

MAP POSITION PAPER ON SENATE BILL NO. 1490

31 January 2018

The MANAGEMENT ASSOCIATION OF THE PHILIPPINES (MAP) fully supports Senate Bill (SB) 1490 entitled “An Act Enhancing the Governance Structure of the Energy Regulatory Commission”, which Sen. SHERWIN GATCHALIAN introduced at the Senate.

The MAP believes that SB 1490, as a whole, enhances the governance structure of the Energy Regulatory Commission (ERC) through the inclusion of provisions that reinforce the basic principles of good governance (i.e., independence, transparency and accountability) of the ERC. In particular, the MAP supports the following:

Section 9. (The Chairperson) -- The expanded qualifications allow professionals outside of the legal profession (i.e., those from the fields of economics, finance, commerce and engineering) to qualify as ERC Chairperson. This provision will widen the pool of professionals who can qualify for the top position at the ERC, an agency tasked to handle the complications and intricacies of the electric power industry.

Section 12. (The Executive Director) -- This will professionalize the position for the ERC Executive Director by requiring him/her to hold eligibilities of Career Executive Service Officers (CESO). The MAP believes these stringent qualifications will enhance the level of authority and responsibility of the Executive Director.

Section 14. (Open Meeting) -- This provision will require the ERC to have open meetings to the public which will raise the level of transparency of ERC proceedings and deliberations that will in turn effectively act as deterrent to irregularities and ensure thoroughness in the decision making process.

However, the MAP wishes to suggest some changes in the proposed SB in the following areas:

Section 10. (Duties and Responsibilities of the Chairperson) – The MAP believes that the Chairperson’s efficiency and performance can improve by designating him/her as concurrent Chief Executive Officer (CEO) in charge for planning, strategic direction, coordination, etc., as indicated therein.

Section 13. (Duties and Responsibilities of the Executive Director) -- As the ERC officer tasked with the day-to-day functions and operations of the ERC, the Executive Director should also be designated as concurrent Chief Operating Officer (COO) and tasked to discharge the relevant responsibilities, as defined in the said Section.

Lastly, the MAP would like to take this as an opportunity to express its concern about the atmosphere of uncertainty now prevailing over the power industry following the Ombudsman’s suspension of the four (4) ERC commissioners. We are concerned that a prolonged vacuum at the ERC *en banc* level might delay actions needed for critical Power Supply Agreements (PSAs) and Certificates of Compliance (COCs) now pending before the ERC. The MAP hopes that this ERC impasse would be resolved at the earliest possible time.

The MAP wishes to express its gratitude to Senator Gatchalian, Chairman of the Senate Committee on Energy, for inviting the MAP to share its views and comments not only on SB 1490 but also on other bills related to the Philippine power industry.