

Issue	Specific Provision Affected	Proposed amendment on the provisions affected	Discussion of proposal
Chronic power shortage, lead time is needed before the completion of power plants	Sec. 71: " <i>Electric Power Crisis Provision</i> - Upon the determination by the President of the Philippines of an imminent shortage of the supply of electricity, Congress may authorize, through a joint resolution, the establishment of additional generating capacity under such terms and conditions as it may approve."	<ul style="list-style-type: none"> ● Detailed definition of 'an imminent shortage' should be added. For example, "The President can declare an imminent shortage when there is a difference of more than ____ MW between the DOE demand projection and forecasted installed capacity, with the lead time of at least two years." etc. ● The procedure until the establishment of additional generating capacity should be clarified, and it should be as simple as possible. 	<ul style="list-style-type: none"> ● Power shortage should be avoided in early stage. Once the crisis occurs, it's too late to start building a power plant ● At present, it's not clear when and how this sec. 71 could be applied. ● The approval procedure should be as simple as possible so the plant could be established asap.
The government cannot incur any liability	Sec. 47: "NPC may generate and sell electricity only from the undisposed generating assets and IPP contracts of PSALM Corp. and shall not incur any new obligations to purchase power through bilateral contracts with generation companies or other suppliers."	<ul style="list-style-type: none"> ● Exceptional clause to be added for the sectors which need government support (reserve capacity and industry). ● "Support" could be: <ol style="list-style-type: none"> 1) guarantee from the government 2) Power plants built/owned by the government (and to be privatized later) 3) private sector to put up a plant (and to be bought by the government later) 4) Subsidy from the government 	<ul style="list-style-type: none"> ● Reserve capacity is crucial because WESM price could be volatile without reserve margin. To promote investment, power for the industry sector should be secured as well (we cannot put up many plants at a time, so we should be selective). ● Expansion of hydro power plant might be realistic for reserve capacity (expansion might be better so there's less impact for the environment).

<p>Enhancing off-takers' credibility in the bilateral contract (between generators and ECs)</p>	<p>(NEA Reformation Act: RA10531) Sec. 5: "NEA can serve as guarantor to qualified electric cooperatives in their transactions with various parties such as, but not limited to, co-signing in power supply contracts"</p>	<ul style="list-style-type: none"> ● Guarantee from the government is needed for the bilateral contract signed between ECs and generators, with NEA as co-signatory 	<ul style="list-style-type: none"> ● Projects can be financed easier if the credibility of off-takers is enhanced. ● (In our understanding,) government can guarantee only the foreign borrowing of NEA, but NOT the liability of NEA caused by the default of ECs.
<p>Aggregation to be a contestable customer is allowed only from the second stage of open access (750kW above)</p>	<p>(Rules for Contestability)</p>	<ul style="list-style-type: none"> ● Aggregation should be allowed even in the first stage (1MW above) 	<ul style="list-style-type: none"> ● To strengthen the bargaining power of customers, demand should be aggregated.