

03-01-2010 Emergency power not the answer to policy-borne problems in the power industry

Press Release

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PM Chair Renato Magtubo, said giving President Arroyo another emergency power is no guarantee that policy-borne problems in the power industry can be addressed.

“Before everything dries up on energy chief Angelo Reyes, let he be reminded first that this emergency power he wanted bestowed on President Arroyo is the same power granted to his former boss Fidel Ramos by Congress to address not just the Mindanao problem but the entire power crisis that engulfed the country in the late 80’s and early 90’s. And while that emergency power enabled Ramos to add new capacities in the system, the consequence of high power rates due to anomalous contracts with private independent power producers (IPPs) bound the people into paying high PPA charges,” explained Magtubo.

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Magtubo, who led the expose on the payola scandal attending the passage of the Omnibus Power Bill in the House in 2000, pointed out that when the country had enough supply of contracted power or more than half of what we need, Reyes’s bosses then embarked on reforming the power industry through the Electric Power Reform Act of 2001 or EPIRA, supposedly to ensure reliability and affordability of power supply.

However, these social objectives, Magtubo said are no more the functions of government since EPIRA relegated that duty to the private sector. “As such, planning for our energy future is reliant on what the private sector can provide,” he added.

The labor leader said that evidently the country is now back to square one 10 years after, with the DoE chief himself begging for another emergency power to address the supply constraints in Mindanao.

“Even Mikey Arroyo, had been asking for the same, unaware that her mother have more than what he and Reyes had been asking for to address the power problem for the past 10 years. Perhaps the two wanted continuity of their failures too in policy-making by sneaking through the party-list representations,” lamented Magtubo.

The party-list group insists that the problem that the country faces now is undoubtedly policy-related hence it is pushing for the reversal of privatization and deregulation of policies in the power industry.

“Let us therefore call a spade a spade. There are power failures because EPIRA failed. The DoE and the energy committees failed. The Arroyo administration failed. And so with the private sector,” stated Magtubo. ###