

PROPOSALS FOR THE EPIRA LAW (RA 9136) REVIEW

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17 January 2014 DOE Audio Visual Room, Taguig City

<p align="center">PROPONENT/SUMMARY OF PROPOSED AMENDMENTS</p>	<p align="center">RATIONALE/DISCUSSION</p>	<p align="center">SPECIFIC PROVISION(S) AFFECTED</p>	<p align="center">PROPOSED REWORDINGS OF PROVISION</p>
<p>Amending the EPIRA :</p> <ol style="list-style-type: none"> 1. Current provisions of the law are sufficient to encourage entry of new players in the energy sector as envisioned by EPIRA 2. Retail Supply Sector has very short operation history to require substantial change in rules and regulations. The implementation of RCOA was just a half a year ago and is still too short to conclude how EPIRA had affected the industry. 3. EPIRA has the necessary provisions that may better serve and address current industry status. What is needed is the Improvement of current process, principles and policies rather than amendment of the existing law. <p>RESA supports the effort of the National Government to ensure a dynamic power industry.</p>			

Retail Segment Regulations and Process:

1. There exist certain issues and differences between ERC, DOE and PEMC on the issuance of regulations. There are conflicting provisions where do not know where to go and what the general direction is.
2. PEZA classified accounts as participant in the Retail Market. The concern is with respect to coordination of existing PEZA rules and regulations among its contestable customers. There are no clear direction and policies to be applied among its contestable customers to serve its need within the PEZA zone.
3. Tax application for Retail Electricity Suppliers (RES) related transaction specifically how the pass thru provision would be applied among the distribution utilities. Will this be applied among the RES as well? Todate there are no BIR ruling yet on this pass thru charges resulting to our difficulty to explain such VAT pass thru transactions.

EPIRA
Chapter II. Organization and Operation of the Electric Power Industry
Section 31 Retail Competition and Open Access

EPIRA
Chapter IX. Final Provisions
Section 80 Applicability and Repealing Clause

“Presidential Decree No. 40 and all laws, decrees, rules and regulations, or portion thereof, inconsistent with this Act are hereby repealed or modified accordingly.”

RESA Recommendations:

Creation of Working Group composed of various agencies such as ERC, DOE, BIR, PEZA, PEMC, industry stakeholders (Generation, Distribution, Transmission and Supply Sector representatives) and Consumer Sector. There is a need to have an avenue to immediately discuss what happened for any critical issues that may arise and find solutions. We need to be familiarized with the provision of the rules to be aware and properly respond. There is a need to improve regulatory environment.

	<p>Harmonization of existing regulations and processes to incorporate experience and concerns gained from the 6-months operation of the Retail Segment</p> <p>Definition of timeline regarding implementation of full retail competition incorporating comments/suggestions from all stakeholders. The implementation of RCOA has been questioned way back and was postponed several times in the past. Currently we still do not know when the 2nd phase (750Kw aggregation) would be implemented and its full completion. RCOA implementation timeline proceeded on a moving basis creating confusion resulting to our difficulty to plan and prepare our contestable customers. We fully believe that amending the EPIRA will add to confusion. Since RCOA is still young, what we want to request is an open dialog to better address the issues of the industry.</p> <p>To support and achieve better serve among the consumers, we would like to request representation in the focus group meetings and discussions so that all sectors in the electric industry are well represented.</p>		
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