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COMMITTEE MEETINGS ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Creative Industry and Performing Arts	HR 1668	Rep. De Venecia	<p>Inquiry into the status of implementation of RA 9266, otherwise known as the Architecture Act of 2004, RA 10350 or the Philippine Interior Design Act of 2012, and other laws in relation to design professionals</p> <ul style="list-style-type: none"> Philippine Design Competitiveness Act of 2013 	<p>The Committee, chaired by Rep. Christopher de Venecia (4th District, Pangasinan), terminated its inquiry relative to HR 1668. The Committee, in consultation with the stakeholders, will draft the bills that will amend some of the existing laws governing the various design professions.</p> <p>Rep. De Venecia, who is also the principal author of the resolution, explained that today's meeting will focus on the review of the provisions of the Philippine Design Competitiveness Act of 2013 (RA 10557), National Cultural Heritage Act of 2009 (RA 10066), and National Building Code of the Philippines (RA 6541).</p> <p>With regard to RA 10557, Design Center of the Philippines (DCP) Executive Director Rhea Matute informed the body that the law mandates the DCP to formulate the National Design Policy (NDP) and align it with the government's economic agenda. However, she said the DCP is still in the process of gathering data for its Design Economy Mapping Survey, which will be instrumental in the crafting of the NDP. She enjoined all the design professionals to participate in this survey.</p> <p>Rep. De Venecia inquired if place-making industries are part of the jurisdiction of the DCP. Place-making involves the planning, designing and restructuring of a place to make it look better and more functional to the community.</p> <p>Matute replied that DCP has jurisdiction over object-making and image-making industries only. However, she said the DCP is looking into the possibility of including place-making in its scope of work in the future.</p> <p>The Chair requested the Professional Regulatory Boards of the different design professions to submit their respective position papers on the inclusion of the place-making industry in the scope of the DCP. He opined that the DCP has the potential to serve as the national planning body of the design sector that will provide direction to the latter.</p> <p>On the issue that design professionals prefer the use of imported materials in making their products, Professional Regulatory Board of</p>

