



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

First Regular Session

House Resolution No. 161

Introduced by Representatives
Sergio C. Dagooc, Presley C. De Jesus,
Adriano A. Ebcas, and Godofredo N. Guya

A RESOLUTION

**DIRECTING THE COMMITTEE OF ENERGY TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE EPIRA LAW AND ITS IMPLEMENTING
RULES AND REGULATIONS IN RELATION TO THE WHOLESALE
ELECTRICITY SPOT MARKET RULES AND OTHER RELAVANT ISSUANCES OF
THE DEPARTMENT OF ENERGY AND THE
ENERGY REGULATORY COMMISSION.**

WHEREAS, Republic Act. No 9136, or the Electric Power Industry Reform Act of 2001, signed in June 2001 by then President Gloria Macapagal-Arroyo mandated the establishment of the Wholesale Electricity Spot Market (WESM) as part of the package of electric power industry reform;

WHEREAS, the WESM is a venue for trading electricity as a commodity. It is a clearing house to reflect the economic value of electricity for a particular period, as indicated by the "spot price". This market differs from other markets because electricity cannot be stored in large quantities and it is not possible to trace which generator produced the electricity consumed by a particular consumer;

WHEREAS, the wholesale electricity market uses the concept of a "pool" where all electricity output from generators are centrally coordinated. Generators as well as buyers of bulk electricity compete for a share of this pool, to be dispatched and scheduled to meet the electricity demand in real time;

WHEREAS, the Department of Energy (DOE), with the help of electric power industry participants, promulgated the detailed rules and regulations that will govern the conduct of the WESM on June 2002, a year after the enactment of the EPIRA;

WHEREAS, the Philippine Electric Market Corporation (PEMC) was incorporated as a non-stock, non-profit corporation and was designated to serve as the autonomous group market operator that will undertake the preparation for and initial operations of the WESM;

WHEREAS, there is apparent need to review the rules and regulations of the WESM to ensure fair market competition to lower electricity prices;

WHEREAS, in numerous cases, the generation cost of electricity reached its highest level, something unheard of in the past prior to the implementation of WESM, which has become a subject of investigation and court litigation, to the detriment of the electric consuming public who are always at the losing end;

WHEREAS, it has been observed that the controversy in market prices is brought about by loopholes in the market rules, that is prone to abuse and manipulation by market participants;

WHEREAS, it is incumbent upon Congress as legislative arm of the government, to make and amend laws if necessary to defend and protect the public interest;

WHEREAS, it is the paramount duty of Congress to review the EPIRA law as well as it's implementing rules and regulations governing the WESM in compliance with the Philippine Constitution and applicable laws of the country;

NOW THEREFORE, BE IT RESOLVED THAT, the Committee on Energy conduct an investigation, in aid of legislation, into the EPIRA Law as well as the implementing rules and regulations of the Wholesale Electricity Spot Market as it has been thirteen (13) years since the WESM was operationalized and to ensure fair market competition to drive down price of electricity.

Adopted,




REP. SERGIO C. DAGOOC
APEC Partylist



REP. PRESLEY C. DE JESUS
PHILRECA Partylist



REP. ADRIANO A. EBCAS
Ako Padayon Pilipino Partylist



REP. GODOFREDO N. GUYA
RECOBODA Partylist