



7 December 2022

NASECORE

National Association of Electricity Consumers for Reforms, Inc. (NASECORE)
Roxas Seafront Garden, Roxas Blvd. cor. Ortigas St.
Pasay City, Philippines

To: **PETE L. ILAGAN**
President

Re: 7.5 MERALCO CUSTOMERS TO BE
AFFECTED BY TRO ON POWER DEAL:
ERC


Dear Mr. Ilagan:

We write as regards the letter of the National Association of Electricity Consumers for Reforms, Inc. (NASECORE) dated 6 December 2022 with the above subject.

In response to the concerns raised in the letter, the Commission is currently re-evaluating our simulation based on the latest prices in the WESM, given the developments on this issue today. The Commission is also currently awaiting official communication from the parties involved as we are yet to receive any.

Thank you.

Very truly yours,


Monalisa C. Dimalanta
Chairperson and CEO
Energy Regulatory Commission



Copy furnished:

His Excellency, President Ferdinand R. Marco, Jr.
Hon. Raphael PM Lotilla, DOE Secretary
Hon. Raffy T. Tulfo, Chairman - Senate Committee on Energy
Hon. Risa N. Hontiveros, Senator
Hon. Lord Allan Jay Velasco – House Committee on Energy



ERC Statement on SPPC Cessation of Supply to MERALCO

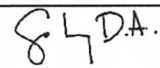
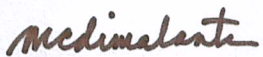
07 December 2022

As of noon today, 07 December 2022, the Energy Regulatory Commission (ERC) has not received any official communication from the Manila Electric Company (MERALCO) on the reported cessation of supply of 670MW committed under the Power Supply Agreement (PSA) with South Premiere Power Corporation (SPPC). *“It is not yet clear to us at this point,”* according to ERC Chairperson & CEO Atty. Monalisa Dimalanta, *“if SPPC served a notice of PSA termination or merely a suspension of supply considering that the case before the Court of Appeals filed by SPPC involving the said PSA is still for final resolution.”*

The ERC also awaits action by the agency’s statutory counsel, the Office of the Solicitor General (OSG), after the matter was referred for undertaking the appropriate legal remedy.

Based on ERC records of MERALCO billings for November 2022, the 670MW SPPC PSA accounted for 13.4% of MERALCO supply and priced at P4.2455/kWh. Average WESM price for the same period was at P8.47/kWh.

The cessation of supply from a bilateral contract or PSA does not excuse the distribution utility from its obligation under Section 23 of Republic Act No. 9136 or EPIRA “to supply electricity in the least cost manner to its captive market...” The matter of termination of the SPPC PSA, with the grounds, procedure and timelines all provided in the contract, were discussed extensively by the Commission as it noted the Manifestation filed by MERALCO on the day after it received the Notice of Termination from SPPC on 4 August 2022.

			
Don So Hiong	Dir. Ellen C. Ebcas Initial Review	Comm. Floresinda G. Baldo-Digal Final Review	Chairperson Monalisa C. Dimalanta Approval