

第3章 参考資料

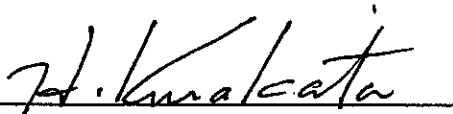
3.1. 署名した I/A、M/M

IMPLEMENTING ARRANGEMENT
ON
THE TECHNICAL COOPERATION
FOR
THE STUDY
ON
THE INSTITUTIONAL CAPACITY BUILDING FOR THE DOE
UNDER
A RESTRUCTURED PHILIPPINE ELECTRIC POWER INDUSTRY
IN
THE REPUBLIC OF THE PHILIPPINES

AGREED UPON BETWEEN
THE DEPARTMENT OF ENERGY
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

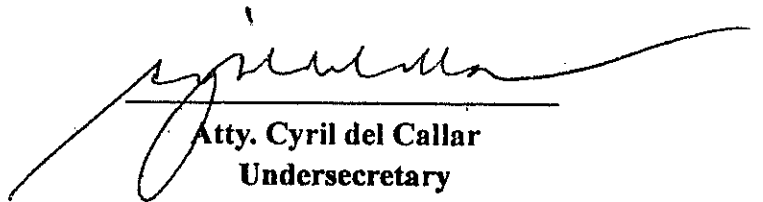
METRO MANILA, PHILIPPINES

May 30, 2002



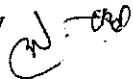
Mr. Hiroshi Kurakata
Leader

Preliminary Study Team
Japan International
Cooperation Agency



Atty. Cyril del Callar
Undersecretary

Department of Energy



I. INTRODUCTION

In response to the request of the Government of the Republic of the Philippines (hereinafter referred to as "GOP"), the Government of Japan (hereinafter referred to as "GOJ") has decided to conduct the Study on the Institutional Capacity Building for DOE under a Restructured Philippine Electric Power Industry in the Republic of the Philippines (hereinafter referred to as "the Study").

The Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programs of the GOJ, will undertake the Study in accordance with the relevant laws and regulations enforced in Japan.

On behalf of the GOP, the Department of Energy (hereinafter referred to as "DOE") shall act as the counterpart agency to the Japanese study team and also as coordinating body in relation with other governmental and non-governmental organizations concerned for the smooth implementation of the Study. Both the preliminary study team and DOE agreed to facilitate the exchange of the notes verbales between the two governments concerning the implementation of the Study.

The present document constitutes the implementing arrangement between JICA and the DOE under the notes verbales to be exchanged between the two governments.

II. OBJECTIVES OF THE STUDY

The objectives of the Study are to assist the DOE to prepare the Power Development Program (hereinafter referred to as "PDP") considering related investment plans and programs in the power industry, to strengthen its capacity as the policy-making body, and to support the establishment and activities of the Energy Investment Promotion Office.

III. THE STUDY AREA

The Study will be undertaken throughout the Philippines covering Metro Manila and areas in the Luzon, Visayas and Mindanao grids.

IV. SCOPE OF THE STUDY

The Study will review the existing procedures and methodologies adopted by different industry stakeholders in preparing the PDP and individual development plans, clarify their problems and weaknesses, and develop a methodology for the DOE-PDP that would cater the requirements of a competitive environment. At the end of the Study, the PDP and manuals will be prepared. Alongside these services is the necessary transfer of technology and expertise to the DOE personnel.

1. Review of the Current Status

The Study will review the present procedures adapted to prepare power development

plans and programs among governmental organizations and public and private corporations, and analyze the institutional and regulatory environment of the power industry.

1-1 Planning for power development and electrification

1-1-1 Current status of preparation, evaluation, and approval of the related plans such as the PDP, the Transmission Development Program (hereinafter referred to as "TDP") of TRANSCO, investment plans of investor-owned distribution utilities (hereinafter referred to as "IOUs"), the Missionary Electrification Development Program (hereinafter referred to as "MEDP"), the Missionary Electrification Program (hereinafter referred to as "MEP") of the Small Power Utilities Group (hereinafter referred to as "SPUG") of the National Power Corporation (hereinafter referred to as "NPC"), and the National Electric Cooperatives Distribution Development Plan (hereinafter referred to as "NECDDP") of the National Electrification Administration (hereinafter referred to as "NEA").

1-1-2 Methodology of power demand forecasting

1-1-3 Existing manuals currently used by the NPC, IOUs, and NEA.

1-2 Institutional and regulatory issues related to promotion of private investment in the power industry

1-2-1 Electric Power Industry Restructuring Act of 2001 (R.A.9136) and the Implementing Rules and Regulations (hereinafter referred to as "IRR")

1-2-2 Current provisions of investment laws, and status of preferential treatment or incentives, investment activities, and procedures of approval or permission

1-2-3 Investment laws related to power sector reform, preferential treatment or incentives and investment activities in other countries

1-2-4 Availability of database of and information on investment activities in the power industry

1-2-5 Present plan for the establishment of the Energy Investment Promotion Office

2. Preparation of the PDP (2004-2013)

The Study will develop a necessary workflow and methodology to prepare the PDP and assist the DOE to establish a basic procedure, as well as required standards and manuals, in collaboration with the DOE personnel.