<p>Continuation... Creative Industry and Performing Arts</p>			<ul style="list-style-type: none"> National Cultural Heritage Act of 2009 	<p>Landscape Architecture Chairman Paulo Alcazaren explained that this is due to supply chain problems, prohibitive shipping cost within the country, and inconsistencies in the quantity and quality of raw materials being produced locally.</p> <p>Rep. Sharon Garin (Party-List, AAMBIS-OWA) recommended that the country intensify the research and development of raw materials that are indigenous to the country so that these materials will be more accessible to the local designers.</p> <p>Arch. Alnie Khayzer Hayudini of the Heritage Regulation Unit, National Commission for Culture and the Arts (NCCA), presented the key provisions of the RA 10066.</p> <p>Rep. De Venecia criticized the NCCA's lack of drive in fulfilling its mandate to protect the built heritage of the country. He said several buildings with cultural value have been demolished in the past which should have been prevented by the NCCA.</p> <p>Under RA 10066, built heritage refers to "architectural and engineering structures such as, but not limited to, bridges, government buildings, houses of ancestry, traditional dwellings, quartels, train stations, lighthouses, small ports, educational, technological and industrial complexes and their settings, and landscapes with notable historical and cultural significance."</p> <p>Arch. Dominic Galicia, principal architect of Dominic Galicia Architects, said there is lack of creative imagination on how conservation of built heritage shall move forward. To prevent demolitions, he said adaptive reuse should be at the forefront of the policy on conservation. RA 10066 defines adaptive reuse as the "utilization of buildings, other built-structures, and sites of value for purposes other than that for which they were intended originally, in order to conserve the site, their engineering integrity, and authenticity of design."</p> <p>Hayudini assured the Committee that the NCCA encourages adaptive reuse. He also explained that the reason why some buildings with cultural or historical value are demolished is because some developers are unaware of the law. He also said that there are excavations and demolitions that are not being reported to the NCCA.</p> <p>Pasig City Rep. Roman Romulo recommended that there should be a synergy between the NCCA, Department of Justice, and Office of the Solicitor General, so that proper cases will be filed against the perpetrators of these illegal demolitions.</p> <p>Meanwhile, Arch. Joel Luna, principal architect of Joel Luna Planning and Design,</p>
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<p>Continuation... Creative Industry and Performing Arts</p>			<ul style="list-style-type: none"> National Building Code of the Philippines 	<p>recommended that owners of old buildings should be given tax incentives to encourage them not to sell or develop their property for other purposes and to compensate them for the lost economic opportunity in preserving the old buildings.</p> <p>Explaining the process for the declaration of a cultural property, Hayudini said it starts with the local government units (LGUs) which are supposed to submit to the NCCA, on a yearly basis, their local cultural inventory of buildings, structures, monuments, and other sites. He said the NCCA evaluates the properties included in the list and once a building or structure is approved as a cultural property, the concerned LGU shall issue an ordinance declaring the said building as such and requiring its preservation.</p> <p>Alcazaren suggested that LGUs should be encouraged to establish conservation districts instead of preserving a single building in order to boost tourism and culture in the locality. He said successful conservation districts in the Philippines are found in Vigan and Iloilo.</p> <p>With regard to the implementation of RA 6541, Arch. William Ti Jr., principal architect of WTA Architecture and Design Studio, mentioned that design professionals in the country do not have much contribution in the development of government infrastructure projects because they merely follow the plan provided by the contractor. He explained that the contractor of a government project has full control in the selection and hiring of architects.</p> <p>Arch. Leandro Poco, partner for Design and Practice Development at Leonardo A. Poco and Associates, Architects, proposed the creation of more plantilla positions for architects in LGUs and government agencies. He said this is to ensure that the Terms of Reference (TOR) of the contracts for government projects will be properly crafted and attuned to the design components of the projects. He said that architects have the expertise in this field.</p> <p>Professional Regulatory Board of Architecture Chair Robert Sac and other practitioners also recommended that the building official of LGUs should be an architect to ensure that all structures comply with all the requirements of the National Building Code.</p> <p>Rep. De Venecia thanked the resource persons for their active participation in all the meetings of the Committee relative to HR 1668. He said the Committee will consolidate all the inputs of the stakeholders and come up with appropriate legislative measures that will amend some of the existing laws governing the various design professions.</p>
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Revision of Laws	Substitute Bill to HBs 6923, 7465, 7633, 7718, 7825, 7947 & 8760	Deputy Speaker Romero, Reps. Deloso-Montalla, Nograles (J.F.F.), Delos Santos, Tambunting, Villafuerte, and Yap (V.)	Prohibiting all forms of sexual abuse or exploitation of children (SAEC)	<p>The Committee, chaired by Rep. Cheryl Deloso-Montalla (2nd District, Zambales), approved the substitute bill subject to style and amendment.</p> <p>The Secretariat will forward the substitute bill to the Committee on Appropriations for its consideration of the bill's funding provisions. Likewise, the Secretariat was directed to draft the corresponding Committee Report.</p> <p>In today's meeting, resource persons present gave their inputs and recommendations to further improve the proposed law. Among these are the following:</p> <ul style="list-style-type: none"> • To clarify in the substitute bill the elements that should be present in considering "actual sexual intercourse with a child or children with or without consideration" as an act of child sexual exploitation to avoid confusing it with the crime of rape. • To consider the acts described in Section 4 (Unlawful and Prohibited Acts) and Section 6 (Syndicated Child Sexual Abuse or Exploitation) as predicate crimes of money laundering; and • To include in the proposed law the provision in RA 9775 (Anti-Child Pornography Act of 2009) that pertains to the possession, sale, and publication of large quantity of SAEC materials.
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DISCUSSION WITH AGENCIES/ENTITIES		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Energy	<p>Discussion with concerned government agencies and private entities on the power supply and demand situation and the cause of the recent rotational brownouts</p> <ul style="list-style-type: none"> • Department of Energy (DOE) 	<p>The Committee, chaired by Rep. Juan Miguel Macapagal Arroyo (2nd District, Pampanga), discussed with concerned government agencies and private entities the prevailing power supply and demand situation and the cause of the recent rotational brownouts in Luzon.</p> <p>At the outset, Rep. Macapagal Arroyo said that the purpose of the meeting is to determine the problem that caused the rotational brownouts in Luzon during the first week of June and to find a permanent and collaborative solution to address the power interruptions.</p> <p>Energy Secretary Alfonso Cusi explained that the power interruptions during the past days were due to the peak demand for electricity because of the hot weather and the simultaneous breakdown or forced outages of power plants that led to a loss of around 2,000 megawatts (MW) of energy supply in Luzon. He clarified that the energy supply can keep up with the demand as long as there is no breakdown of power plants. The Energy Secretary added that the breakdown of some power plants were due to delayed maintenance works, caused by delays in the delivery of spare parts and inspection by technical experts, all because of the pandemic.</p>

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Energy

- Energy Regulatory Commission (ERC)

Nevertheless, Cusi assured the Committee that the DOE is continuously working with the Energy Regulatory Commission (ERC) and energy players to address the challenges in the energy sector and ensure a steady energy supply to the country today and in the future.

DOE Electric Power Industry Management Bureau Director Mario Marasigan likewise reported that the primary reason for the rotational brownouts was the breakdown of five coal-fired power plants at different points in time since last year. These include Mariveles Units 1 and 2, Sual Unit 2, Calaca Unit 2, and Pagbilao Unit 2.

