

PROPOSALS FOR THE EPIRA LAW (RA 9136) REVIEW

LEYECO I

February 6, 2014 Parklane hotel, Cebu City

PROPONENT/SUMMARY OF PROPOSED AMENDMENTS	RATIONALE/DISCUSSION	SPECIFIC PROVISION(S) AFFECTED	PROPOSED REWORDINGS OF PROVISION
Benefits to host communities	EMMANUEL P. SAÑO, General Manager (LEYECO I) I understand the DOE already issued a legal opinion if the provision of the DOE circular is still existing.	Prioritization of load dispatch	Make sure that the portion of the DOE law which is implemented by a DOE circular on the radial assignment of priority dispatch should be implemented to the benefit of the host communities
High cost of electricity	EMMANUEL P. SAÑO, General Manager (LEYECO I) All assets have been privatized but still high cost of power, so what went wrong?		DOE to look/assess what went wrong
Collection of Universal Charge	EMMANUEL P. SAÑO, General Manager (LEYECO I) When will its collection end?		
High Line Rental Cost Imposed by WESM	EMMANUEL P. SAÑO, General Manager (LEYECO I) When WESM in the Visayas was being forced upon us, we heavily resisted, but we were overwhelmed. We presented a DOE study on what is the best situation for WESM to be introduced in the Visayas. And one of those United Nation study, required an N-1 provisions for the Visayas grid. At that time, it was too expensive to do it, and is still too expensive now. The story of Western Visayas electric cooperatives will continue to suffer from high line rental until all the generators are islanded in Panay. If there is also an oversupply of capacity in Panay as Concepcion coal fired and other incoming plants, it will not also be able to export to Negros. And Negros will again suffer what is happening to Panay. If and when that study is still in the library of the DOE, kindly look back at that recommendation because it will improve and help good WESM facilities not only in the Visayas, but even in the forthcoming Mindanao IMEM. It was done by experts, commissioned by DOE, then let us look at it again. If we are really going to make		DOE to review the DOE study on the best situation for WESM Visayas

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	<p>EPIRA really effective for the people and to make our cost cheap, then look at those studies that will help.</p> <p>We strongly opposed before the implementation of WESM but we were overwhelmed because of the N-1 provision and the transmission infrastructure is not ready. We have already presented a study to the DOE on the WESM, it was done by the experts, commissioned by the DOE(before implementation of WESM). Let us look at those studies and it will help.</p>		
Replacement Power in Power Supply Agreements	<p>EMMANUEL P. SAÑO, General Manager (LEYECO I) When you're in a hurry, you grab anything and when you're not, you provide whatever you want. Most of those power supply agreement without replacement power has last minute contracting.</p> <p>In any international standard contracting, there should be always a replacement power. Now if the generators are not covered by the EPIRA because they are not regulated, they can say that they cannot provide for replacement power. This is one thing that we need to look into.</p>		
VAT	<p>EMMANUEL P. SAÑO, General Manager (LEYECO I) The on-going study to remove the VAT on electricity as cited by ASec. Acol is a welcome development. Subsidy is provided by the government thus it also needs taxes to generate funds for subsidy. But why is power and system loss being taxed? With EPIRA there should be no VAT. With no VAT there is lower cost of power.</p>		Suspend or take out the 12% VAT of generation