2-1 Collection, analysis and review of data

cm

ekel

As

- 2-2 Projection of power demand for the next 10 years
 - 2-2-1 Development of a simulation model to forecast power demand

- 2-3 Evaluation of (and, if necessary, approval for) subordinate development plans and programs submitted to the DOE by individual industry stakeholders, and recommendation of improvements.
 - 2-3-1 Rural Electrification Programs
 - 2-3-1-1 MEP of SPUG
 - 2-3-1-2 NECDDP of the NEA
 - 2-3-1-3 Programs using off-grid systems outside the abovementioned programs
 - 2-3-2 TDP of TRANSCO
 - 2-3-3 Investment plans of private companies such as IOUs, generation companies and other industry stakeholders

- 2-4 Outlook for power supply
 - 2-4-1 Necessary private-sector investment in power development
 - 2-4-1-1 Collection of information on private power investment and development of a database
 - 2-4-1-2 Incorporation of individual development plans of other institutions including into the PDP
 - 2-4-2 Drawing of a well-balanced picture for the rural electrification program consisting of the MEP, NECDDP, programs using off-grid systems, and other projects implemented under the O Ilaw Program
 - 2-4-3 Discussion on the optimization of the use of primary energy including indigenous and renewable energy sources to sustain the country's energy requirement as well as maintain power-system security and reliability

- 2-5 Formulation of measures to bridge the deficit of power supply (i.e., difference between the power supply outlook and ongoing power projects)
 - 2-5-1 Facilitation of additional private investment
 - 2-5-2 Reinforcement of the public investment program including TDP, NECDDP, and MEP

3. Support of Promotion of the Private Investment

In collaboration with the Energy Investment Promotion Office, the Study will review and design the appropriate activities of the office, integrate the information which will assist private investors and also make recommendations for the Energy Investment Office to

facilitate private investment in the power sector.

- 3-1 Design of investment modes and promotional activities for the power industry
- 3-2 Integration of information
- 3-3 Recommendation

4. Review of the PDP (2004-2013) Preparation

At the final stage of the Study, the study team will review/assess and fine-tune the procedures and manuals of the PDP preparation.

V. SCHEDULE OF THE STUDY

The Study will be carried out in accordance with the Tentative Time Schedule as shown in Appendix I attached herewith.

VI. REPORTS

JICA will prepare and submit the following quantity of reports respectively in English to the GOP:

- | | |
|--|-----------|
| (1) Inception Report (IC/R): | 20 copies |
| (2) Progress Report (PR/R): | 20 copies |
| (3) Draft Final Report and Summary (DF/R): | 30 copies |

The GOP will provide JICA with the comments on the Draft Final Report within one (1) month after its reception.

- | | |
|-------------------------------------|-----------|
| (4) Final Report and Summary (F/R): | 30 copies |
|-------------------------------------|-----------|

VII. DIVISION OF TECHNICAL UNDERTAKING

The division of technical undertaking of the Study by JICA and the DOE is detailed in Appendix II attached herewith.

VIII. UNDERTAKINGS OF THE GOP

In accordance with the notes verbales exchanged between the GOJ and GOP, the GOP shall accord privileges, immunities and other assistance to the Japanese study team and,

through the authorities concerned, take necessary measures to facilitate the smooth conduct of the Study.

1. The GOP shall be responsible for dealing with claims which may be brought by third parties against the members of the Japanese study team and shall hold them harmless in receipt of claims and liabilities arising in the course of, or otherwise connected with the discharge of their duties in the implementation of the Study, except when such claims or liabilities arise from gross negligence or willful misconduct of the above mentioned members.
2. The DOE shall, at its own expense, provide the Japanese study team with the following, if necessary, in cooperation with other agencies concerned:
 - (1) Security-related information on as well as measures to ensure the safety of the Japanese study team;
 - (2) Information on as well as support in obtaining medical services;
 - (3) Available data and information related to the Study;
 - (4) Counterpart personnel;
 - (5) Suitable office space with necessary equipment in the Philippines; and
 - (6) Credentials or identification cards to the members of the Japanese study team.
3. The DOE shall make necessary arrangements with other governmental and non-governmental organizations concerned for the following:
 - (1) To permit the members of the Japanese study team to enter, leave and stay in the Philippines for the duration of their assignment therein;
 - (2) To exempt the members of the Japanese study team from taxes, duties, fees and any other charges on equipment, machinery and other materials brought into the Philippines and out for the conduct of the Study;
 - (3) To exempt the members of the Japanese study team from income tax and other charges of any kind imposed on or in connection with any emoluments or allowances paid to the members of the Japanese study team for their services in connection with the implementation of the Study; and
 - (4) To provide necessary facilities to the Japanese study team for remittance as well as utilization of the funds introduced into the Philippines from Japan in connection with the implementation of the Study.

IX. UNDERTAKING OF THE GOJ

In accordance with the notes verbales exchanged between the GOJ and GOP, the GOJ, through JICA, shall take the following measures for the implementation of the Study:

- (1) To dispatch, at its own expense, JICA study team to the Philippines;
- (2) To pursue technology transfer to the Philippines counterpart personnel in the course of ^{ed}

- the Study; and
- (3) To provide the necessary equipment and machinery for the implementation of the Study, which will remain the property of the GOJ unless otherwise agreed.

