

NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

24 JAN -8 A11 :50

SENATE
P.S. Resolution No 892

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Introduced by **SENATOR IMEE R. MARCOS**

RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, INTO THE RECENT POWER OUTAGE IN
PANAY ISLAND DUE TO LAPSES IN THE OPERATION OF THE NATIONAL
GRID CORPORATION OF THE PHILIPPINES

WHEREAS, Section 9, Article II of the 1987 Constitution states that "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all";

WHEREAS, Section 2 of R.A. No. 9511 provides that the franchise of the National Grid Corporation of the Philippines (NGCP) is "granted under the condition that it shall be subject to amendment, alteration, or repeal by Congress when the common good so requires";

WHEREAS, the obligations of the transmission operator are further laid down in the concession agreement entered into by the NGCP with the Power Sector Assets and Liabilities Management Corporation (PSALM) and by the National Transmission Company (TransCo). The NGCP is mandated to undertake the preparation and implementation of the Transmission Development Plan (TDP) which contains the program for the expansion, upgrading, rehabilitation, repair, and maintenance of the transmission system;

WHEREAS, last April 2023, the island of Panay suffered from a power outage due to two disturbances in the Visayas grid, namely a distribution utility-owned line tripping followed by the tripping of a generation facility;

WHEREAS, as a response to the power outage in Panay, President Ferdinand "Bongbong" Marcos Jr. has instructed NGCP to fast-track the completion of the third stage of the Cebu-Negros-Panay Backbone Project which is part of the TDP, as well as the signing of the Ancillary Service Procurement

Agreement (ASPAS) with the Energy Regulatory Commission (ERC) to manage power fluctuations;

WHEREAS, last 02 January 2024, the island of Panay suffered from another power outage due to multiple tripping of power plants on the island, including Panay Energy Development Corp.'s (PEDC) Unit 1 and 2 (83 megawatts each), and Palm Concepcion Power Corporation (PCPC, 135MW), among others;

WHEREAS, with the tripping of three of the largest power generating units and the planned maintenance shutdown of PEDC Unit 3 (150MW), 451MW or 68.75% of the total 656MW in-island generation was lost to the Panay sub-grid;

WHEREAS, the abovementioned incident resulted in the three-day power outage (from 02-05 January 2024) in Iloilo City alone losing an estimated Php 1.5 billion;

WHEREAS, the following circumstances show that NGCP likewise violated Section 3 of R.A. 9511 by failing to improve adequately improve the grid system and related facilities and to operate and maintain the same in accordance with industry standards:

- (1) Failure of the grid to comply with the Single Outage Contingency Criterion;
- (2) Inadequate procurement of ancillary services to prevent outages; and
- (3) Significant delays in the completion of grid projects;

WHEREAS, the Visayas-Mindanao Interconnection Project, the and the Cebu-Negròs-Panay Interconnection projects, all of which are supposed to be completed by 2020 in accordance with the TDP. However, such still remains uncompleted which has contributed to the inability of the grid to re-route power from other parts of the country to Panay Island;

WHEREAS, the NGCP has likewise failed to proactively call on the distribution utilities and electric cooperatives in Panay to do manual load reduction in order to prevent a sub-system-wide collapse;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED BY THE PHILIPPINE SENATE, that the appropriate Senate Committee be directed to conduct an inquiry, in aid of legislation, into the recent power outage in Panay Island due to lapses in the management of the National Grid Corporation of the Philippines.

