

**PROPOSALS FOR THE EPIRA LAW (RA 9136) REVIEW**  
**Dagupan Electric Corporation (DECORP)**

PROPONENT/SUMMARY OF PROPOSED AMENDMENTS	RATIONALE/DISCUSSION	SPECIFIC PROVISION(S) AFFECTED	PROPOSED REWORDINGS OF PROVISION
<p>General comment: EPIRA's intentions and content is good, clear and well worded. IF you decide to go the market mechanism (and it is still a big IF), it follows the general electricity market trend of a competitive generation and supply sectors, and regulated wires businesses, with a local goal of reducing government debt. An effective market design for electricity is a worldwide issue and we have our own testing conditions. What has created major issues is decision making and behavior of industry participants including the Regulator, and a shortage of generation capacity. There will always be issues of interpretation, and the success of such legislation is up to the players. What has suffered in implementation is risk management, with effectively the majority of risk being passed on to the consumer, in times of outages and shortages. This has to be curtailed.</p>			
<p>Does broadening the ownership base result in better electricity rates</p>	<p>This is not an industry where “normal” competition rules work well. Forced disposal of especially smaller utility shares result in bigger players taking advantage of the situation</p>	<p>EPIRA            Chapter I. Title and Declaration of Policy            Section 2(d) Declaration of policy</p> <p>Chapter II. Organization and Operation of the Electric Power Industry            Section 28 De-Monopolization and Shareholdings Dispersal</p> <p>Chapter IV. Regulation of the Electric Power Industry            Section 43(t) Functions of the ERC</p>	<p>To be removed</p>
<p>Practicality of including an Aggregator</p>	<p>Adds another layer of cost, with no obvious efficiency improvements, especially when there is shortage of Generation capacity</p>	<p>EPIRA            Chapter I. Title and Declaration of Policy            Section 4(a) Definition of Terms</p>	<p>To be removed</p>
<p>VAT on Electricity (Generation)</p>	<p>Why was this ignored and VAT on electricity introduced?</p>	<p>EPIRA            Chapter I. Title and Declaration of Policy            Section 6 Generation Sector</p>	<p>No revision</p>
<p>ERC to determine market abuse</p>	<p>Effective monitoring and actions by ERC, or any other body?</p>	<p>EPIRA            Chapter I. Title and Declaration of Policy</p>	<p>Only requires submission of financial statements?</p>

		Section 6 Generation Sector	
Market power abuse	To be revised	EPIRA Chapter IV. Regulation of the Electric Power Industry Section 45 Cross Ownerships, Market Power Abuse and Anti-Competitive Behaviour	Are levels of ownership in all sectors appropriate to prevent monopoly behaviour?