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CONFERENCE COMMITTEE MEETING

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Conference Committee	HB 8203 and SB 1928	Rep. Dagooc and Sen. Gatchalian	Promoting the use of microgrid systems to accelerate the total electrification of unserved and underserved areas nationwide	<p>The Conference Committee, co-chaired by Rep. Juan Miguel Macapagal Arroyo (2nd District, Pampanga), and Sen. Win Gatchalian, respective Chairpersons of the Committee on Energy of the House of Representatives and the Senate, approved the harmonized version of House Bill 8203 and Senate Bill 1928, subject to style and amendment.</p> <p>In his opening remarks, Sen. Gatchalian informed the body that prior to today's meeting, pre-conference committee meetings were held on September 24 and October 19 to discuss and thresh out the disagreeing provisions of HB 8203 and SB 1928. As a result, a harmonized version of the bills was drafted incorporating in it the agreements made during the meetings.</p> <p>Rep. Arroyo thanked the members of the Conference Committee as well as the Committee Secretariat staff of both Houses who have worked tirelessly to iron out the differing provisions of the bills. He said that the availability of a draft harmonized version will facilitate the discussion in today's meeting.</p> <p>The proposed law promotes the development of microgrid systems in unserved and underserved areas nationwide. Under the harmonized version of the bills, a microgrid system refers to a group of interconnected loads and a generation facility with clearly defined electrical boundaries that act as an integrated power generation and distribution system, whether or not connected to a distribution or transmission system.</p> <p>Rep. Sergio Dagooc (Party-List, APEC), author of HB 8203, manifested his concern over the use of the term "grid" in the harmonized version of the bills. He explained that while the definition of "grid" was based on the Philippine Grid Code, the use of the term in the proposed law may cause confusion as there are provisions that speak of "grid extension" which may be construed as connecting to the transmission system of the National Grid Corporation of the Philippines (NGCP). He explained that based on his actual experience on the ground, the microgrid system does not connect to the grid as defined in the proposed law. The bill defines "grid" as a "high voltage backbone system of interconnected</p>

<p>Continuation... Conference Committee</p>				<p>transmission lines, substations, and related facilities, located in each of Luzon, Visayas, and Mindanao.”</p> <p>Sen. Gatchalian explained that the phrase “grid extension” refers to the grid connected to the distribution utilities’ (DUs) transmission system and not to the NGCP’s grid. Nevertheless, he suggested to the body that the provisions with the phrase “grid extension” be amended accordingly taking into consideration the point raised by Rep. Dagooc.</p> <p>Commenting on Section 10 of the bill, Rep. Dagooc sought clarification on the Department of Energy’s (DOE) scope of authority over the rationalization of the Universal Charge Missionary Electrification (UCME). He averred that the DOE’s authority should only cover the rationalization of UCME for microgrid system providers (MGSP), excluding areas under the Small Power Utilities Group (SPUG). The SPUG refers to the unit of the National Power Corporation (NPC) created to pursue missionary electrification function in areas that are not connected to the transmission system.</p> <p>Likewise, Rep. Presley de Jesus (Party-List, PHILRECA) recommended that the bill should establish the parameters for the rationalization of UCME to ensure equitable availment of the UCME proceeds, particularly by the power providers in SPUG areas.</p> <p>Under the proposed law, UCME refers to the “portion of non-bypassable charge passed on and collected from all end-users on a monthly basis by the distribution utilities pursuant to Republic Act 9136 or the Electric Power Industry Reform Act of 2001.”</p> <p>DOE Undersecretary Felix William Fuentebella clarified that it is not the DOE that comes up with a rationalization plan on the UCME, but the DUs. He added that the DOE, in a circular it issued, required the DUs to submit their 10-year UCME rationalization plan in areas under their jurisdiction.</p> <p>To address the issue, Sen. Gatchalian suggested that Section 10 be amended to reflect that the availment of the UCME subsidy shall be rationalized by the DOE in coordination with the DUs, taking into consideration equity and continued economic progress in unserved and underserved areas.</p> <p>Also present during the meeting were Senators Maria Lourdes Nancy Binay and Imee Marcos.</p>
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COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Micro, Small, and Medium Enterprise Development	HR 6	Rep. Suansing (E.)	Inquiry into the plummeting farmgate price of palay; calling for remedial measures to ease the burden of palay farmers in all provinces throughout the country	<p>The Committee, chaired by Rep. Wilfrido Mark Enverga (1st District, Quezon), will continue its inquiry relative to House Resolutions Numbered 6 and 320 in another meeting.</p> <p>In his opening remarks, Rep. Enverga said that the purpose of the inquiry is to find out the reason behind the declining or plummeting price of <i>palay</i> in order to come up with the right solutions or interventions that will ease the plight of farmers especially during this pandemic. He added that the Committee aims to discuss as well the status of implementation of Republic Act 11203 also known as the Rice Tariffication Law (RTL) or the law liberalizing the importation, exportation and trading of rice, lifting for the purpose the quantitative import restriction on rice.</p> <p>Section 13 of the RTL provides that if the annual tariff revenues from rice importation exceeds the P10 billion annual allocation for the Rice Competitiveness Enhancement Fund (RCEF), a portion of the excess tariff revenues shall be earmarked by Congress for the grant of direct financial assistance to rice farmers who are farming two hectares and below of rice lands.</p> <p>According to Rep. Enverga, the House of Representatives already passed on Third Reading last September House Bill 9950, which authorizes the Department of Agriculture (DA) to use the excess of the P10 billion annual tariff revenues for cash assistance to qualified farmers until 2024. He said the objective is to cushion the effects of the declining <i>palay</i> prices and the crippling effects of the COVID-19 pandemic on small farmers.</p> <p>Rep. Estrellita Suansing (1st District, Nueva Ecija) and Deputy Speaker Evelina Escudero (1st District, Sorsogon), respective authors of HRs 6 and 320, affirmed the need to determine the factors causing the decline in the prices of <i>palay</i> and to review the implementation of the RTL and its impact on the country's rice production. They both emphasized that the government must step in to ensure food security and address the current plight of the farmers.</p> <p>On the query of Rep. Enverga relative to the tracking of the current prices of <i>palay</i> in the different localities, National Food Authority (NFA) Administrator Judy Carol Dansal replied that the NFA is monitoring all the prices of <i>palay</i> nationwide on a per province basis.</p> <p>DA Bureau of Plant Industry (DA-BPI) Director George Culaste informed the body that from January to October 2021, the total volume of</p>
	HR 320	Deputy Speaker Escudero	Inquiry into the present state of farmers especially in the planting, sale, and pricing of palay with the end in view of enacting legislative measures to address the same	

