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The lowering of the transmission rate is again, one of the efforts of the ERC to provide relief to all the electricity consumers, especially those that are economically disadvantaged due to the implementation of the Enhanced Community Quarantine.”

AGNES VST DEVANADERA
ERC Chairperson & CEO

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PRESS STATEMENT:

ERC Reduces 2020 Transmission Tariffs

The Energy Regulatory Commission (ERC) in a recent Order granted the National Grid Corporation of the Philippines (NGCP) an Interim Relief to implement an Interim Maximum Annual Revenue (iMAR) for the calendar year 2020 in the amount of Forty-seven Billion Fifty-one Million Six Hundred Forty Thousand Pesos (PhP47,051,640,000.00). The Interim Relief granted will effectively reduce the existing Transmission Charge by PhP0.0413 from the PhP0.5114/kWh in 2019 to PhP0.4701/kWh for 2020.

“The Interim Relief granted by the Commission to NGCP reflected a lower Interim Maximum Annual Revenue (iMAR) for 2020 which caused the reduction in the Transmission Tariff. The approved iMAR amounted to PhP47 Billion, which is lower (by PhP11.8 Billion) than the NGCP’s proposal of PhP58.8 Billion. The lowering of the transmission rate is again, one of the efforts of the Commission to provide relief to all the electricity consumers, especially those that are economically disadvantaged who lost their jobs and earnings due to the implementation of the Enhanced Community Quarantine”, ERC Chairperson and CEO Agnes VST Devanadera stated.

The ERC in its evaluation noted that NGCP’s last adjustment of the Maximum Annual Revenue (MAR) was in 2016. The increase in revenues from the 2016 level to the 2020 level would allow NGCP to augment its Capital Expenditures (CAPEX) requirements in order to address the forecasted increase in demand for 2020. Furthermore, there were variances in the computations of CAPEX between the NGCP and the ERC

that caused the lower iMAR granted by the latter. The ERC, in particular, considered the following for purposes of computing NGCP's iMAR: (1) Unplanned CAPEX identified as 100% completed projects considering that these assets are already existing and in operation in the transmission system; and (2) Energy Project of National Significance (EPNS) considered as priority projects as per the Department of Energy (DOE).

"This brings a favorable rate impact on the consumers as this will mean a lower Transmission Charge for this year. The lowered Transmission Charge will be effective upon NGCP's receipt of the relevant ERC Order", Chair Devanadera concluded.

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