

[ERC RESOLUTION NO. 05, S. 2013, March 22, 2013]

A RESOLUTION ON DISCLOSURES OF CAPACITY AND ENERGY ALLOCATIONS BY DISTRIBUTION UTILITIES IN THE LUZON AND VISAYAS GRIDS AND RETAIL ELECTRICITY SUPPLIERS

WHEREAS, pursuant to Sections 43 (k) of Republic Act 9136, otherwise known as the Electric Power Industry Act (EPIRA), mandates the Energy Regulatory Commission (ERC) to monitor and take measures to penalize abuse of market power, cartelization and anti-competitive or discriminatory behavior by any electric power industry participant;

WHEREAS, on June 7, 2006, the ERC promulgated the "Code of Conduct for Competitive Retail Market Participants" to promote consumer confidence in the retail electricity industry and to protect consumers against discriminatory acts of other electricity stakeholders;

WHEREAS, the Code of Conduct for Competitive Retail Market Participants prescribes the responsibilities and conduct of retail market participants in a competitive environment;

WHEREAS, on December 17, 2012, the ERC promulgated the "Transitory Rules for the Initial Implementation of Open Access and Retail Competition (OARC)" to provide the additional regulatory framework in the commercial operations of retail competition including the initial transactions to ensure the effective implementation of the competitive retail electricity market;

WHEREAS, from December 2012 to January 2013, the ERC noted several issues and concerns raised by contestable customers (CCs) regarding OARC, foremost of which is the inaction of several Retail Electricity Suppliers (RES) to their requests for proposals;

WHEREAS, the CCs complained that several RES are not making any offers to them because these RES have already allocated their capacities and energy volumes to either their affiliate companies or other target customers;

WHEREAS, these acts are prejudicial to the CCs as they may end up being served by Suppliers of Last Resort (SOLR) for failing to find a willing RES due to circumstances beyond their control;

WHEREAS, in the interest of transparency, the ERC finds the need to require compulsory disclosures of Distribution Utilities (DUs) and RES of their capacity and energy allocations;

WHEREAS, on February 20, 2013, the ERC posted on the two ERC-administered websites, the draft "Resolution on Disclosures of Capacity Allocations for Distribution