<p>Continuation... Micro, Small, and Medium Enterprise Development</p>				<p>rice imported into the country is 2.13 million metric tons. He also explained that in the issuance of the sanitary and phytosanitary import clearance (SPSIC) for rice, the BPI considers the current supply of local rice and the price level as its guide. In addition, he said the BPI implements a stringent evaluation of applications for the SPSIC to prevent the huge influx of imported rice into the country and to make sure that the arrival of imported rice will not coincide with the peak local harvest season.</p> <p>National Economic and Development Authority Director Nieva Natural opined that the decrease in the prices of <i>palay</i> is not directly related to rice importation, explaining that the volume of imports from January to September 2021 is just 0.51% higher than the volume of imports for the same period in 2019 and 2020. She stressed that the main reasons for the decline in the prices of <i>palay</i> are the farmers' lack of bargaining power and the lack of post-harvest machineries or equipment. She explained that some farmers are indebted to traders and are therefore forced to sell their products on a much cheaper price. She also recommended that farmers' organizations be strengthened so that they will be eligible for the programs under the RCEF, which include the distribution of farm equipment and machinery aimed at raising the productivity, profitability, and global competitiveness of rice farmers.</p> <p>On the other hand, Federation of Free Farmers Cooperatives, Inc. National Business Manager and Program Officer Raul Montemayor believes that the surge of cheap and undervalued imported rice in the country is a major cause of the drop in <i>palay</i> prices. But he also mentioned other factors such as inclement weather, lack of post-harvest facilities, and the NFA and local government units' limited purchase of <i>palay</i> from local farmers also because of limited funds and facilities.</p> <p>Philippine Rice Industry Stakeholders Movement (PRISM) representative Rowena Sadicon raised the issue of high production costs due to the high prices of fertilizers which make the price of locally produced rice less competitive against the cheaper imported rice. She also mentioned the lack of drying facilities in some areas thus the local farmers cannot do anything but sell wet <i>palay</i>, which the traders and even the NFA are not inclined to buy, and if they do, it is at a much lower price.</p> <p>Rep. Suansing stressed the need to lower the production cost of rice and to review the implementation of the RCEF citing the delays in the distribution of rice production and postharvest machineries and equipment to farmer beneficiaries.</p>
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<p>Continuation... Micro, Small, and Medium Enterprise Development</p>				<p>Commenting on the government's limited purchase of palay from local farmers, Deputy Speaker Escudero suggested that the NFA should have more vehicles or trucks for loading the <i>palay</i> that it procures and set up buying stations in accessible areas so that the farmers do not have to travel far to sell their produce.</p> <p>Rep. Stella Luz Quimbo (2nd District, Marikina City) agreed that there is a need to improve the implementation of the RCEF programs. She also requested the DA to submit the official data on the current prices of <i>palay</i> and the result of DA's investigation, together with the Philippine Competition Commission, on the possible abuses committed by traders in the pricing of palay to the detriment of the local farmers.</p> <p>Likewise, Rep. Rosanna "Ria" Vergara (3rd District, Nueva Ecija) requested the DA to submit the rice industry roadmap in relation to the implementation of the RTL. She also asked about the Rice Farmer Financial Assistance (RFFA) Program of the DA.</p> <p>DA Philippine Integrated Rice Program Director Dionisio Alwindia responded that the DA will submit the roadmap as requested. As for the RFFA, he said it is an unconditional cash transfer program which grants P5,000 financial assistance each to rice farmers tilling 0.5 to 2 hectares of land in 33 provinces nationwide. To date, he disclosed that a total of 1.6 million farmers already benefited from the program.</p> <p>The Chair requested the DA to submit its position paper on the impact of the implementation of the RTL to the agriculture sector. Other resource persons were also requested to submit the documents that were requested by the Members during the meeting.</p>
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