within seventy-five (75) days from  
18 filing. Moreover, the third PSA with capacity of around 18 to 24 MW has not yet been  
19 filed with the ERC after more than a year since it was signed due to lack of permits.<sup>13</sup>  
20 In addition, the ERC has clarified that it has been closely coordinating with all  
21 concerned stakeholders, particularly with OMCPD, on the status of its generating  
22 facilities supplying or will supply to OMECO;<sup>14</sup>

23 WHEREAS, the NPC has stated that it has released Php 100 million in UC-ME  
24 payment to OMCPD on 12 April 2023, Php 102 million on 24 April 2023, and is  
25 scheduled to release another Php 52 million on 22 May 2023;<sup>15</sup>

26 WHEREAS, the National Electrification Administration (NEA), on its part, stated  
27 that it has *first*, requested for a Certificate of Exemption (COE) from the Department  
28 of Energy (DOE) to allow OMECO to enter into an emergency power supply agreement

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<sup>11</sup> NEA vows to solve in 3 weeks Occidental Mindoro power crisis. (24 April 2023). Marlon Ramos. Inquirer.net  
<https://newsinfo.inquirer.net/1760126/nea-vows-to-solve-in-3-wks-occ-mindoro-power-crisis>

<sup>12</sup> Office of the Sangguniang Panlalawigan of the Province of Occidental Mindoro Resolution No. 136, Series of 2023.

<sup>13</sup> ERC Press Release 24 April 2023.

<sup>14</sup> ERC Statement on Accusation of Red Tape Concerning Generation Facilities in Occidental Mindoro. (1 March 2023). ERC.

<sup>15</sup> NPC Letter to Sen. Sherwin T. Gatchalian (24 April 2023)

1 to secure modular generation sets that can generate up to 17 MW; *second*, asked for  
2 the transfer of four (4) modular generation sets with 2 MW each from Mindanao used  
3 in the 2013 to 2014 emergency power crisis; *third*, along with the DOE, requested the  
4 Department of Finance (DOF) to remove the restriction on the next loan secured by  
5 the NPC that would be used for the entire missionary electrification area; and *fourth*,  
6 asked the NPC to operate its old and unused plants which will be renovated to  
7 generate up to 10 MW of electricity;<sup>16</sup>

8 WHEREAS, despite all the announced efforts of various government agencies,  
9 the power crisis in Occidental Mindoro has been ongoing for years with no end in  
10 sight;

11 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the  
12 appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the short,  
13 medium, and long-term solutions to end the power supply crisis in the Province of  
14 Occidental Mindoro

Adopted,



**WIN GATCHALIAN**

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<sup>16</sup> *NEA asked for three weeks to 'solve' Occidental Mindoro power crisis – senator.* (23 April 2023). CNN.  
<https://www.cnnphilippines.com/news/2023/4/23/raffy-tulfo-nea-occidental-mindoro-power-crisis.html>