Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE RESOLUTION NO. 108

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**Introduced by Representative Carlos Andes Loria**

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**RESOLUTION**

**DIRECTING THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE OPERATIONAL FAILURES OF THE ALBAY ELECTRIC COOPERATIVE, INC. (ALECO), THE HOLDER OF AN EXCLUSIVE FRANCHISE ISSUED BY THE NATIONAL ELECTRIFICATION ADMINISTRATION (NEA), WHICH HAVE RESULTED IN FREQUENT POWER OUTAGES AND HAVE ADVERSELY AFFECTED THE ALBAYANONS IN THE PROVINCE OF ALBAY**

**WHEREAS**, a registered non-stock, non-profit and non-political service-oriented entity, Albay Electric Cooperative, Inc. (ALECO) was granted the sole franchise to operate light and power service and distribute reliable, affordable, and quality electricity across three (3) cities and fifteen (15) municipalities in the Province of Albay;

**WHEREAS**, due to severe mismanagement and failure to meet the operational and financial standards required of electric cooperatives, the National Electrification Administration (NEA) reportedly took over the management and operations of ALECO in 1993 and 2022;

**WHEREAS**, complex and multifaceted, ALECO is plagued by financial distress due to debt and unpaid obligations, operational inefficiencies due to obsolete equipment leading to frequent outages, and management issues, including collection inefficiency, because of poor management practices;

**WHEREAS**, to address the financial, operational and management issues and ensure the efficiency, reliability and affordability of electricity supply in the Province of Albay, ALECO entered into a 25-year concession agreement with the Albay Power and Energy Corporation (APEC), a subsidiary of San Miguel Global Power Holdings, in 2014;

**WHEREAS**, failing miserably to meet the requirements and deliverables, the concession agreement between ALECO and APEC was terminated in 2022 after member-consumers backlash on account of poor service and brownouts, exorbitant power rates, high system losses, and ballooning debts estimated at ₱9.9 billion;

**WHEREAS,** despite the recent management transitions and rehabilitation efforts, the residents of Albay continue to suffer from frequent and prolonged power outages, low voltage issues, inaccurate billing, and unresponsive complaint mechanisms, all of which have significantly disrupted economic activities and daily living conditions in the province;

**WHEREAS**, even after the concession agreement and takeovers, the issues surrounding ALECO persist, which raise questions on the efficacy of the current regulatory frameworks and the accountability of electric cooperatives and private concessionaires, including opening up the coverage area to two or more franchisees;

**WHEREAS**, with the current state of electricity service in Albay that not only affects public welfare but also undermines the broader goals of national development, energy security, and equitable access to reliable power, it is imperative to review the existing regulatory frameworks and come up with a power policy, including opening up the coverage area to two or more franchises, that addresses the problems of the distribution utility providers and consumers alike: Now, therefore, be it

**RESOLVED BY THE HOUSE OF REPRESENTATIVES**, To direct the Committee on Energy to conduct an inquiry, in aid of legislation, on the operational failures of the Albay Electric Cooperative, Inc. (ALECO), the holder of an exclusive franchise issued by the National Electrification Administration (NEA), which have resulted in frequent power outages and have adversely affected the Albayanons in the Province of Albay

Adopted,

**CARLOS ANDES LORIA**