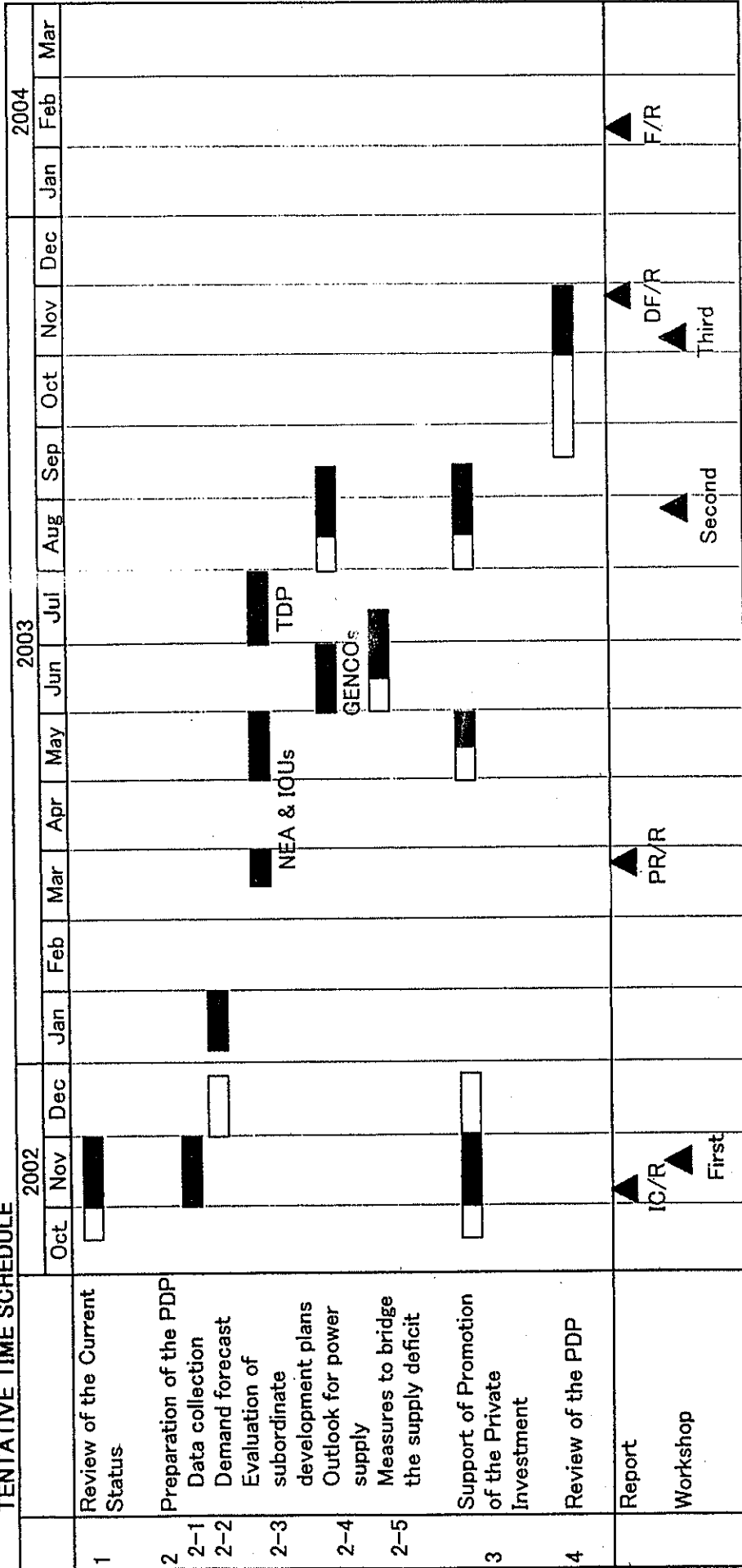
X. CONSULTATION

JICA and the DOE shall consult with each other in respect of any matter that may arise from or in connection with the Study.

CW

ERD
R

TENTATIVE TIME SCHEDULE



■ : Study in the Philippines
 □ : Study in Japan

IC/R: Inception Report
 PR/R: Progress Report
 DF/R: Draft Final Report
 F/R: Final Report

Technical Undertaking by DOE and JICA

DESCRIPTION	DOE	JICA
<p>1. Review of the Current Status 1-1 Planning for power development and electrification 1-2 Institutional and regulatory issues related to promotion of private investment in the power industry</p> <p>2. Preparation of the PDP (2004-2013) 2-1 Collection, analysis and review of data 2-2 Projection of power demand for the next 10 years 2-2-1 Development of a simulation model to forecast power demand</p> <p>2-3 Evaluation of subordinate development plans and programs 2-3-1 Rural Electrification Programs 2-3-2 FDP of TRANSCO 2-3-3 Investment plans of private companies such as IOUs, generation companies and other industry stakeholders</p> <p>2-4 Outlook for power supply 2-4-1 Necessary private-sector investment in power development 2-4-2 Drawing of a well-balanced picture for the rural electrification program consisting of the MEP, NECDDP, and projects implemented under the O I law Program 2-4-3 Discussion on the optimization of the use of primary energy including indigenous and renewable energy sources to sustain the country's energy requirement as well as maintain power-system security and reliability</p> <p>2-5 Formulation of measures to bridge the deficit of power supply 2-5-1 Facilitation of additional private investment 2-5-2 Reinforcement of the public investment program including TDP, NECDDP, and MEP</p>	<p>1. Provision of data and information 1-1 Provision of data and information 1-2 Provision of data and information</p> <p>2. Joint study 2-1 Provision of data and information 2-2 Joint Study 2-2-1 Assistance</p> <p>2-3 Joint Study 2-3-1~3 Joint Study (Provision of MEP, NECDDP, TDP, Investment Plan by IOUs, Development Plan of GENCOs and other related organizations.)</p> <p>2-4 Joint Study 2-4-1~3 Joint Study (Provision of necessary data for 2-4-3)</p> <p>2-5 Assistance 2-5-1~2 Joint Study</p>	<p>1. Review and analysis of data and information 1-1 Review and analysis 1-2 Review and analysis</p> <p>2. Joint study 2-1 Review and analysis 2-2 Carrying out of the study 2-2-1 Carrying out of the study</p> <p>2-3 Joint Study 2-3-1~3 Joint Study</p> <p>2-4 Joint Study 2-4-1~3 Joint Study</p> <p>2-5 Carrying out of the study 2-5-1~2 Joint Study</p>

<p>3. Support of Promotion of the Private Investment 3-1 Design of Investment modes and promotional activities for the power industry 3-2 Integration of information 3-3 Recommendation</p> <p>4. Review of the PDP (2004-2013) Preparation</p>	<p>3. Joint Study 3-1 Joint Study 3-2 Joint Study 3-3 Joint Study</p> <p>4. Provision of data and information</p>	<p>3. Joint Study 3-1 Joint Study 3-2 Joint Study 3-3 Carrying out of the Study</p> <p>4. Review/assess and fine-tune</p>
--	--	--

Handwritten signature and initials, possibly 'ERD' and 'M'.


