



Republic of the Philippines
Department of Energy
(Kagawaran ng Enerhiya)



28 October 2026

HON. LEONARDO M. JAVIER, JR.
Vice Governor and Presiding Officer
Sangguniang Panlalawigan of Leyte
Palo, Leyte

Sangguniang Panlalawigan
Province of Leyte
RECEIVED
Date: OCT 29 2026
By: Jennli

Dear **Vice Governor Javier**:

This refers to the Sangguniang Panlalawigan of Leyte Resolution No. 2026-1011 dated 12 August 2026, requesting the Regional Development Council Region VIII to petition the Department of Energy (DOE) and the Independent Electricity Market Operator of the Philippines (IEMOP) to review, revise, and accelerate the Net Settlement Surplus (NSS) Allocation Mechanisms and Revenue Computations for Line Loss and Congestion Costs (LLCC) affecting electricity consumers in Eastern Visayas.

Relative to the concern, the Energy Regulatory Commission (ERC) Order dated 13 August 2026 in ERC Case No. 2025-009 RM provides for measures to address Line Rental distortions, including the conditional interim suspension of the relevant Line Rental Trading Amount, recalculation of price components to reflect transmission congestion, and an independent audit and recalculation of NSS and Net Settlement Deficit allocations from 26 June 2021. The ERC Advisory dated 8 September 2026 sets out the implementation of the interim measure. Meanwhile, ERC Resolution No. 33, Series of 2026, dated 9 October 2026, provides for a one-time adjustment of excessive Line Rental charges incurred from 26 March to 30 April 2026 during the Modified Administered Price period, including the recalculation by IEMOP of affected settlements and the crediting of any resulting amounts to consumers. Notwithstanding these measures, the broader concerns relating to Line Rental charges and NSS allocation remain subject to further review for a sustainable, long-term resolution.

The DOE shall continue to coordinate with the ERC and IEMOP to advance regulatory review, address outstanding technical and settlement issues, and pursue appropriate corrective and policy measures to resolve the province's concerns and safeguard consumer interests, consistent with applicable laws, rules, and regulations.

Thank you.

Very truly yours,


for **LUNINGNING G. BALTAZAR**
Director IV
Electric Power Industry Management Bureau

cc: *Secretary Sharon S. Garin, DOE*
Assistant Secretary Maria Lethel C. Alburo-Mejia, DOE
Chairperson Francis Saturnino C. Juan, ERC
President Robinson P. Descanzo, IEMOP

DOE Letter to Sangguniang Panlalawigan of Leyte regarding Resolution No. 2026-1011

1 message

DOE-PMDD WESM <pmdd.wesm@doe.gov.ph>
To: "spleyteprovince@gmail.com" <spleyteprovince@gmail.com>
Cc: "Dir. Luningning G. Baltazar" <lbaltazar@doe.gov.ph>, "Asst. Dir. Madonna M. Naling" <dmnaling@doe.gov.ph>, "Noriel Christopher R. Reyes" <nreyes@doe.gov.ph>, EMPDS <empds@doe.gov.ph>, "Rommel James A. Nebriaga" <rjnebriaga@doe.gov.ph>

Thu, Oct 29, 2026 at 10:28 AM

Dear Sangguniang Panlalawigan of Leyte:

Good day.

Please see the attached signed DOE Letter on the abovementioned subject, for your information and guidance.

Kindly acknowledge upon receipt. Thank you.

Best regards,

Power Market Development Division
Electric Power Industry Management Bureau
Department of Energy

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Disclaimer:

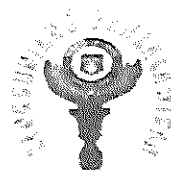
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2 attachments

-  **DOE Acknowledgement Letter to Sangguniang Panlalawigan of Leyte re Resolution No. 2026-1011.pdf**
339K
-  **Sangguniang Panlalawigan of Leyte Resolution No. 2026-1011.pdf**
664K



Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte
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OFFICE OF THE SANGGUNIANG PANLALAWIGAN

EXCERPTS FROM THE MINUTES OF THE 52ND REGULAR SESSION OF THE SANGGUNIANG PANLALAWIGAN OF LEYTE CONDUCTED AT THE SESSION HALL, LEYTE PROVINCIAL GOVERNMENT COMPLEX, PALO, LEYTE ON AUGUST 11, 2026, 2026.

RESOLUTION NO. 2026-1011

A RESOLUTION URGENTLY REQUESTING THE REGIONAL DEVELOPMENT COUNCIL (RDC) REGIONAL VIII TO FORMALLY PETITION THE ENERGY REGULATORY COMMISSION (ERC), THE DEPARTMENT OF ENERGY (DOE), AND THE INDEPENDENT ELECTRICITY MARKET OPERATOR OF THE PHILIPPINES (IEMOP) TO REVIEW, REVISE, AND ACCELERATE THE NET SETTLEMENT SURPLUS ALLOCATION (NSSA) MECHANISMS AND REVENUE COMPUTATIONS FOR LINE LOSS AND CONGESTION COSTS (LLCC) BURDENING EASTERN VISAYAS ELECTRIC CONSUMERS.

