



Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

First Regular Session

House Resolution No. 537

Introduced by
APEC Party-List Representative Sergio C. Dagoo
PhilRECA Party-List Representative Presley C. De Jesus

RESOLUTION

DIRECTING THE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE POSSIBLE DEFERMENT OF THE IMPLEMENTATION OF THE ENERGY REGULATORY COMMISSION ORDER IN CASE NO. 2023-133 RC, AUTHORIZING AN INTERIM INCREASE IN THE SUBSIDIZED APPROVED GENERATION RATE IN MISSIONARY ELECTRIFICATION AREAS

WHEREAS, on 23 September 2025, the Energy Regulatory Commission (ERC) issued an Order granting interim relief to the National Power Corporation (NPC) in ERC Case No. 2023-133 RC, thereby authorizing the implementation of new Subsidized Approved Generation Rates (SAGR) for missionary areas served by NPC's Small Power Utilities Group (SPUG);

WHEREAS, the Order effectively allows an increase in the SAGR rates for both residential and non-residential consumers, including

commercial and industrial customers, pending final evaluation of NPC's petition for approval of its proposed new SAGR;

WHEREAS, the Association of Isolated Electric Cooperatives, Inc. (AIEC), representing electric cooperatives operating in off-grid and missionary areas, filed an Urgent Motion for Reconsideration with Urgent Motion to Defer Implementation of said Order, citing grave and immediate adverse effects on consumers and local economies;

WHEREAS, AIEC asserts that the increase in the SAGR constitutes a violation of the Electric Power Industry Reform Act (EPIRA) and its regulatory framework on missionary electrification, which was established precisely to ensure affordable, reliable, and sustainable power in unviable areas and to promote social justice and balanced regional development;

WHEREAS, the assailed ERC Order allegedly suffers from the following substantial and procedural infirmities:

1. Lack of factual and legal basis for the interim increase;
2. Failure to properly consider the comments, oppositions, and evidence submitted by affected stakeholders;
3. Absence of transparent methodological basis for rate computation; and
4. Lack of clear and uniform guidelines on implementation, consumer classification, and billing allocation among distribution utilities (DUs), generation companies, and NPC;

WHEREAS, economic simulations presented by expert witnesses during the ERC proceedings indicated that the increase in SAGR will depress local economic output, cause inflationary pressures, lead to net job

losses, and increase poverty incidence in off-grid areas—developments contrary to the intent of missionary electrification;

WHEREAS, the National Economic and Development Authority (NEDA, now, Department of Economy, Planning and Development or DepDev), in its letter to NPC dated 17 November 2023, observed methodological flaws and improper parameters used in determining the proposed increase, recommending improvements to ensure equitable rate adjustments;

WHEREAS, immediate implementation of the ERC Order, pending resolution of the motion for reconsideration, poses the risk of irreversible injury to consumers and local industries in isolated and economically fragile areas, as higher generation rates could trigger business closures, reduced investments, and increased cost of living;

WHEREAS, the implementation of the ERC Order increasing the Subsidized Approved Generation Rate (SAGR) for commercial and industrial consumers in off-grid areas will further widen the inequality and disparity in the treatment of these consumers compared to their counterparts in the main grid, considering that commercial and industrial end-users in the main grid are granted the option to select a power supplier offering lower-cost electricity pursuant to ERC Resolution No. 12, Series of 2020, and in accordance with Section 2.2.3 of DOE Circular No. DC2021-06-0012;

WHEREAS, the Committee on Energy of the House of Representatives has the constitutional duty to protect public welfare, ensure just and reasonable electricity rates, and safeguard the integrity of the government's missionary electrification program;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, That the House of Representatives direct the Committee on Energy to

conduct an inquiry, in aid of legislation, into the possible deferment of the implementation of the Energy Regulatory Commission's Order dated 23 September 2025 in ERC Case No. 2023-133 RC, to ensure that:

1. The Order's implementation does not contravene the intent and policy of Republic Act No. 9136 (EPIRA);
2. Proper methodological, legal, and economic bases are established for any rate adjustment;
3. Transparency, procedural fairness, and due process are observed; and
4. Consumers in missionary electrification areas are not unduly burdened by premature or unjustified rate increases.

RESOLVED FURTHER, that the Committee invite officials from the Energy Regulatory Commission (ERC), National Power Corporation (NPC), Department of Energy (DOE), National Electrification Administration (NEA), Association of Isolated Electric Cooperatives (AIEC), and **other relevant stakeholders** to provide position statements and factual clarifications regarding the implications of the assailed Order.



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