**MINUTES OF MEETING
FOR
THE PRELIMINARY STUDY
FOR
THE STUDY
ON
THE INSTITUTIONAL CAPACITY BUILDING FOR THE DOE
UNDER
A RESTRUCTURED PHILIPPINE ELECTRIC POWER INDUSTRY
IN
THE REPUBLIC OF THE PHILIPPINES**

**BETWEEN
THE DEPARTMENT OF ENERGY
AND
JAPAN INTERNATIONAL COOPERATION AGENCY**

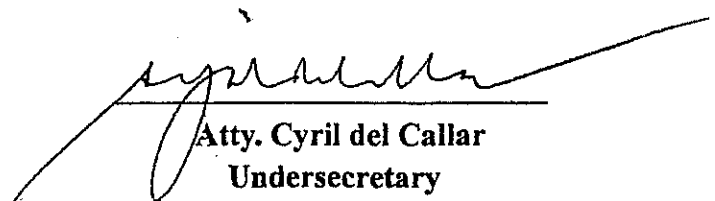
METRO MANILA, PHILIPPINES

May 30, 2002

The preliminary study team (hereinafter referred to as "the Team") sent by the Japan International Cooperation Agency (hereinafter referred to as "JICA"), headed by Mr. Hiroshi KURAKATA, the Leader of the Team, visited the Republic of the Philippines from May 26th to June 1st, 2002 for the purpose of discussing the Implementing Arrangement regarding the Study on the Institutional Capacity Building for the DOE under a Restructured Philippine Electric Power Industry in the Republic of the Philippines (hereinafter referred to as "the Study").

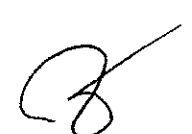


**Mr. Hiroshi Kurakata
Leader
Preliminary Study Team
Japan International
Cooperation Agency**



**Atty. Cyril del Callar
Undersecretary
Department of Energy**

elc
en



JICA and the Department of Energy (DOE) discussed the following issues and finalized the Implementing Arrangement (IA). This minutes of meeting shows supplemental mutual understandings that is not clarified in the IA.

1. Counterpart Personnel

Both side agreed that the DOE would be the counterpart agency for the Study and provide the members list of the counterpart personnel to the JICA Philippine office before dispatching the JICA study team to the Philippines.

The staff/representatives form NEDA, ERC, TRANSCO, NPC-SPUG, NEA, and other relevant governmental agencies will be able to participate in the implementation of the Study.

2. Preparation of the Power Development Program (PDP)

JICA proposed that the Study be carried in collaboration with the DOE for two years to prepare the PDP two times. The DOE, however, expressed that they would be able to prepare the PDP (2005-14) in the second year of the Study themselves, and both sides agreed that the Study would support the PDP preparation only for the first year—the PDP (2004-13)

Although the schedule for the support for the PDP preparation was to be reduced from two years to one year, the DOE requested that the JICA study team evaluate the result of the PDP (2004-13) and review the PDP (2005-14), which will be prepared by the DOE in around the third quarter of 2004. The Team agreed that JICA would do this work by using other schemes of technical assistance, i.e., the follow-up study or aftercare study, instead in the Study; however, the necessary budget allocation for this follow-up or aftercare studies in fiscal 2004 is subject to the approval of the Government of Japan

The schedule for the preparation of the PDP and relevant programs is shown in the Appendix attached herewith.

3. Subordinate Programs

The DOE is responsible to provide necessary data and information including the Transmission Development Program (TDP), MEP, and NECDDP to the JICA study team.

Both sides agreed that the Study would not support the preparation of relevant subordinate programs such as the Missionary Electrification Program (MEP) and the National Electric Cooperatives Distribution Development Plan (NECDDP).

4. Missionary Electrification Development Program (MEDP)

The Implementing Rules and Regulations (IRR) of the Republic Act No. 9136 clearly stipulates that the MEDP covers only programs using off-grid system; however, the DOE has

Handwritten signature and initials in the bottom right corner of the page.

manifested that it intend to request the Joint Congressional Power Commission to modify the concept of the MEDP that would cover the overall electrification program using both on-grid connection and off-grid system.

Both sides confirmed that the preparation of the rural electrification program, i.e., MEDP, in the Study will include both systems.

5. Database System

The DOE requested that the Study develop a comprehensive database system which relevant governmental organization, potential investors, and ordinary people will be able to reach through Internet.

But the Team insisted that it did not intend to develop a comprehensive and large-scale database to which everybody outside the DOE would be able to reach, partly because this task is out of the scope aimed at supporting DOE capacity building and partly because the budget for the Study is limited.

Both sides finally agreed that the use of the database would be limited to the following purposes:

- Internal use for the PDP preparation in the DOE
- Disclosure of investment information from the Energy Investment Promotion Office

6. Software Program

The DOE requested that JICA provide software programs for demand forecasting and simulation of power-supply optimization. With regard to the program for power demand forecasting, JICA answered that the Study could provide a simplified program, which is easy to use. But the Team declined to provide a clear answer on whether or not it would be able to provide a program for the simulation of power-supply optimization. This is because, although the Team will consider the use of the Wein Automatic System Planning Package (WASP), it had little information on the terms of condition regarding program license including pricing.

Therefore, after going back to Tokyo, JICA will clarify these uncertain conditions and provide its answer on whether the Study would be able to provide the WASP program to the DOE. Subject to the outcome of the DOE's request to the International Atomic Energy Agency (IAEA) for a optimization software, free of charge, the DOE still reiterates its earlier request for JICA to provide such similar optimization software.

7. Energy Investment Promotion Office

Between the Team and DOE, there was a discrepancy of understanding regarding the

support for the Energy Investment Promotion Office. While the DOE expected that the Study would support whole promotional activities of the office for all energy industries, the recognition of the Team was only for the power industry.

8. Workshop

The Study will hold workshops three times for the DOE counterpart and representatives from the following governmental agencies, and industry stakeholders to facilitate technology transfer and disseminate information.

- National Economic and Development Authority (NEDA);
- Energy Regulatory Commission (ERC);
- TRANSCO;
- National Electrification Administration (NEA);
- National Power Company - Small Power Utilities Group (NPC-SPUG),
- Others relevant organizations, corporations, and personnel.

Both sides agreed that the detailed schedule for the workshops must be discussed by the JICA study team and the DOE counterpart. And they also agreed that, while DOE would arrange the workshops, the JICA would pay for the direct cost of the workshop but not for the cost of participants such as travel expenses (e.g., travel cost, allowance, and accommodations).