WHEREAS, electricity consumers in Eastern Visayas (Region VIII) are facing severe financial hardship due to soaring electricity rates driven primarily by exorbitant Line Loss Congestion Cost (LLCC) charges passed through by distribution utilities and electric cooperatives;

WHEREAS, LLCC charges represent the cost of transmitting power over long distances and the market price differences created by grid bottlenecks and transmission system constraints;

WHEREAS, during the July billing cycle, LLCC charges surged dramatically – reaching up to P5 per kilowatt-hour (kWh) in certain areas, pushing power rates in electric cooperatives across Region VIII to levels as high as P24 per kWh;

WHEREAS, while the Energy Regulatory Commission (ERC) maintains that excess collections resulting from market congestion and line loss will be returned to consumers through the Net Settlement Surplus Allocation (NSSA), the current regulatory flow-back timeline creates an immediate, unfair liquidity burden on end-users who must pay inflated bills upfront;

WHEREAS, consumers should not be penalized for system-wide transmission constraints, generation line loss, and grid congestions over which they have no operational control;

WHEREAS, Regional Development Council (RDC) VIII serves as the primary socio-economic planning body of Eastern Visayas, mandated to coordinate regional development policies and protect the socio-economic welfare of its populace;

NOW, THEREFORE, on motion presented by Honorable Wilson S. Uy, duly seconded by Honorable Raissa J. Villasin, Atty. Ronnan Christian M. Reposar and Honorable Elmer Frederico N. Codilla, be it

Page 2 of 2 - Res. No. 2026-1011 dated August 12, 2026
urgently requesting the RDC VIII to formally petition the ERC,
DOE, and the IOMOP to review, revise and accelerate the NSSA
Mechanisms & Revenue Computations for LLCC burdening Eastern
Visayas Electric consumers

RESOLVED, as it is hereby resolved, to URGENTLY REQUEST THE
REGIONAL DEVELOPMENT COUNCIL (RDC) VIII TO ADOPT A REGIONAL
POSITION AND ISSUE A FORMAL RESOLUTION URGING THE ENERGY
REGULATORY COMMISSION (ERC), DEPARTMENT OF ENERGY (DOE), AND
IEMOP TO:

1. EXPEDITE NSSA REFUNDS: FAST-TRACK THE IMMEDIATE AND REAL-
TIME FLOW-BACK/REFUND OF NET SETTLEMENT SURPLUS ALLOCATION
(NSSA) DIRECTLY AGAINST MONTHLY LLCC CHARGES TO PREVENT
ELECTRICITY CONSUMERS FROM BEARING UPFRONT OVER-
COLLECTIONS.
2. REVIEW LLCC PRICING FORMULAS: AMEND THE PRICING
MECHANISM GOVERNING LLCC SO THAT END-USE CONSUMERS ARE
BILLED SOLELY BASED ON ACTUAL DELIVERED ENERGY RATHER THAN
CONTRACTED CAPACITIES AFFECTED BY TRANSMISSION
BOTTLENECKS.
3. AUDIT TRANSMISSION GRID AND MARKET CONGESTION: ORDER A
COMPREHENSIVE REGULATORY AND TECHNICAL AUDIT OF
TRANSMISSION BOTTLENECKS IN THE VISAYAS GRID TO IDENTIFY
ROOT CAUSES OF RECURRING CONGESTION AND ENSURE PROMPT
INFRASTRUCTURE REMEDIATION.

RESOLVED FURTHER, THAT COPIES OF THIS RESOLUTION BE IMMEDIATELY
FORWARDED TO THE REGIONAL DEVELOPMENT COUNCIL (RDC) VIII
SECRETARIAT, THE ENERGY REGULATORY COMMISSION (ERC), THE
DEPARTMENT OF ENERGY (DOE), IEOMOP AND THE FEDERATION OF RURAL
ELECTRIC COOPERATIVES IN REGION 8 (FRECOR-8) FOR THEIR APPROPRIATE
ACTION AND ENDORSEMENT.

Approved unanimously.

I HEREBY CERTIFY to the correctness of the foregoing resolution.

ATTESTED:


HON. LEONARDO M. JAVIER, JR.
Vice Governor/Presiding Officer


FLORINDA JILLSUYVICO
Secretary to the Sanggunian

Copy furnished:

Senate of the Philippines
GSIS Building, Financial Centre,
J.W. Diokno Boulevard, Pasay City, Metro Manila

House of Representatives
Batasan Hills, Quezon City

Cong. Marcelino C. Libanan
House of Representatives
Quezon City