Marasigan said that because of the pandemic and the subsequent quarantine measures which restricted mobility, maintenance of the power plants has been challenging leading to forced or unplanned outages. This means that the power plants cannot supply their dependable capacity because they are on shutdown.

On the Luzon power outlook for June, Marasigan said that hopefully Luzon can get past the red alert status and avoid rotational brownouts in the coming weeks until July 1 with some power plants again supplying electricity to the grid and the consumption of electricity going down. A red alert status is declared when there is insufficient supply of energy in the grid system.

ERC Chair Agnes Devanadera agreed that the present power interruptions are due to a confluence of events such as the increase in the demand for electricity due to the summer season and the decrease in available supply of electricity due to planned or unplanned shutdowns and derating of power plants.

As one of the regulators of the energy sector, Devanadera said the ERC issued Resolution No. 10, series of 2020, which sets a cap or a maximum allowable unplanned outage for conventional generating units. Pursuant to this resolution, the ERC issued Notices of Non-Compliance and Orders to Comply to 35 generation companies (GenCos) that exceeded the number of unplanned outages for the period January to April 2021. Out of the 35 GenCos, only 15 replied with explanation. She said that among the reasons given for the forced outages were the failure of foreign technical or maintenance personnel to arrive in the country on time and delayed delivery of needed spare parts. Devanadera said that the ERC will look into whether the grounds cited are supported by documents and evidences.

Devanadera also presented an analysis of the movement in the Wholesale Electricity Spot Market (WESM). She said that the secondary price cap (SPC) was imposed to address the unreasonably sustained high prices starting April 29. Days before that, specifically April 27, electricity supply dipped by 4% due to unplanned outages. Demand likewise started to increase resulting in the thinning of the supply margin.

She disclosed that there may be a "price play" as the SPC was hit 118 times this year when there were only 10 yellow alerts and 2 red alerts recorded. Meanwhile in 2020, the SPC was hit only three times even if there were 172 and 9 recorded yellow and red alerts, respectively.

Moving forward, Devanadera said that the government should look into and address the fact that most power plants in Luzon are 16 years and older, hence they could not be as efficient as before. Likewise, the ERC will continuously monitor WESM

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Energy

- National Grid Corporation of the Philippines (NGCP)

prices and behavior of market participants on a daily and weekly basis.

NGCP Assistant Vice President and System Operations head Raul Seludo said that the NGCP complies with the DOE Department Circular 2020-02-0004 or the guidelines on the planned outage schedules of power plants and transmission facilities and the public posting of the Grid Operating and Maintenance Program (GOMP).

Under the Circular, the NGCP and the Market Operator shall devise a mechanism to come up with an optimal generation and transmission planned outage schedule which shall be the basis of the GOMP. In line with this, Seludo informed the Committee that power generator companies start planning their preventive maintenance schedule (PMS) for the following year starting April to May of the current year. The schedule will be submitted to the DOE, ERC, and the Independent Electricity Market Operator (IEMOP) by the end of October.

Seludo said that as early as December 2020, the NGCP reassessed the 2021 power outlook and projected the alert status to occur in Luzon grid by January and May. Thus, NGCP initiated a meeting with DOE and suggested that the PMS of power plants should be adjusted to alleviate the tight supply margin in May. In response, the DOE conducted meetings with affected power plants in the Luzon grid, and in those meetings NGCP presented its 2021 power outlook and maintained its suggestion to instruct power plants to adjust their PMS. By April, problems in the Luzon grid surfaced, such as the outage of GN Power Dinginin in Bataan, extended forced outage of coal plants, and extended PMS schedule of Ilijan and Sual power plants.

Seludo also reported on the Luzon grid capacity and demand profile. He said that from 2007 to 2021, the available power capacity in Luzon as well as the electricity demand increased. Although the capacity exceeds the demand, the difference between the capacity and demand is too narrow. Hence, during unplanned outages, the excess capacity diminishes or may even be insufficient to supply the demand.

Despite the power supply assessment for 2021, Seludo explained that the actual data on May 31 and June 1 showed that the available capacity was below the required power reserve that prompted a red alert status in Luzon.

DOE Undersecretary Felix William Fuentesbella clarified that the DOE only received the GOMP in December 2020. Marasigan echoed Fuentesbella's statement. Marasigan further said that in the GOMP, there was still preventive maintenance scheduled during the summer periods. He said that it is the policy of the DOE that power plants, except hydropower plants, should not conduct PMS during this period.

Marasigan also said that if only the NGCP contracted enough ancillary services as of December 2020, there would have been enough reserves to augment the supply capacity in times of unplanned outages or breakdowns.

Under the Electric Power Industry Reform Act of 2001 (EPIRA), ancillary services are "services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission subsystem in accordance with good utility practice and the Grid Code."

