



Current and Proposed Price Mitigating Measures



ANTONIO S. BARCELONA

**PIDS Public Webinar on "HOW CAN WE MAKE ELECTRICITY
MORE AFFORDABLE AND THE POWER GRID MORE RELIABLE?"**

14 May 2026

Outline of Presentation



1. Observations on the Report
2. Existing Price Mitigating Measures
3. Proposed Mitigating Measures

Observations on the Report



- Concurs that there is a mistargeting in the provision of subsidy resulting to leakages in both UC-ME and Lifeline Rate Program (LRP) but not in the Senior Citizens Discount (SCD)
- Concurs that current UC-ME scheme provides no incentive for power generators to implement efficiency
- 100 kWh discount lifeline threshold level is not universal
- Measures have been made by the DOE to reduce UC-ME thru a graduation policy
- Enactment of RA 11552 corrected targeting of beneficiaries in the LRP while the revised IRR of the same Act streamlined the requirements for beneficiaries
- New DOE Directives to NPC to implement hybridization will reduce reliance of missionary areas from UC-ME

Existing Price Mitigating Measures



Direct Reduction/Mitigation	Supply, Transmission, and Distribution Price Mitigation	Consumer Empowerment
WESM Offer Cap and Secondary Price Cap	Grid Operation and Maintenance Plan policy enforcement	Reduced retail competition threshold to 100 kW
Murang Kuryente Act - Government absorption of stranded contracts and debts of NPC (RA 11571)	Enforcement of Competitive Selection Process for Energy and Ancillary	Relaxed RCOA switching rules
National Wealth Tax	Implementation of Time-of-Use Rates by NPC and distribution utilities	Implementation of retail aggregation
Mandated Rate Reduction – under Section 72 of the EPIRA	Timely completion of transmission projects to avoid congestions and Power generation projects	Green Energy Option Program
Enhanced Energy Regulation 1-94	Lowering of Systems Loss Cap	Net- Metering Program
	Electricity Market Mechanisms – Price Caps, 5-minute dispatch interval, Reserve Market	Energy Conservation and Efficiency
	Issued Joint Memorandum Circular (JMC) 2024-12-001 or the “Guidelines on the Preferential Rights Granted to Electric Cooperatives under Republic Act (RA) 7160 in Relation to RA 10531”	Subsidy on Electrification Projects <ul style="list-style-type: none"> • NIHE • Total Electrification Program

Proposed Measures



Direct Reduction/Mitigation	Amendments to the EPIRA
VAT Zero Rating on Power	Use of Income from related business of transmission and distribution assets
VAT Zero Rating on System Loss	Power of Choice – Local RES to secure License from ERC, Limitation of Supply Contracts between Affiliates
Removal of Excise Tax from Fuel	Empowering/Strengthening the Regulator
	Obligation of Distribution Utilities to conduct competitive selection process.
	Third party development of transmission projects/imposition of penalties for delayed transmission projects.
	Imposition of larger fines and penalties for erring/non-compliant industry participants.
	Modernization of the distribution system



Thank You

Antonio S. Barcelona
Officer-In-Charge
Power Market Development Division
Electric Power Industry Management Bureau
Department of Energy