9. Local Consultant

The DOE requested that JICA hire Philippine local consultants in the Study because the professionals who are knowledgeable about Philippine's power industry and institutional issues were necessary.

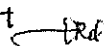
The Team answered that the Study would be able to hire local consultants, if necessary.

10. Equipment

Both sides agreed the following:

- JICA will provide necessary equipment (e.g., personal computer, multimedia projector, and printer) that is needed to run the Study.
- The DOE will prepare enough furnished office space with telecommunication lines for the Study team members (the team is expected to be composed of around ten professionals).

11. Counterpart Training in Japan

The DOE requested JICA that the Study provide an opportunity of the counterpart 

training in Japan for the DOE staff. The Team answered that it would be possible to arrange the training for, at least, one person per year.

12. Report

The Final Report will be disclosed to the public.

List of the Members

(DOE)

Mr. Cyril del Callar

Undersecretary, DOE

Ms. Mylene C. Capongcol

Supervising Science Research Specialist, Electricity Supply Administration Div., DOE

Mr. Chrysanthus Hernela

Acting Assistant Director, EPMB, DOE

Ms. Elaine de Guzman

Supervising Science Research Specialist, DAPD/EPMB, DOE

(JICA Preliminary Study Team)

Mr. Hiroshi KURAKATA

Director, Energy and Mining Development Study Div., JICA

Mr. Tadashi SUGAWARA

Deputy Director, Financial Cooperation Div., METI

Mr. Ko GOTO

Program Officer, Energy and Mining Development Study Div., JICA

Mr. Kazukiyo KANO

Staff, Energy and Mining Development Study Div., JICA

Mr. Masayasu ISHIGURO

Consultant, NOMURA Research Institute

Mr. Noboru YUMOTO

Consultant, PROACT International

(JICA Philippine Office)

Mr. Susumu KATSUMATA

Ms. Regina May de Los Reyes

Appendix: Estimated timetable of annual preparation of the PDP

Month	March-15	June	July	August	September-15
Congress					Review of PDP/PEP
DOE	Review of rural electrification plans	Review of generation development plans	Review of Distribution Development Plans	Review of TDP Integration to PDP/PEP	Submission of TDP to the Congress
TRANSCO	NEA			Submission of TDP (5 years)	
Grid users			Submission of planning data (27 week*)		
Generation companies		Submission of generation development plans			
Distribution companies					
Electric Cooperatives					
Small Power Utilities Group					
Other grid users					
Electricity users					

Note: —: identified by the Grid Code, the Distribution Code etc., - -: assumed to be scheduled, *:calendar week, Grid users includes generation companies, distribution companies and other grid users. TRANSCO is preparing 10 years TDP.

Handwritten initials and marks at the bottom of the page.

3.2. Energy Regulatory Commission 入手資料

ENERGY REGULATORY COMMISSION



Pacific Center Building, San Miguel Avenue, Pasig City
Mailing Address: P. O. Box 181, Greenhills, Metro Manila
Fax Nos. 631-58-71, 631-58-79
Website: <http://www.erc.gov.ph>



Electric Power Industry Reform Act of 2001

"Section 38. Creation of the Energy Regulatory Commission. - There is hereby created an independent, quasi-judicial regulatory body to be named the Energy Regulatory Commission (ERC). For this purpose, the existing Energy Regulatory Board (ERB) created under Executive Order No. 172, as amended, is hereby abolished."

What's Inside:	
Introduction to Energy Regulation	2
The New Structure of the Electric Power Industry	4
Our Mission	5
ERC Powers and Functions	6
Organization and Structure	7
Members of the Commission	10
Majoral Re-Organizational Units	11
Contact Numbers	12

Brief History of Energy Regulation

Energy regulation in the Philippines started with the creation of the Public Service Commission (PSC) in 1936, pursuant to Commonwealth Act No. 146. The PSC had jurisdiction, supervision, and control over all public services, including the power service.

After almost four decades, significant developments in the energy sector changed the landscape of economic regulation in the country.

