Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Eighteenth Congress
Second Regular Session

HOUSE RESOLUTION NO. 1766

Introduced by: Representatives Gil “Kabarangay Jr.” A. Acosta, Cyrille “Beng” F. Abueg-Zaldivar, and Franz “Chicoy” E. Alvarez

RESOLUTION DIRECTING THE COMMITTEES ON ENERGY AND GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY TO IMMEDIATELY CONDUCT AN INQUIRY IN AID OF LEGISLATION INTO THE ERRATIC OPERATIONS OF PALAWAN ELECTRIC COOPERATIVE, INC.

WHEREAS, the electrical distribution in the Province of Palawan is presently handled by Palawan Electric Cooperative (PALECO) under a franchise granted by the National Electrification Administration (NEA) in 1974;

WHEREAS, PALECO serves the second largest franchise area in the country and provides power to Puerto Princesa City and the Municipalities of Aborlan, Narra, Brooke’s Point, Sofronio Espanola, Cuyo, Magsaysay, Quezon, Roxas, Taytay, El Nido, Araceli, San Vicente, Bataraza, Rizal, Balabac, Cagayancillo, Agutaya, and Dumaran, serving a total of 137,277 consumers or 57 percent of the 240,700 potential connections in Palawan;

WHEREAS, the Province of Palawan is the fifth (5th) largest island in the country and PALECO is considered a missionary area, since it is not connected to the transmission facilities of the National Grid Corporation of the Philippines;

WHEREAS, the peak energy demand in the Palawan mainland grid is at 45.8 megawatts, while the contracted power supply from the three (3) independent power producers (IPPs) is 53.7 megawatts;
WHEREAS, despite there being more supply than demand, PALECO is still not able to adequately and efficiently operate and maintain the Palawan mainland grid which results in the regular power services outages and interruptions;

WHEREAS, Palawan is known for its beautiful beaches, and the tourism industry is the third largest economic driver of the Province, and the tourism industry is threatened by power interruptions;

WHEREAS, unannounced brownouts have been disrupting work and other productive routine of consumers and local businesses in the Province of Palawan;

WHEREAS, on October 2018, President Rodrigo R. Duterte gave PALECO officials the ultimatum to shape up and stabilize the power supply or ship out. The President gave a stern warning that the National Government will expropriate the franchise if PALECO does not shape up by the end of 2018;

WHEREAS, on December 2018, the National Electrification Administration (NEA) has taken over the management and operational control of the beleaguered Palawan Electric Cooperative and has brought in a new general manager to lead in fixing its woes;

WHEREAS, the National Electrification Administration has activated the Task Force Kapatid program, with active participation of ten (10) electric cooperatives to help with the rehabilitation of PALECO;

WHEREAS, on February 2019, the Department of Energy created Task Force PALECO to address the complaints against power interruptions in Puerto Princesa and other parts of Palawan;

WHEREAS, the Department of Energy gave PALECO until the end of 2019 to complete its rehabilitation;

WHEREAS, on June 2019, the local government of Puerto Princesa, armed with petition signed by over 500 residents, filed a civil law suit against PALECO over its alleged failure to provide satisfactory service to consumers;

WHEREAS, on September 2019, the National Electrification Administration has directed PALECO to develop a sustainability plan; WHEREAS, despite the intervention of NEA and DOE, PALECO failed to provide and deliver sustainable power and excellent electric service to its consumers;

WHEREAS, frequent power shortage must be averted and sufficient supply of electric power must be ensured;
WHEREAS, a franchise granted to a public utility, being merely a privilege emanating from the sovereign power of the state and owing its existence to a grant, is subject to regulation by the state itself by virtue of its police power through its administrative agencies;

WHEREAS, it is highly urged that Congress look into the operations of PALECO and the resulting erratic distribution of electricity in the Province of Palawan and the City of Puerto Princesa, with the end in view that regulatory measures be put into place to protect the rights of its burdened consumers, and if proven, hold PALECO and/or any other responsible agency or office accountable for its actions;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the Committees on Energy and Good Government and Public Accountability to immediately conduct an inquiry in aid of legislation into the operations of Palawan Electric Cooperative, Inc., and the erratic delivery of electricity to consumers, and devise mechanisms to avert the power crisis in the Province of Palawan.

Adopted.

GIL “Kabarangay Jr.” A. ACOSTA
Representative
3rd District of Palawan

CYRILLE “Beng” F. ABUEG-ZALDIVAR
Representative
2nd District of Palawan

FRANZ “Chicoy” E. ALVAREZ
Representative
1st District of Palawan