



SENATE

P.S.R. No. 223

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INTRODUCED BY SENATOR RISA HONTIVEROS

RECEIVED BY:

RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO THE NATIONAL SECURITY IMPLICATIONS OF CHINESE OWNERSHIP AND CONTROL OF THE NATIONAL POWER TRANSMISSION GRID, AND FOR THE JOINT CONGRESSIONAL ENERGY COMMISSION TO CONDUCT A NATIONAL SECURITY AUDIT OF THE NGCP'S OPERATIONS AND FACILITIES

WHEREAS, the National Transmission Corporation (TransCo) was organized pursuant to Republic Act (R.A.) No. 9136 for the purpose of acquiring all the transmission assets of the National Power Corporation;

WHEREAS, on December 13, 2007, the consortium of the Monte Oro Grid Resources Corp., Calaca High Power Corp., and the State Grid Corp. of China emerged as the highest bidder for the 25-year concession to operate and manage TransCo's power transmission facilities;

WHEREAS, the aforementioned consortium formed the National Grid Corporation of the Philippines (NGCP) as the vehicle to operate its concession;

WHEREAS, the State Grid Corporation of China is a Chinese State-owned company whose core business is the financing, construction and operation of power grids;

WHEREAS, on December 1, 2008, Congress granted the National Grid Corporation of the Philippines a franchise to operate, manage and maintain the country's power transmission system;

WHEREAS, it was recently reported that foreign executives connected with the NGCP possess the authority to hire and deploy personnel, including engineers;

WHEREAS, Section 11, Article XII of the 1987 Constitution requires that all executive and managing officers of public utility enterprises such as the NGCP must be citizens of the Philippines;

WHEREAS, Section 2-A of the Anti-Dummy Law also prohibits those not possessing the qualifications required by the Constitution to intervene in the management, operation, administration or control of a corporation operating with a franchise;

WHEREAS, it was also reported that only foreign engineers are able to troubleshoot, operate and control the NGCP's power transmission facilities because of the currently-installed information and communication technology for the automatic and remote monitoring and control of said facilities;

WHEREAS, on November 21, 2019, during deliberations *vis-à-vis* the Department of Energy's (DOE) 2020 budget, TransCo President Melvin Matibag confirmed that it was possible for a hostile 3rd party such as China to disable the country's power grid remotely;

WHEREAS, during the same hearing, Matibag also stated that despite TransCo exercising oversight functions, the NGCP was denying TransCo full access to its facilities; and

WHEREAS, this poses a grave risk to public infrastructure vital to national security.

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO URGE THE APPROPRIATE SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO THE NATIONAL SECURITY IMPLICATIONS OF CHINESE OWNERSHIP AND CONTROL OF THE NATIONAL POWER TRANSMISSION GRID, AND FOR THE JOINT CONGRESSIONAL ENERGY COMMISSION TO CONDUCT A NATIONAL SECURITY AUDIT OF THE NGCP'S OPERATIONS AND FACILITIES.

Adopted.


RISA HONTIVEROS
Senator