



1 Republic of the Philippines  
2 HOUSE OF REPRESENTATIVES  
3 Quezon City

4  
5 EIGHTEENTH CONGRESS  
6 First Regular Session

7 441  
8 HOUSE RESOLUTION No. \_\_\_\_\_  
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11 Introduced by  
12 BAYAN MUNA Representatives CARLOS ISAGANI T. ZARATE,  
13 FERDINAND R. GAITE and EUFEMIA C. CULLAMAT  
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16 RESOLUTION URGING THE HOUSE OF REPRESENTATIVE COMMITTEE ON  
17 ENERGY TO CONDUCT A JOINT INVESTIGATION, IN AID OF LEGISLATION,  
18 ON THE INCREASING MISSIONARY SUBSIDIES, NOW RUNNING TO  
19 BILLIONS, FOR LARGE OFF-GRID ISLANDS AND THE RESULTING  
20 INCREASED UNIVERSAL CHARGE TO ELECTRIC CONSUMERS  
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23 **WHEREAS**, amid the current rising cost of prices that gravely burden Filipinos, another alarming  
24 issue that is apparently kept away from the public's attention is the steady increase yet apparently  
25 anomalous government subsidy that now run by the billions for power generation in the off-grid  
26 remote islands in the country. These subsidies are then passed on to the electric consumers in the  
27 form of a Universal Charge that is now P0.1561 per kilowatt hour (kwh), with plans to increase it  
28 further to P0.1948 per kwh;

29 **WHEREAS**, providing power services in these off-grid areas, including critical large islands, was  
30 mandated by the 2001 Electric Power Industry Reform (EPIRA) Law or Republic Act 9136, which  
31 also placed this responsibility mainly with the National Power Corp. (NAPOCOR);

32 **WHEREAS**, under the EPIRA, the Department of Energy (DOE) is also mandated to create and  
33 implement policies, not only for the total electrification of the isolated areas, but also of making  
34 this in a cost-effective manner and least burden to the government and, most especially, to the  
35 electric consumers;

36 **WHEREAS**, in 2002, when the DOE started its power generation privatization program starting  
37 with the 14 first wave of large islands not connected to the national grid like Palawan, Mindoro  
38 Oriental and Occidental, Masbate, Marinduque, Romblon, Tablas, Catanduanes, Bantayan Island,  
39 Siquijor, Camotes Island, Sulu, Basilan, and Tawi-Tawi, government subsidies already run up to  
40 P2.47 billion;

41 **WHEREAS**, the missionary subsidy, which has already skyrocketed to P6.16 billion by 2014,  
42 P11.81 billion in 2016, is even forecasted by NAPOCOR to reach P19.35 billion 2020. The subsidy  
43 is also expected to balloon to P28.373 billion by the end of 2021. Consequently, the missionary  
44 electrification charge to national electric consumers has also increased from P0.0454 per kwh to  
45 P0.1163 in 2011 and P0.1561 by 2014. Of late, NAPOCOR is again asking to increase it further  
46 to P0.1948 per kwh. These billions of additional charges are, to say the least, punishing the electric

1 consumers and hurting the country's goal of reducing electricity rates;

2 **WHEREAS**, for instance, those households now consuming 200 kwh per month will have to pay  
3 P38.96 of their UC-ME, P58.44 for 300 kwh consuming households, and P77.92 for the 400 kwh  
4 consuming households. These additional charges would further compound the harsh effect of the  
5 Tax Reform for Acceleration and Inclusion (TRAIN) law is another burden to our already  
6 suffering consumers;

7 **WHEREAS**, In August 2019, the DOE has asked NAPOCOR to defer the increase electricity  
8 rates in off-grid areas. NAPOCOR applied to the Energy Regulatory Commission (ERC) to  
9 increase the missionary generation charge in off-grid islands in Luzon by a total of P2.9140/kWh.  
10 The application will raise the charge to P8.5544/kWh from P5.6404/kWh. In its application,  
11 NAPOCOR also wanted to pass on the added excise taxes on fuel being used to generate power  
12 in off-grid islands at P1.9648/kWh to consumers. This is on top of its previous application for an  
13 increase of P0.9492/kWh, bringing the total increase to P2.9140/kWh;

14 **WHEREAS**, these abuses of missionary subsidies are apparently the result of the collective  
15 neglect of the DOE, NAPOCOR and the ERC for allowing anomalous manipulation of the power  
16 supply contracting process through unsolicited proposals and Swiss challenge biddings, which  
17 award ill-conceived projects to favored suppliers at onerous, apparently even anomalous, terms  
18 and conditions;

19 **WHEREAS**, in the same vein, it also appears that even the National Electrification  
20 Administration (NEA) also contributed to this anomaly by failing to adequately provide the  
21 necessary guidance to electric cooperatives in the proper planning and contracting of their power  
22 supply requirements;

23 **NOW THEREFORE BE IT RESOLVED**, that the House of Representatives Committee on  
24 Energy conduct an investigation, in aid of legislation, on the increasing missionary subsidies for  
25 large off-grid islands that have now run up to billions and the resulting increased Universal Charge  
26 being passed on to electric consumers.

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30 *Adopted,*

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36 **REP. CARLOS ISAGANI T. ZARATE**  
37 *Bayan Muna Partylist*

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42 **REP. FERDINAND R. GAITE**  
43 *Bayan Muna Partylist*

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45 **REP. EUFEMIA C. CULLAMAT**  
46 *Bayan Muna Partylist*