

SENATE

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P.S. RES. No. 219

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Introduced by Senator WIN GATCHALIAN

A RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATIONS OF THE NATIONAL TRANSMISSION GRID BY THE NATIONAL GRID CORPORATION OF THE PHILIPPINES TO DETERMINE COMPLIANCE WITH THE OBLIGATIONS UNDER ITS FRANCHISE AND TO SAFEGUARD THE GRID TO ENSURE 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;¹

7 WHEREAS, Congress enacted Republic Act No. 9511, otherwise known as the
8 National Grid Corporation of the Philippines (NGCP) franchise,² which grants to NGCP
9 the right to act as the national transmission concessionaire over the national grid of
10 the electric power industry, and mandates it to comply with the Constitution, which
11 includes restrictions on foreign ownership and management;³

¹ Art. XII, Sec. 11 of the Constitution.

² Republic Act No. 9511 or the National Grid Corporation of the Philippines (NGCP) Franchise (Approved on 1 December 2008)

³ Sec. 21 of Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 (EPIRA) (Approved 8 June 2001); Sec. 2 of Republic Act No. 9511 or the National Grid Corporation of the Philippines (NGCP) Franchise (Approved on 1 December 2008)

1 WHEREAS, the national grid is the sole backbone for the transmission of
2 electricity throughout the entire country, and any event leading to its failure to operate
3 will have wide-ranging effects on the economy, public safety, and national security.
4 Given the vulnerability of the national grid to physical and virtual attacks, other
5 jurisdictions have crafted plans and policies,⁴ strategies,⁵ and studies⁶ for electricity
6 grid security and resiliency;

7 WHEREAS, this concern is reflected in the 2017-2022 National Security Policy
8 includes Energy Security, and Information and Cyber Security as part of the 12-point
9 National Security Agenda, which incorporates securing and protecting energy supply
10 throughout the country, and shielding the country from cyber attacks that could cause
11 massive crises in the economy, financial institutions, communications, and other
12 critical infrastructures;⁷

13 WHEREAS, there is a need to verify whether Filipinos are actually in charge of
14 the day-to-day management of the grid as mandated by the Constitution despite the
15 National Transmission Corporation (TRANSCO) and the Department of Energy (DOE)'s
16 manifestations during the 2020 budget deliberations last 19 November 2019 that all
17 executive and management officials of NGCP are Filipinos;

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

22 WHEREAS, Congress has the right and duty to examine the operations of NGCP
23 specifically: First, to determine if the Constitutional mandate for an all Filipino
24 management is complied with as well as its faithfulness to its duties under its franchise;
25 Second, to ascertain a plan of action for the regular audit and inspection of its
26 operations; and Third, to formulate a national strategy to ensure security and
27 resiliency of the national grid amidst physical and virtual threats and vulnerabilities;

28 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the
29 Senate Committee on Energy to conduct an inquiry, in aid of legislation, on the

⁴ United States Office of the President. "National Electric Grid Security and Resilience Action Plan" (December 2016)

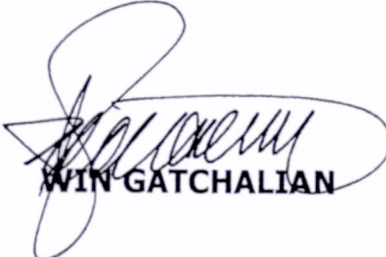
⁵ Cyber Security Agency of Singapore. "Singapore's Cybersecurity Strategy" (2016)

⁶ European Parliament Directorate General for Internal Policies. "Policy Department A: Economic and Scientific Policy on Cyber Security Strategy for the Energy Sector" (October 2016)

⁷ 2017-2022 National Security Policy, (2017). p. 25.

- 1 operations of the national transmission grid by the National Grid Corporation of the
- 2 Philippines to determine compliance with the obligations under its franchise and to
- 3 safeguard the grid to ensure continuous electricity supply in the country.

Adopted,



WIN GATCHALIAN