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Energy

- Independent Electricity Market Operator of the Philippines (IEMOP) and other private and consumer organizations

Independent Electricity Market Operator of the Philippines (IEMOP) President and Chief Executive Officer (CEO) Richard Nethercott presented the power plants on outage from May 26 to June 3. Nethercott said that even though the GN Power Dinginin was in the process of testing and commissioning, the plant was dispatched and included in the available capacity. However, on May 31, the power plant also had a breakdown.

Philippine Independent Power Producers Association (PIPPA) Executive Director Anne Montelibano said that there is a need to encourage more investments in the generation sector that will lead to more competitive rates and to energy efficiency, security and reliability.

Manila Electric Co. (Meralco) President and Chief Executive Officer Ray Espinosa supports the efforts of the DOE and ERC in ensuring energy security not only in Meralco's service area but for the entire Luzon. He maintained that the Meralco has contracted ample supply of electricity for the consumers in its service area. However, whenever there is supply shortage in the entire Luzon grid, Meralco cannot do much but to "share in the burden of reducing the supply shortage," thus affecting its own customers.

Consumer Advocate and former BAYAN MUNA Party-List Representative, Atty. Neri Colmenares, said that the recurring brownouts and high electricity rates can be attributed to the lack of sustainable power generating plants and inefficiency of the transmission system. He averred that energy supply shortage has always been a problem and yet there has been no long-term solution to fully address it.

Colmenares posed several questions from the consumers' point of view, including the following: Can the Visayas and Mindanao grids transmit electricity supply to Luzon to augment the latter's energy demand? What is the projected electricity rate increase per kilowatt hour as a result of the sudden lack of supply? Why did the requirement for regulating contingency and dispatchable reserve not kick in when it became clear that there was lack of supply?

Recognizing the merits of the points and questions raised by Colmenares, Rep. Macapagal Arroyo instructed the Committee Secretary to request the agencies and stakeholders concerned to submit their reply to these questions.

Meanwhile, Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA) asked if the GenCos that had unplanned outages can be held liable by the ERC.

Devanadera said that the ERC imposes a set of penalties ranging from P100,000 to several millions of pesos in fine, depending on the violations committed.

Rep. France Castro (Party-List, ACT-TEACHERS) asked about the power supply and demand outlook once the economy fully opens post-pandemic. Marasigan said that the Annual Demand and Supply Outlook determined by the DOE already considers the recovery plan of the country from the pandemic, and takes into account the economic parameters provided by National Economic and Development Authority (NEDA).

Rep. Presley de Jesus (Party-List, PHILRECA) remarked that the power supply problem has persisted since the 90s, hence he called the attention of the DOE, ERC, and other concerned agencies to come up with a long-term solution to finally address the problem.

<p>Continuation... Energy</p>	<p>Rep. Arroyo agreed that the energy sector should craft a blueprint of solutions to address the challenges being faced by the country's power sector.</p> <p>Deputy Speaker Rufus Rodriguez (2nd District, Cagayan de Oro City) stressed the need to address the supply side of the energy sector. Thus, he encouraged the DOE and ERC to lessen the barriers to entry of new power plants as suggested by PIPPA.</p> <p>Rep. Enrico Pineda (Party-List, 1-PACMAN) asked why there is a power shortage if the projected peak demand for the year is only 11,841 megawatts (MW) and the total available reliable supply is 15,000 MW.</p> <p>DOE Undersecretary Emmanuel Juaneza explained that there were power plants that could not deliver the full capacity required from them. He said that the DOE is going to investigate certain plants such as those in the Bataan-Batangas Corridor that failed to deliver their required transmission capacity.</p> <p>Reps. De Jesus and Godofredo Guya (Party-List, RECOBODA) asked if the Dinginin power plant output was included in the total capacity of Luzon. Marasigan said that the Dinginin power plant was not included because it is still in the process of testing and commissioning. However, he disclosed that despite its status, the Dinginin power plant played an important role in augmenting the power supply during the peak demand period in Luzon providing 668 MW capacity in the system.</p> <p>When asked why ERC has not yet issued a Certificate of Compliance (COC) to GN Power Dinginin to allow it to commercially operate, Devanadera said that the ERC was about to conduct an inspection of the subject power plant as part of the process for the issuance of the COC. However, she said the inspection was suspended upon the request of the power plant itself due to the technical problems it was experiencing. Devanadera said that the ERC is just waiting for the notice from the plant that it is ready for inspection.</p> <p>The Chair enjoined the DOE, ERC, and the NGCP to hold a dialogue among themselves to thresh out some issues, particularly on the ancillary service and reserve capacities, and come up with a blueprint containing the solutions to the various problems affecting the energy sector.</p>
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