

## MAP Statement on the Thin Power Reserves Margin

April 21, 2022

The MANAGEMENT ASSOCIATION OF THE PHILIPPINES (MAP) would like to make the following recommendations to alleviate the projected power shortages, particularly in the next 30 days that may affect the May 9, 2022 elections:

1. Electricity users should adopt Energy Efficiency measures to save energy in their respective households, offices, and businesses. This practice can be done by everybody and reduce the power demand immediately.
2. The distribution utilities and electric cooperatives in major demand areas (greater Metro Manila) should prepare for or initiate their respective Interruptible Load Program (ILP) throughout their franchise areas.
3. The National Grid Corporation of the Philippines (NGCP) should urgently contract additional reserve power and link with power plants that are not yet connected.
4. The Energy Regulatory Commission (ERC) should suspend temporarily the Secondary Price Cap (SPC) at the Wholesale Electricity Spot Market (WESM). The ERC should review the status after two months.
5. The government should treat the protection and sustainability of the country's energy infrastructure as a national security concern and thus increase the priority on longer-term development.

It is imperative to develop an energy transition plan that places the Filipino and the Philippine context at its center, adheres to the key principles of climate equity and energy security, and supports the fulfilment of the country's development goals.

The government and the private sector must craft power generation-specific plans to stimulate the building of new generation capacity and avert possible supply gaps in the next 10 years.