

PHILRECA engages in the Review Process and Public Hearing of ERC on RSEC-OGWR

10 July 2025

Press Release

Pasig City - The Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) takes part in the determination of compliance with the jurisdictional requirements, expository presentation, and public consultation for the petition of the Association of Isolated Electric Cooperatives, Inc. (AIEC) under ERC Case No. 2023-007 RC, entitled “In the Matter of the Petition for the Adoption of the Proposed Rules for Setting the Electric Cooperatives’ Off-Grid Wheeling Rates (RSEC-OGWR),” filed before the Energy Regulatory Commission (ERC).

On Tuesday, 08 July 2025, the Commission commenced the deliberation process for the adoption of the RSEC-OGWR. This petition for rulemaking, which outlines the new regulatory framework for off-grid electric cooperatives (ECs), is formulated to establish a tariff-setting methodology that is responsive and suitable to the current conditions and environments of off-grid electric cooperatives.

Leading the petition for the RSEC-OGWR is Engr. Rene M. Fajilagutan—PHILRECA Board Director, AIEC President, and General Manager of Romblon Electric Cooperative, Inc. (ROMELCO)—who remains at the forefront of advocacy for equitable and sustainable support mechanisms for off-grid ECs.

Present also at the public hearing is Ms. Yvonne Ouano, who discussed the exposition and requisites entailed in the filed petition, on behalf of the AIEC.

For more than two (2) decades, on-grid electric cooperatives have been guided by the Rules for Setting Electric Cooperatives’ Wheeling Rates (RSEC-WR) in 2009. On the other hand, off-grid electric cooperatives have remained under the “Cash Flow Methodology.” This only allows them to generate revenues for their operating costs, including payroll, operations, maintenance, debt amortization, including interests, and allowance for reinvestment strictly for capital expenditure.

Under this petition, the regulatory framework for the on-grid and off-grid electric cooperatives shall be followed with several modifications. This will ensure fair compensation for the use of the electric cooperative’s infrastructure, support transparent and predictable investment frameworks, and protect consumers from double-charging or excessive pass-through costs.

“The proposed RSEC-OGWR will heighten the financial viability of off-grid electric cooperatives. This will also provide them an equitable platform to further develop their electricity service to far-flung and missionary areas in the country through clear-cut guidelines that are responsive to the current needs of off-grid electric cooperatives and market changes,” said PHILRECA Executive Director and General Manager Atty. Janeene Depay-Colingan.

In the present times, off-grid electric cooperatives shoulder the cost of maintaining infrastructure that enables the delivery of power generated by other providers. However, in the absence of clear wheeling rates, they are left without proper cost recovery mechanisms, directly affecting their operational viability.

PHILRECA and AIEC reaffirm their commitment that no Filipino is deprived of their fundamental right to reliable, affordable, and equitable access to electricity.

