

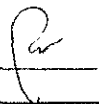


Senate
Office of the Secretary

FIFTEENTH CONGRESS OF THE REPUBLIC }
OF THE PHILIPPINES }
First Regular Session

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SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 29

Submitted by the Committee on Energy on MAR 23 2011

Re : Senate Joint Resolution No. 9

Recommending its approval without amendment.

Sponsor: Senator Sergio Osmeña III

MR. PRESIDENT:

The Committee on Energy to which was referred Senate Joint Resolution No. 9 entitled:

**“RESOLUTION EXTENDING THE PERIOD OF EXISTENCE OF THE JOINT
CONGRESSIONAL POWER COMMISSION”**

has considered the same and has the honor to report it back to the Senate with the recommendation that it be approved without amendment.

Respectfully submitted:



SENATOR SERGIO R. OSMEÑA III
Chairperson
Committee on Energy



SEN. TEOFISTO L. GUINGONA III
Vice Chairperson

Members:



SEN. MIRIAM DEFENSOR SANTIAGO



SEN. FRANCIS "Chiz" G. ESCUDERO



SEN. GREGORIO B. HONASAN II



SEN. MANUEL "Lito" M. LAPID



SEN. LOREN B. LEGARDA



SEN. FERDINAND R. MARCOS JR.



SEN. FRANCIS N. PANGILINAN



SEN. RALPH G. RECTO



SEN. RAMON "Bong" REVILLA JR.

SEN. MANNY VILLAR



SEN. JUAN MIGUEL F. ZUBIRI



SEN. JOKER P. ARROYO



SEN. PIA S. CAYETANO

Ex-Officio Members:



SEN. JINGGOY EJERCITO-ESTRADA
President Pro-Tempore



SEN. VICENTE SOTTO III
Majority Floor Leader



SENATOR ALAN PETER S. CAYETANO
Minority Leader

Hon. JUAN PONCE ENRILE
President
Senate of the Philippines
Pasay City

SENATE

Senate Joint Resolution No. 9

Introduced by Senators Sergio R. Osmeña III, Francis 'Chiz' Escudero,
Teofisto L. Guingona III, Gregorio 'Gringo' B. Honasan II, Joker P. Arroyo,
Miriam Defensor Santiago and Loren B. Legarda

RESOLUTION EXTENDING THE PERIOD OF EXISTENCE OF THE JOINT CONGRESSIONAL POWER COMMISSION

WHEREAS, Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (EPIRA), was signed into law on June 8, 2001 and took effect on June 26, 2001;

WHEREAS, pursuant to Section 62 of the EPIRA, the Joint Congressional Power Commission (JCPC) was constituted and composed of fourteen (14) members with the Chairmen of the Committee on Energy of the Senate and the House of Representatives and six (6) additional members from each House to be designated by the Senate President and the Speaker of the House of Representatives, respectively;

WHEREAS, the JCPC performs, in aid of legislation, the following powers and functions, among others:

(a) Set the guidelines and overall framework to monitor and ensure the proper implementation of the EPIRA.;

(b) Endorse the initial privatization plan of the generation and transmission assets of the National Power Corporation (NPC) within one (1) month from submission of such plan to the JCPC by the Power Sector Assets and Liabilities Management Corporation (PSALM) for approval by the President of the Philippines;

(c) Ensure transparency by requiring the submission of reports from government agencies concerned on the conduct of public bidding procedures regarding the privatization of NPC generation and transmission assets;

(d) Review and evaluate the performance of industry participants in relation to the objectives and timelines set forth in the EPIRA;

(e) Approve the budget for the programs of the JCPC and all disbursements therefrom, including compensation of its personnel;

(f) Submit periodic reports to Congress;

(g) Determine inherent weaknesses in the EPIRA and recommend necessary remedial legislation or executive measures; and

(h) Perform such other duties and functions as may be necessary to attain its objectives.

WHEREAS, the period of existence of the JCPC is ten (10) years from the effectivity of the EPIRA, or only until June 26, 2011;

WHEREAS, up to the present, certain key structural changes introduced in the EPIRA have yet to be carried out such as, but not limited to:

1. Ensuring transparency by checking reports from agencies concerned on the conduct of public bidding procedures regarding the privatization of the remaining NPC generation assets and IPP contracts;

2. The implementation of retail competition and open access on distribution wires;

3. The formation of the Independent Market Operator (IMO);

4. The determination, fixing and approval by the Energy Regulatory Commission (ERC) of a Universal Charge (UC) for the following purposes: (a) the payment of stranded debts of NPC and stranded contract costs of NPC as well as the distribution utilities, (b) the equalization of taxes and royalties applied to indigenous or renewable energy sources vis-à-vis imported energy fuels, and (c) a charge to account for all forms of cross-subsidies for a period not exceeding three (3) years;

5. The verification by the ERC of the reasonable amounts, including its determination of the manner and duration of the full recovery by NPC of its stranded debts and by NPC and the distribution utilities of their stranded contract costs;

6. The reduction of the royalties, returns and taxes collected for the exploitation of all indigenous sources of energy to effect parity of tax treatment with existing rates for imported coal, crude oil and other

imported fuels and the corresponding reduction of the power rates from all indigenous sources of energy;

7. The performance by the National Power Corporation-Small Power Utilities Group (NPC-SPUG) of the missionary electrification function; and

8. Determining the weaknesses in the EPIRA and recommending legislative or executive action to make adjustments.

WHEREAS, under Section 34 of Republic Act No. 9513, otherwise known as the “Renewable Energy Act of 2008”, the JCPC has likewise been tasked to exercise oversight powers over the implementation of the said law, which is currently under implementation;

WHEREAS, there is a need to oversee the implementation of the Renewable Energy Act which entails, among others, the formulation or establishment of:

1. The Feed-in Tariff (FiT) System, or the scheme that involves the obligation on the part of electric power industry participants to source electricity from RE generation at a guaranteed fixed price applicable for given period of time, which shall be no less than twelve (12) years, to be determined by the ERC;

2. The Renewable Portfolio Standards (RPS), which refers to a market-based policy that requires electric power industry participants, including suppliers, to source an agreed portion of their energy supply from eligible RE resources;

3. The Renewable Energy Market (REM), which is the market where the trading of RE certificates equivalent to an amount of power generated from RE resources is made:

4. The Green Energy Option, which is the mechanism that empowers end-users to choose renewable energy in meeting their energy requirements; and

5. Net-metering for Renewable Energy, which refers to a system, appropriate for distributed generation, wherein a distribution grid user having a two-way connection to the grid is only charged for his net electricity consumption while being credited for any overall contribution to the electricity grid.

NOW, THEREFORE, in view of the foregoing,


BE IT RESOLVED, *as it is hereby resolved by the Senate,*
That the existence of the Joint Congressional Power Commission be extended for another period of ten (10) years from June 26, 2011 to ensure that the goals and objectives of the EPIRA and the Renewable Energy Act of 2008 are fully achieved.

Adopted.


A. Renui II
Sen. **SERGIO R. OSMEÑA III**


Sen. **FRANCIS G. ESCUDERO**


Sen. **TEOFISTO L. GUINGONA III**


Sen. **JOKER P. ARROYO**


Sen. **GREGORIO B. HONASAN II**


Sen. **LOREN B. LEGARDA**


Sen. **MIRIAM DEFENSOR SANTIAGO**