



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

Nineteenth Congress
Second Regular Session



HOUSE RESOLUTION NO. 1157

Introduced by **HON. MUJIV S. HATAMAN** of the Lone District of Basilan

A RESOLUTION

FOR THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INVESTIGATION IN AID OF LEGISLATION ON THE FREQUENT AND INCESSANT POWER OUTAGES IN THE PROVINCE OF BASILAN IN RELATION TO THE OPERATIONS AND MANAGEMENT OF BASILAN ELECTRIC COOPERATIVE (BASELCO)

WHEREAS, electricity has become a universal basic necessity for human survival, providing people with access to lighting, heating, cooling and enabling the use of appliances and gadgets, as well as medical, transportation and communication devices;

WHEREAS, electric cooperatives are juridical entities that are owned by the consumer-members whom they serve, and are responsible for the distribution of electricity to the public;

WHEREAS, the Basilan Electric Cooperative, Inc. (BASELCO) is an electric cooperative based in Basilan responsible for providing electricity services to residents and establishments in the whole province;

WHEREAS, in recent times, the Province of Basilan has been experiencing unreliable power supply and frequent outages;

WHEREAS, the first quarter of 2022 compliance report on the performance of electric cooperatives issued by NEA indicates that BASELCO members have experienced approximately 90.70 times frequent power outages per year per household;

WHEREAS, the power demand for BASELCO is at 10.975 megawatts (excluding plant usage);

WHEREAS, the power demand of the consumers of BASELCO is expected to grow to a whopping 20 MW in the next decade as the population grows and more investors set up shop;

WHEREAS, BASELCO owes NPC ₱3.2 billion in loans, in comparison to SULECO (Sulu Electric Cooperative), which owes NPC ₱3.4 billion while LASURECO (Lanao del Sur Electric Cooperative) owes ₱15 billion. In this regard, BASELCO is currently paying its debt to NPC at the ratio of 60% payment of interest and 40% payment of the principal amount;

WHEREAS, BASELCO received grants both locally and official development assistance (ODA) that helped the cooperative replace some of its 50-year-old wires and posts;

WHEREAS, capital expenditures have been minimal or non-existent for nearly 20 years due to high debt servicing rates and inadequate revenue earnings of BASELCO;

WHEREAS, BASELCO's franchise to operate will expire in 2028, and there is a need for Congress to decide whether or not to renew its franchise for another fifty (50) years under the same entity, structure, powers, rules and regulations, or to look at other options such as the creation of a separate electric cooperative for Isabela City or granting the franchise to a private Distribution Utility (DU);

WHEREAS, in a stakeholder's forum held in October last year in Isabela City, BASELCO and NPC officials cited that frequent blackouts experienced in Basilan were stemming from the following reasons: aging wires, posts and connections, most of which are at least 46 years old; technical losses – reduced from a high of 36% to the current 20%; financing problems; vegetation control/right of way issues with landowners who refuse to allow BASELCO workers to undertake sustained line clearing operations in their private lands; and other concerns, such as the collection rates, pilferage rates, missionary electrification, reclosers, etc.;

WHEREAS, the frequent brownouts have caused economic losses in Basilan, discouraging investors from investing in the province, and hampering the delivery of goods and services, as well as the performance of local and national government functions, and have resulted in social disturbances;

WHEREAS, a number of health institutions have also been affected, particularly hospitals, dialysis centers and other facilities;

THEREFORE, BE IT RESOLVED AS IT HEREBY RESOLVED, that the House of Representatives conduct an investigation in aid of legislation on the perennial, continuous and incessant power outages in the Province of Basilan in relation to the operations and management of Basilan Electric Cooperative (BASELCO).

Adopted,



HON. MUSIV S. HATAMAN
Representative
Lone District of Basilan