Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 879

Introduced by
BAYAN MUNA Representatives CARLOS ISAGANI T. ZARATE,
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT,
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,
GABRIELA Women’s Party Representative ARLENE D. BROSAS
and KABATAAN Party-List Representative SARAH JANE I. ELAGO

RESOLUTION
DIRECTING THE COMMITTEE ON ENERGY TO INVESTIGATE, IN AID OF
LEGISLATION, THE SUDDEN BIG SPIKE IN MERALCO ELECTRICITY RATES
AND BILLS DESPITE THE OVERCAPACITY OF ELECTRICITY SUPPLY

WHEREAS, the Manila Electric Company (Meralco) implemented an increase of P0.1050 per
kilowatt-hour (kWh), from P8.8901 per kWh to P8.9951 per kWh last April 2020. The increase is
equivalent to a P21.00 upward movement in the total bill of typical residential customers
consuming an average of 200 kWh. Meralco claimed the increase was mainly due to the
normalization of the universal charge (UC) following a one-time refund;¹

WHEREAS, recently, while Luzon and NCR were already in lockdown, Meralco said it invoked
the “force majeure” provision in its power supply agreements (PSAs) due to the very significant
reduction in power demand of its service area during the enhanced community quarantine. As a
result, Meralco said it will reduce the fix charges that would have been charged to the
consumers;²

WHEREAS, Meralco claimed that the generation charge would have increased by P0.0259 per
kWh if not for the invocation of the “force majeure” provision in its PSAs;

WHEREAS, this May, however, Meralco claimed that there might be an increase in power rates,
due to the rise in consumption if electricity because of the enhanced community quarantine
(ECQ), since consumers who stayed home used more their appliances that consume more
power, like air conditioners and refrigerators;

WHEREAS, several media reports quoted electric consumers complaining about their Meralco
bills that have tripled or, for some, even quadrupled, despite their present low consumption, as
well as in previous months. Such high and unconscionable electric bills, only added more
anxiety to many, especially now when most people are in dire straits to survive the harsh effects
of the crisis brought by the covid19 pandemic;

¹ https://www.philstar.com/headlines/2020/04/12/2006721/meralco-increase-rates-month
WHEREAS, according to President Rodrigo Roa Duterte’s report to Congress dated May 4, 2020, there is in fact an “excess capacity over peak demands have been registered with Luzon only using 3,341 (29%) megawatts, Visayas only 858 MW (33%) and Mindanao 878 MW (35%);”

WHEREAS, on May 11, 2020, Pres. Duterte also reported that “major island grids exhibited excess capacity over peak demand with Luzon at 23% (2,683 MW), Visayas 28% (718 MW) and Mindanao at 30% (743 MW);”

WHEREAS, Sec. 4 (i) of the RA 11469 or the Bayanihan to Heal As One Act authorized the President to exercise powers to “continue to enforce measure to protect the people from hoarding, profiteering, injurious speculations, manipulation of prices, product deceptions, and cartels, monopolies and other combinations in restraint of trade, or other pernicious practices affecting the supply, distribution and movement of food, clothing, hygiene and sanitation products, medicine and medical supplies, fuel, fertilizers, chemicals, building materials, implements, machinery equipment and spare parts required in agriculture, industry and other essential services, and other articles of prime necessity, whether imported or locally produced or manufactured;”

WHEREAS, under Sec. 4 (u) of the RA 11469, Congress gave the President powers in order to “conserve and regulate the distribution and use of fuel, energy and power, and ensure adequate supply of the same;”

WHEREAS, the Energy Regulatory Commission (ERC) is also mandated to penalize abuse of market power, cartelization, and anti-competitive or discriminatory behavior by any electric power industry participant and should have conducted its own investigation already;

NOW THEREFORE BE IT RESOLVED, that the House of Representatives, through its Committee on Energy, to investigate, in aid of legislation, the sudden big spike in Meralco electricity rates and bills despite the overcapacity of electricity supply.

Adopted,

[Signatures]

REP. CARLOS ISAGANI T. ZARATE
Bayan Muna Partylist

REP. FERDINAND R. GAITE
Bayan Muna Partylist

REP. EUFEMIA C. CULLAMAT
Bayan Muna Partylist
REP. FRANCE L. CASTRO
ACT Teachers Partylist

REP. ARLENE D. BROSAS
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REP. SARAH JANE I. ELAGO
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