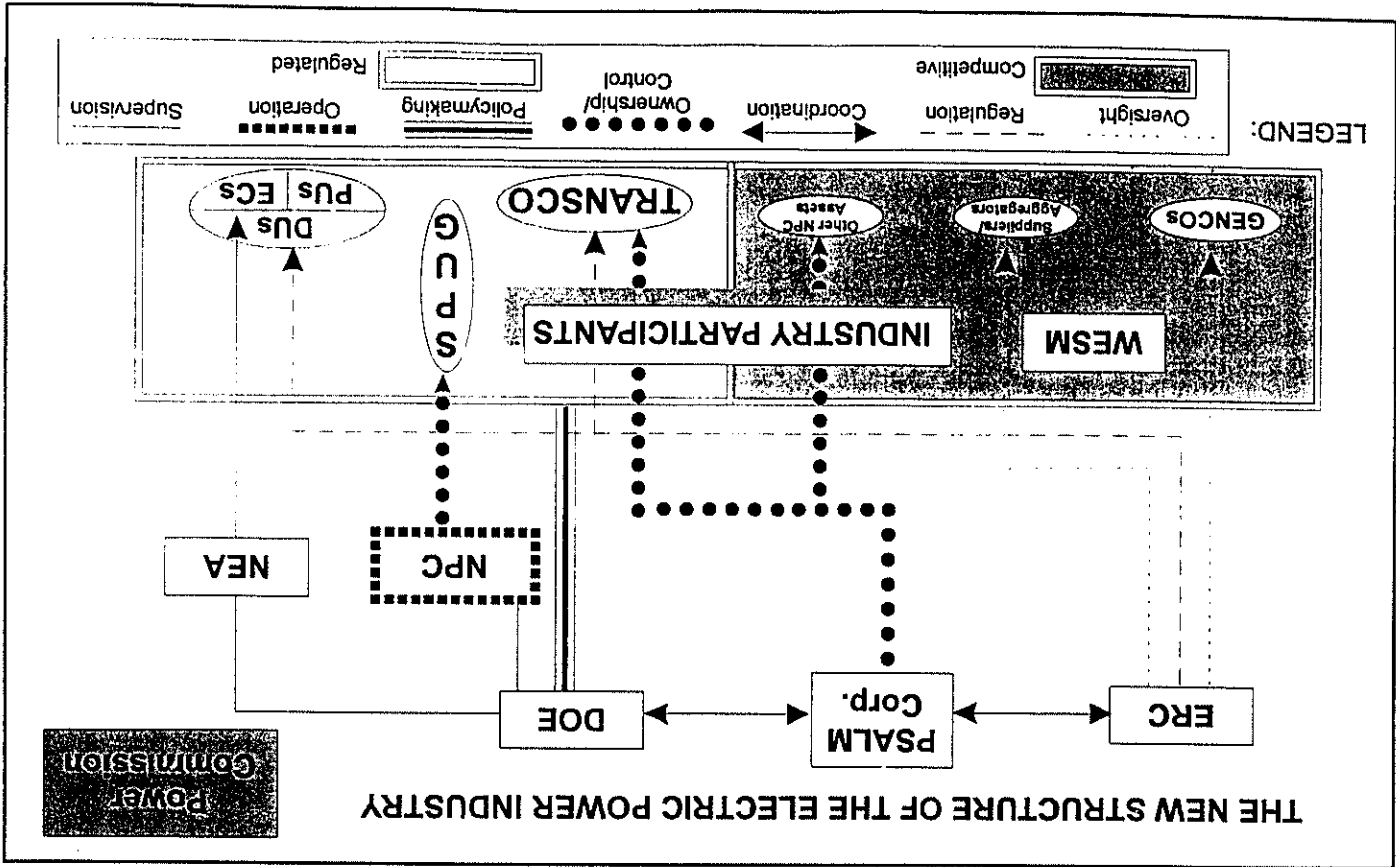
- April 30, 1971 – R.A. No. 6173 was passed creating the Oil Industry Commission (OIC), which was tasked to regulate the oil industry and to ensure the adequate supply of petroleum products at reasonable prices.
- September 24, 1972 – then President Ferdinand E. Marcos issued Presidential Decree No. 1 which ordered the preparation of the Integrated Reorganization Plan by the Commission on Reorganization. The Plan abolished the PSC and transferred the regulatory and adjudicatory functions pertaining to the electricity industry and water resources to then Board of Power and Waterworks (BOPW).
- October 6, 1977 - the government created the Department of Energy (DOE) and consequently abolished the OIC, which was replaced by the creation of the Board of Energy (BOE) through Presidential Decree No. 1206.
- May 8, 1987 - the BOE was reconstituted into the Energy Regulatory Board (ERB), pursuant to Executive Order No. 172 issued by then President Corazon C. Aquino as part of her government's reorganization program. The rationale was to consolidate and entrust into a single body all the regulatory and adjudicatory functions pertaining to the energy sector. Thus, the

power to fix and regulate the power rates of private electric utilities was transferred to the ERB.

- December 28, 1992 – Republic Act No. 7638 signed, where the power to fix the rates of the National Power Corporation (NPC) and the rural electric cooperatives (RECs) was passed on to the ERB. Non-pricing functions of the ERB were transferred to the DOE, i.e. regulating the capacities of new refineries.
- February 10, 1998 – enactment of Republic Act 8479: Downstream Oil Industry Deregulation Act of 1998, which prescribed a five-month transition period before the full deregulation during which ERB would implement automatic pricing mechanisms (APM) once every month.
- June 12, 1998 – the Philippine oil industry was fully deregulated, thus, ERB's focus of responsibility centered on the electric industry.
- June 8, 2001 – President Gloria Macapagal Arroyo signed Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001. The Act abolished the ERB and created in its place the Energy Regulatory Commission (ERC) which is a purely independent regulatory body performing the combined quasi-judicial, quasi-legislative and administrative functions in the electric industry.

The new ERC is faced with tremendous challenges in the restructured electric industry. In addition to its traditional rate and service regulation functions, ERC shall focus on two primary responsibilities: to ensure consumer education and protection, and to promote the competitive operations in the electricity market.

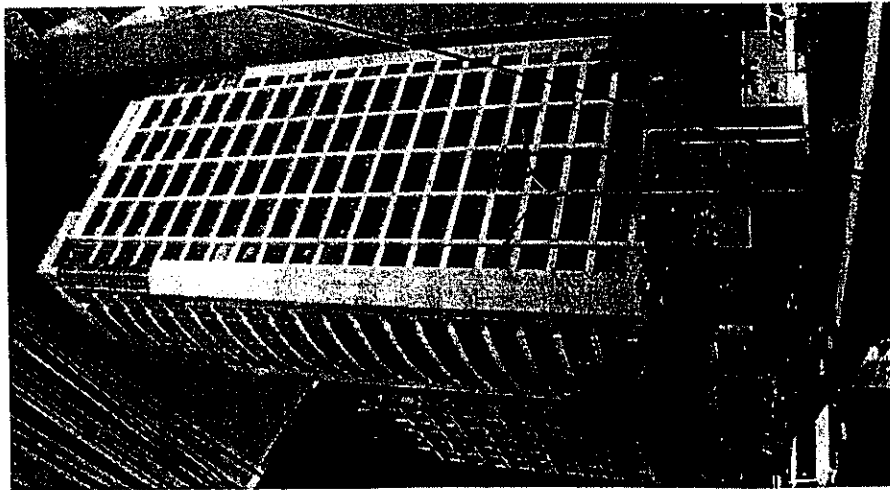
The ERC endeavors to create a regulatory environment that is democratic and transparent, and one that equitably balances the interests of both the consumers and the utility investors.



Our Mission

The Energy Regulatory Commission, created by law as an independent regulatory body, is committed to perform and execute the mandates under the law, namely: to promote competition, encourage market development and ensure customer choice and penalize abuse of market power in the restructured industry.

