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SMORGASBORD

ERC TO HEAR NPC PETITIONS ON UCME

Subsidy seen as additional burden to power consumers

By: ELIAS O. BAQUERO

THE Energy Regulatory Commission (ERC) will conduct two virtual hearings on October 8, 2020 on two petitions of National Power Corporation (NPC) regarding the Universal Charge Missionary Electrification (UCME) subsidy.

Intervenor Romeo “Butch” Junia of Philippine Consumers Forum said if ERC will approve the petitions, these will be additional burden to power consumers who will pay more on their monthly billing.

Junia said ERC will conduct virtual hearing at 9:00 am on October 8, 2020 on the NPC petition to charge power consumers the UCME amount of P20.7 billion or P0.2055 per kilowatt hour (KwH) for 2021. This is under ERC Case No. 2020-011.

Another hearing will be at 2:00 pm on October 8, 2020 regarding the NPC petition to charge power consumers the amount of P5.9 billion or P0.0591 per KwH to recover revenue shortfall of UCME last 2018. This is under ERC Case No. 2020-004.

Junia said this means every 100 KwH is P26.46 per month addition to the monthly bill of consumers; or 200 KwH which might be at the average, P52.92 per month.

He said that UCME is charged to all power consumers to reimburse the subsidy to the electrification of small islands like Bantayan and Camotes in Cebu, among others. The issue now is that even the businessmen and the rich people and politicians in the islands are benefiting from UCME which is only intended for the poor people.

The Philippine Consumers Forum has two interests in intervening with the NPC petitions.

First, make sure a compliance with the requirements for obtaining at least cost in contacting power supply of all power cooperatives that benefit from UCME. The subsidy formula is True Cost of Generation Rate (TCGR) based on the power supply contract less Subsidized Approved Generation Rate (SAGR), which the power

consumers pay, equals the subsidy that the people pay as UCME.

They want that TCGR is least cost to make subsidy mitigated or reasonable.

Second, drive a policy shift in/by the government paying the subsidy from the taxes it collected on electricity consumption. About 10 or 11 percent of total power bill goes to taxes. The system loss, UCME, lifeline rate, local franchise and senior citizen discount are all taxed.

“We proposed that the government will pay its safety net programs out of taxes it has collected. We will still pay the subsidy although indirectly through our taxes, unlike the present set up where we are double taxed with UCME and taxes,” Junia said.

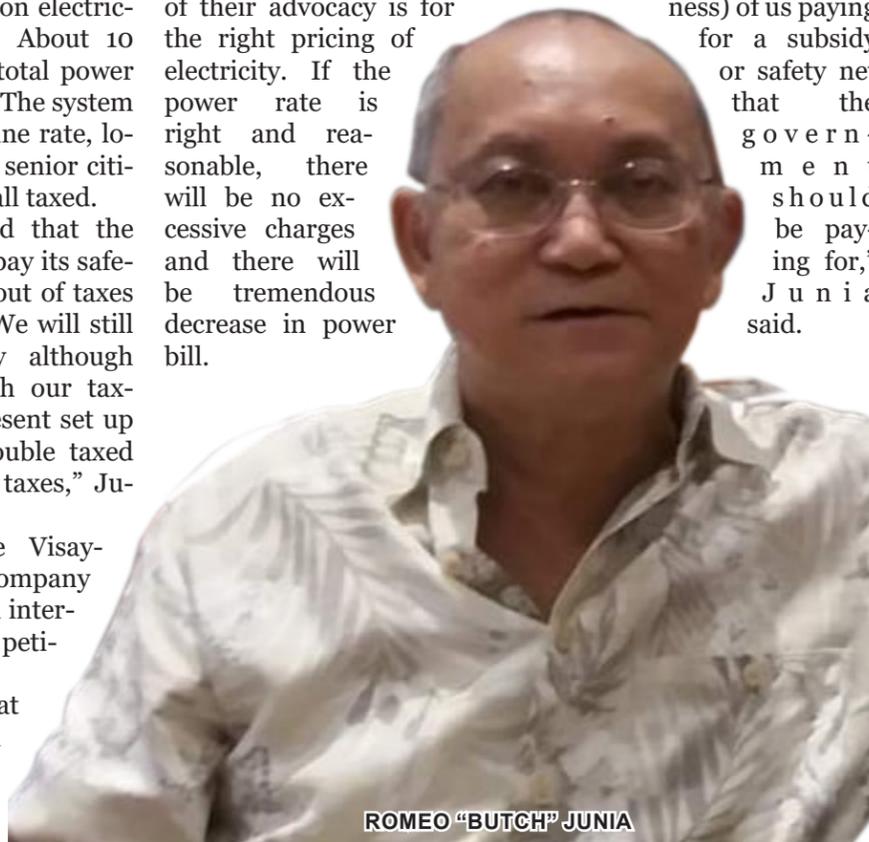
He said the Visayan Electric Company (VECO) is also an intervenor of the NPC petitions on record.

Junia said that this is an item that is slipping through the crack under the

door, and he wished that the people will be interested on this matter and go to the ERC website or email records@erc.gov.ph and records.erc.gov.ph@gmail.com to participate or get invited to the virtual hearing.

Junia said that the thrust of their advocacy is for the right pricing of electricity. If the power rate is right and reasonable, there will be no excessive charges and there will be tremendous decrease in power bill.

“While we first got interested in this out of our fight for the full implementation and enforcement of the competitive selection process as the first step for obtaining the supply of least cost electricity, I saw the even deeper policy implications (the unfairness) of us paying for a subsidy or safety net that the government should be paying for,” Junia said.



ROMEO “BUTCH” JUNIA