



Office of the Sangguniang Panlalawigan

EXCERPT FROM THE MINUTES OF THE 87th REGULAR SESSION OF THE 10th SANGGUNIANG PANLALAWIGAN OF ISABELA HELD AT PROVINCIAL CAPITOL, ILAGAN CITY, ISABELA ON JULY 13, 2021.

PRESENT:

FAUSTINO G. DY III	Vice Governor & Presiding Officer
DELFINITO EMMANUEL L. ALBANO	Member (1 st District) & Floor Leader
EMMANUEL JOSELITO B. AÑES	Member (1 st District)
ED CHRISTIAN S. GO	Member (2 nd District)
EDGAR R. CAPUCHINO	Member (2 nd District)
RAMON JUAN N. REYES, JR.	Member (3 rd District)
RANDOLPH JOSEPH P. ARREOLA	Member (3 rd District)
CLIFFORD R. RASPADO	Member (4 th District)
ABEGAIL V. SABLE	Member (4 th District)
FAUSTINO U. DY IV	Member (5 th District)
EDWARD S. ISIDRO	Member (5 th District)
ALFREDO V. ALILI	Member (6 th District)
MARCO PAOLO A. MERIS	Member (6 th District)
ANTONIO S. HUI	Member, PCL Federation President
DANTE G. HALAMAN	Member, LnB Federation President
DAX PAOLO C. BINAG	Member, SK Federation President
ADRIAN PHILIP S. BAYSAC	Member, Agricultural /Industrial Workers Labor Sector Representative
VENUS T. BAUTISTA	Member, Women's Sectoral Representative
GRETCHEN F. VALDEZ	Member, Indigenous Cultural Communities Sector Representative

RESOLUTION NO. 2021-27-03

Series of 2021

A RESOLUTION URGING NATIONAL ELECTRIFICATION ADMINISTRATION (NEA) TO CONDUCT AN IMMEDIATE FINANCIAL AND LEGAL AUDIT ON THE TRANSACTIONS OF ISABELA I ELECTRIC COOPERATIVE (ISELCO I) AND ISABELA II ELECTRIC COOPERATIVE (ISELCO II) FROM 2016 UP TO THE PRESENT

Sponsor: HON. RANDOLPH JOSEPH P. ARREOLA
Member, Committee on Laws, Rules & Regulations

WHEREAS, the Sangguniang Panlalawigan of Isabela is currently conducting a Legislative Inquiry regarding the clamor of member consumer owners relative to the frequent occurrence of power outages in the province and the sudden spike of their electric charges;

Nagkaisa para sa Isabela

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WHEREAS, during the conduct of Legislative Inquiry, it was found out that reason for the frequent occurrence of power outages in the province and the sudden spike of their electric bills was due to the meager supply of electricity since it is the peak season for power demand and the incident of shutdown of power plant of their supplier which have led them to buy from Wholesale Electricity Spot Market (WESM) which has higher rates than the one with their Power Supply Agreements (PSA);

WHEREAS, this Honorable Body requested the submission of pertinent documents relative to the financial status of ISELCO I and ISELCO II together with their Power Supply Agreements (PSA) with their power providers in order to review and study the said documents to be able to explain and apprise the member-consumers of the reason for the power outages and sudden spikes of their electric bills;

WHEREAS, ISELCO II submitted all the requested documents, whereas ISELCO I failed to submit some of the required documents. Upon scrutiny of their Power Supply Agreements (PSA) with their power providers, it was found out that the same has no penal clause or power replacement provision clause;

WHEREAS, the occurrence of power outages and sudden spikes of electric bills of member-consumers may be avoided should the PSA with the power provider has a penal clause which makes the latter liable if they fail to deliver the agreed power supply or it has a power replacement provision clause that in case of shortage of power supply due to fortuitous event or force majeure, the power providers shall deliver and supply the agreed contract capacity at the contract price in order to ease the burden of the member-consumers;

WHEREAS, the issue with regard to the refund of net over-recovery was discussed and it was determined during the conduct of the legislative inquiry that ISELCO I is not fully implementing the decision made by the Energy Regulatory Commission (ERC) which requires them to refund a net over-recovery of 178 Million within 12 months and instead projected an implementation period of three (3) years;

WHEREAS, this Honorable Body deemed such actions of ISELCO I and ISELCO II to be a point of concern which cast doubt considering that it is detrimental to the welfare of the member-consumers as they will carry the burden for the unfair contract with the power providers and on the part of ISELCO I in not implementing the refund for member-consumers which can ease their burden;

WHEREAS, there is a considered an unsound management on the part on ISELCO I and ISELCO II which has led to higher electricity rates and power outages which would have not happen should both management were discharging their sworn duty to promote and further advance the welfare of the member-consumers;

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WHEREAS, under Section 6 of R.A. 10531, the National Electrification Administration, pursuant to its supervisory powers over electric cooperatives, may issue orders, rules and regulations, motu proprio or upon petition of third parties, to conduct investigations, referenda or other similar actions on all matter affecting electric cooperatives;

WHEREAS, this Honorable Body deems it proper to uphold, protect and promote the welfare of our constituent member-consumers especially during this time of pandemic.

WHEREFORE, premises considered, upon motion of Honorable Randolph Joseph P. Arreola, duly approved and seconded in a Session duly assembled, it was –

RESOLVED, AS IT HEREBY RESOLVES, TO PASS A RESOLUTION URGING NATIONAL ELECTRIFICATION ADMINISTRATION (NEA) TO CONDUCT AN IMMEDIATE FINANCIAL AND LEGAL AUDIT ON THE TRANSACTIONS OF ISABELA I ELECTRIC COOPERATIVE (ISELCO I) AND ISABELA II ELECTRIC COOPERATIVE (ISELCO II) FROM 2016 UP TO THE PRESENT

RESOLVED FINALLY, that a copy of this Resolution be furnished to National Electrification Administration (NEA) Administrator Edgardo R. Masongsong for his information and appropriate action.

Approved and Adopted, July 13, 2021.

**I HEREBY CERTIFY TO THE CORRECTNESS
of the foregoing Resolution:**

ATTY. FRANCIS JAMES E. MEER
Secretary to the Sangguniang Panlalawigan

ATTESTED/ APPROVED:

FAUSTINO G. DY III
Provincial Vice Governor & Presiding Officer