Towards this end, the Commission shall set transparent and reasonable prices of electricity in an environment and regime of free and fair competition and full public accountability to achieve greater operational and economic efficiency in the electric power industry and, in coordination with relevant government agencies, harness its internal resources to ensure quality, reliability, security, availability and affordability of the supply of electric power and energy. The Commission shall likewise endeavor to promote consumer education and protect consumer rights.



The Energy Regulatory Commission holds its offices at the 12th to 18th floors of the Pacific Center Building located along San Miguel Avenue, Ortigas Center, Pasig City.

ERC Powers and Regulations

1. Pursuant to Section 43 of the EIRA Implementing Rules and Regulations, the ERC shall have the responsibility of promoting competition, encouraging market development, ensuring customer choice and penalizing abuse of market power in the electricity industry. To carry out this undertaking, it shall, pursuant to Sections 43 and 45, promulgate necessary rules and regulations authorized thereby, including Competition Rules, and impose fines or penalties for any non-compliance with or breach of the Act, these Rules and the rules and regulations which it promulgates or administers as well as other laws it is tasked to implement/enforce.
2. The ERC shall, after public hearings, determine, fix and approve Transmission and Distribution Wheeling Charges, and Retail Rates through an ERC established and enforced methodology setting the same, to promote efficiency and non-discrimination. It shall fix and regulate the rates and charges to be imposed by Distribution Utilities on their Captive End-Users including self-generating entities.

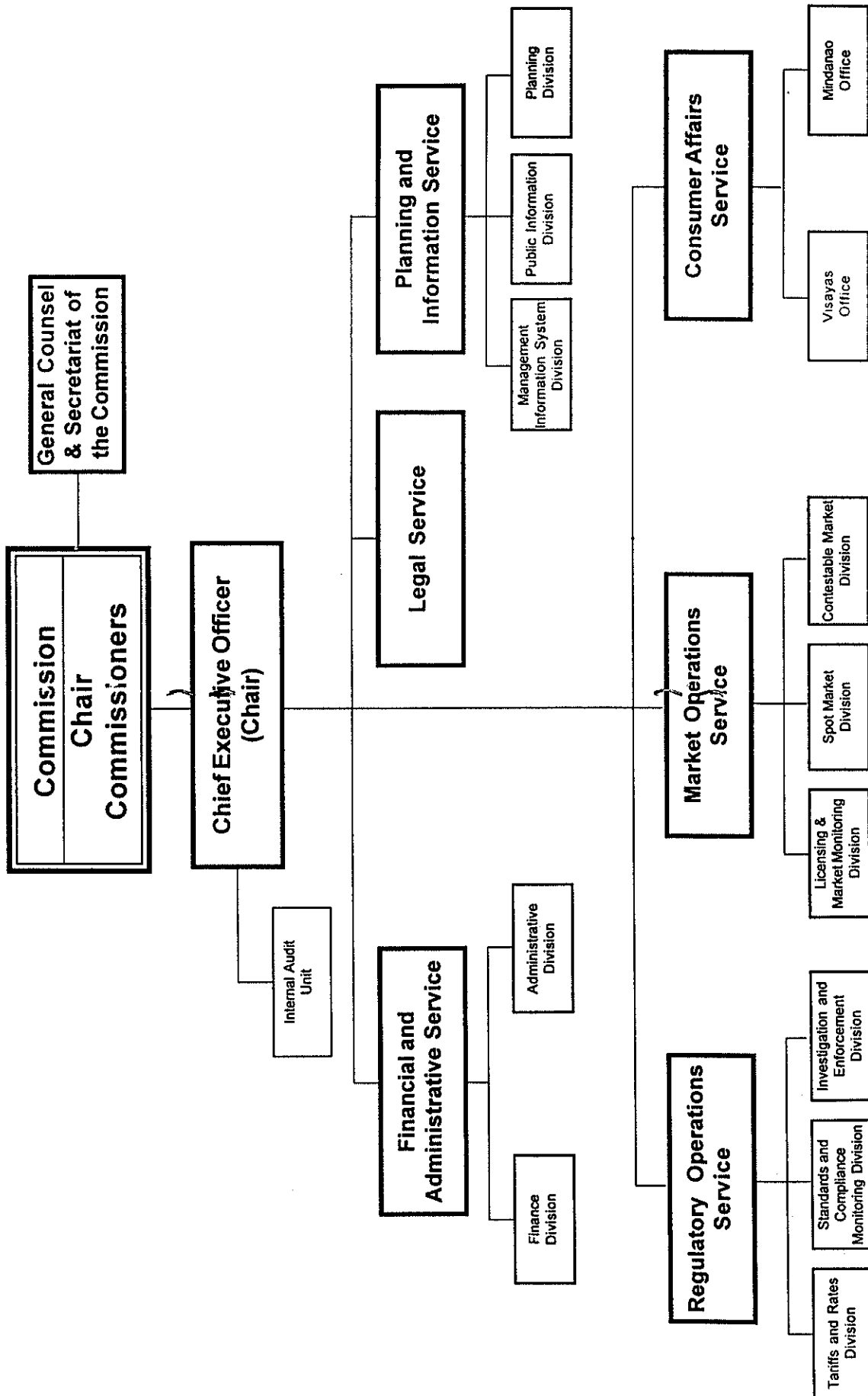


The ERC employees listen intently to Chairman Fe Barin who exhorted them to meet the challenges of the restructured electric industry with enthusiasm and resolve.

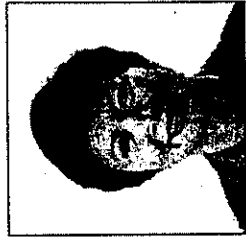


ENERGY REGULATORY COMMISSION

Organizational Structure



Members of the Commission



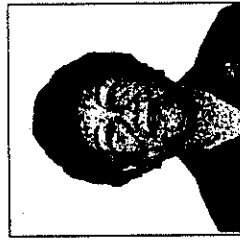
Mary Anne B. Colayco
Commissioner



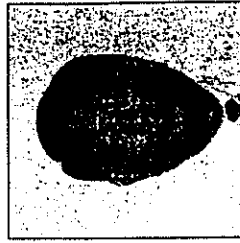
Oliver B. Butalid
Commissioner



Fe B. Barin
Chair



Leticia V. Ibay
Commissioner



Carlos R. Alindada
Commissioner

3. The ERC shall grant, revoke, review and modify the certificates of compliance to generation companies and the licenses to suppliers of electricity in the contestable market pursuant to Sections 6, 29, and 43 (e).
4. Pursuant to Section 43 (b), in order to facilitate the provision of an efficient, reliable and quality electric service, the ERC shall enforce a national Grid Code and a Distribution Code that shall include performance standards and the minimum financial capability standards and other terms and conditions for access to and use of the transmission and distribution facilities.
5. There shall be authorized eligible Generation Companies, Distribution Utilities, Suppliers, End-Users and other similar entities to become members of the WESM. Pursuant to Section 43 (c), the ERC shall enforce the rules and regulations governing the operations of WESM and the activities of the WESM operator and other WESM participants, for the purpose of ensuring a greater supply and rational pricing of electricity.
6. ERC shall ensure that the Industry Participants and NPC functionally and structurally unbundle their respective business activities and rates and determine the levels of cross subsidies in the existing retail rates until the same is removed in accordance with the sectors as identified in and as required by Sections 5, 36 and 74 of the Act.
7. ERC shall set a Lifeline Rate for the Marginalized End-Users.

"ERC's bi-focal responsibility in the electric industry is to ensure consumer protection and promote competition."

8. The ERC shall promulgate rules and regulations prescribing the qualifications of Suppliers which shall include among others their technical and financial capability and credit worthiness.
9. The ERC shall determine the electricity End-users comprising the Contestable and Captive Markets.
10. It shall also be empowered to issue such other rules that are essential in the discharge of its functions as an independent quasi-judicial and quasi-legislative body.

Major ERC Organizational Units

Office of the General Counsel and Secretariat to the Commission

Responsible for providing legal advice or assistance to the Commission and acts as secretariat to the Commission.

Regulatory Operations Service

Responsible for recommending and enforcing the rules, regulations, standards and methodologies adopted by the Commission.

- Prepares studies and makes recommendations regarding electric rates and tariffs including transmission and distribution wheeling charges, cross-subsidies, universal charge, lifeline rates and other related issues.
- Conducts investigations and makes recommendations related to violations by the participants in electric industry to the standards, rules and regulations issued by the ERC.
- Prepares and recommends revisions to the various standards promulgated and enforced by ERC and conducts the necessary studies related thereto including individual distribution utility system losses. Evaluates the Compliance Plans to the Philippine Grid and Distribution Codes. Evaluates the expansion, rehabilitation and development projects of the TRANSCO and distribution utilities.

Market Operations Service

- Develops recommendations with supporting studies and distribution in all pending matters before the Commission including issuances of certificates of compliance, licenses for suppliers of electricity, contestable markets, wholesale spot market, anti-

competitive behavior and other matters as directed by the CEO.

- Establishes dispute resolution procedures.

Planning and Information Service

Responsible for providing the Commission with relevant, timely and accurate reports, data/information, and for taking the lead role in the information dissemination to the general public.

- Conducts technical and policy research and development to address the needs and demands of a dynamic electricity industry;
- Develops and implements ERC's management information system by using appropriate and responsive information and communication technology/systems.
- In coordination with the CEO, prepares corporate short, medium and long term plans for Commission's approval;
- In coordination with the CEO, prepares a proposed annual budget and annual performance/accomplishment report for the commission's approval.

Consumer Affairs Service

Responsible for handling consumers complaints and ensure the adequate promotion of consumer interests.

- Provides the consumers with timely, relevant and complete information on electricity matters that affect their interest;
- Encourages electricity consumers to air their complaints and grievances against any participant/player in the electricity industry, or even the ERC or any of its operating units or personnel, who may be perceived or actually known as working against the interest of the consumers/end-users;
- Acts on complaints/grievances by referring it to the office/operating unit concerned for immediate action/resolution;
- Sets up mechanisms/procedures for responsive, fair and

- acceptable actions on complaints/grievances;
- Designs programs/systems to prevent eliminate, or eradicate potential sources of consumers complaints/grievances, in coordination with participants/players of the electric industry;
- Recommends sanctions against any participants/players/ERC personnel who have been proven as working against the interest of consumers/end-users, and/or rewards/incentives for participants/players with no records of complaints from consumers/end-users;
- Exercises functional and administrative supervision over the Visayas/Mindanao Offices.

Legal Service

Responsible for providing legal assistance and representation to all line departments in proceeding before the Commission and assistance in external legal matters as requested by the General Counsel. Responsible for safekeeping of legal documents.

- Acts as the custodian of legal records, maps, profiles, tariffs, reports and others documents/papers filed in connection with any case or proceedings before the Commission.

Financial and Administrative Service

Responsible for providing financial, administrative, and human resources service to the Commission and its various operating units including, but not limited to the following area of concerns:

- Internal financial audit
- Basic and subsidiary accounting/bookkeeping
- Collection/disbursement of funds
- Records management/custodianship
- Supply, procurement and property utilization
- Transportation and communication
- General housekeeping
- Human Resource Management and Development Policies

Contact Numbers

Executive Offices	631-58-79
Office of the General Counsel and Secretariat	633-32-29
Financial and Administrative Service	635-68-84
Planning and Information Service	631-58-16
Legal Service	636-33-15
Regulatory Operations Service	634-86-41
Market Operations Service	631-58-59
Consumer Affairs Service	633-32-29

E-mail: info@erc.gov.ph

Field Offices:

ERC Visayas Office
B & F Paray Bldg., Osmeña Blvd.
6000 Cebu City
Phone (032) 254-85-11
FAX (032) 254-85-12

ERC Mindanao Office
888 Mintrade Drive, R. Castillo St.,
8000 Davao City
Phone (082) 224-15-75
FAX (082) 227-20-35