LISHENG CHANG-UNSPLASH

ERC, DoJ exploring imprisonment for EPIRA violators

THE Energy Regulatory Commission (ERC) said it is seeking help from the Department of Justice (DoJ) to enforce its rulings, holding out the threat of imprisonment for violators if necessary.

"We wrote to the DoE (Department of Energy) and DoJ so we can enforce the imprisonment provisions, the ability to pursue prosecution for non-compliance with EPIRA and non-compliance with ERC rulings," ERC Chairperson and Chief Executive Officer Monalisa C. Dimalanta told reporters last week.

Ms. Dimalanta said that the Commission will press for imprisonment for those that do not follow the Commission's rulings and orders. Imprisonment for non-compliance is authorized as a possible penalty by the Electric Power Industry Reform Act (EPIRA).

"For example, (if) we impose penalties (or) order refunds but they do nothing, this will leave us with no choice. So, we discussed with the DoJ the procedure for filing cases to implement the imprisonment provisions of EPIRA as a penalty," she said.

Ms. Dimalanta said that the Commission is trying to work out with the DoJ the procedure for filing cases. The ERC has police powers and can call on other government agencies under the amended Public Service Act.

"What we are trying to work out with the DoJ is the procedure. Do we file the complaint as a complainant with the fiscal's office? Our proposal right now (is to follow a similar procedure as) the BIR (Bureau of Internal Revenue), which has a task force against tax evaders," she said.

Ms. Dimalanta said that the ERC has also submitted its inputs to the DoE on the proposed amendments to EPIRA.

Among the amendments being sought by the Commission are an ERC reorganization to give the Commission the flexibility to expand its organization and increase penalties it can impose.

"The industry in 2001 is not the same today. In fact, we are moving towards a more retail-oriented market. So, we need to have the flexibility to move along to reshape our organization as the industry also reshapes. What we want is some form of flexibility in fixing and rearranging the organization," she added.

Ms. Dimalanta reiterated that the ERC sought an increase in the maximum fine it can impose on regulated entities to P500 million.

The DoE has said that its proposals for amending EPIRA include an increase in the ERC's power to fine regulated entities to P500 million, from the current maximum of P50 million for violations of competition rules.

Under EPIRA, the ERC can levy a fine of between P50,000 and P50 million for entities found, after due notice and hearing, to have engaged in "any anti-competitive act including but not limited to cross-ownership, cross-subsidization, price or market manipulation or other unfair trade practices, taking into consideration its effect on the electric industry and its participants."

Meanwhile, Ms. Dimalanta said that the ERC expects to release a new "pricing dashboard" next year following the low turnout in the second round of the green energy auction (GEA) program.

"Number one lesson is we need to update the pricing dashboard. It's been the same dashboard used but considering differences in technology and if we will differentiate price per size," she said.

The DoE has said that the GEA-2 attracted project commitments equivalent to 3,440 megawatts (MW) of renewable energy (RE) capacity, against the 11,600 MW of RE capacity on offer.

However, Ms. Dimalanta noted that the green energy auction reserve price set was "reasonable" as the contract will be for 20 years.

"It is the most reasonable at that point given the information that the commission has. I'm also curious to learn from the comments that it is too low and detached from reality... for some of those investors, the rates were justifiable and were good, in fact they are happy with the rates," she added. — **Ashley Erika O. Jose**

Marcos pressed to discuss PPP, apprenticeship measure in SONA

BUSINESS GROUPS want President Ferdinand R. Marcos, Jr. to outline his plans for key economic reforms, such as the impending Public-Private Partnership (PPP) Law, in his Second State of the Nation Address (SONA) on July 24.

Makati Business Club (MBC) Chairman Edgar O. Chua told reporters on the sidelines of the MBC's forum in Makati City last week that Mr. Marcos should also discuss his intentions on an Ease of Paying Taxes Law, as well as a measure that will govern apprenticeship, which is seen as a key step in making students ready for employment.

"The Apprenticeship Law (would) address two things: one is enhancing the competency of our staff... second is it will lead to better employment opportunities for them," Mr. Chua said.

"Given the fiscal space, the very limited fiscal space that the government (has), then the PPP Law should really be pushed so that we don't slow down the country. We need to continue and even expand our growth rate," he added.

Mr. Marcos is set to deliver the SONA at the Batasan Complex in Quezon City.

During its second meeting in early July, the Legislative-Executive Development Advisory Council designated the PPP Law and the Ease of Paying Taxes Law as among the 20 priority measures he hopes Congress will approve by year's end.

KJ ROSALES/PPA POOL

PRESIDENT Ferdinand R. Marcos, Jr. attends the ceremonial signing of the Department of Agriculture and Department of Justice Reformation Initiative for Sustainable Environment for Food Security Project at the Malacañang Palace on July 13.

The proposed Ease of Paying Taxes Law will encourage taxpayer compliance by modernizing tax administration and improving the efficiency of tax collection. The proposed Apprenticeship Law provides for an avenue for businesses to train workers for higher-skill professions.

The proposed PPP Law seeks to amend the Build-Operate-Transfer (BOT) Law to attract more investment and accelerate the infrastructure program.

Last year, the government issued revised rules governing the BOT Law. The altered rules were issued after business groups balked at the former arrangement, which required private proponents to bear more risk while relieving the government of responsibility for delayed deliverables.

Separately, Management Association of the Philippines (MAP) President Benedicta Du-Baladad told reporters last week that the business group wants Mr. Marcos to address the issue of malnutrition at the SONA.

"There's a different impact if it lands in SONA because then all the government agencies that are involved in that program have to step up and implement concrete measures," she added.

In June, MAP asked the government to declare malnutrition and child stunting as the top agenda items to ensure that "sufficient funds will be earmarked, and action will be cascaded from the national all the way to the community level."

According to the MAP, malnutrition and child stunting have human and economic costs by diminishing the supply of skilled labor in the future.

"Failure to address this problem in an urgent and decisive manner will place our country's future in the hands of stunted children becoming adults whose capacity to be productive, competitive, and creative are limited. That will imperil national development and progress," MAP has said. — **Revin Mikhael D. Ochave**

Baking,
from S1/2

Of the bakery ingredients, flour accounted for 50%, while add-in ingredients such as fruits, nuts, and chocolate accounted for 15%.

Dairy products, eggs, sugar and sweeteners made up 9% each. The remaining 8% consisted of oils, shortening, yeast, baking powder, and flavorings.

According to the USDA, exports of milling wheat to the Philippines rose at a CAGR of 11% to nearly $1.3 billion in the five years to 2022. The US accounted for 78% of the Philippine market for imported wheat.

In terms of finished product imports, the Philippine baking industry was estimated to have used imported wheat flour worth $8 million, followed by mixes and doughs ($11 million), dairy products ($100 million), egg products (roughly $4.5 million), sugar and sweeteners ($135 million), leavening agents ($20 million), and flavorings ($8 million).

"Consumers are feeling the impact of an ongoing sugar crisis, as the current prices of baked goods have increased by at least 6% when compared to prices in June 2022," the USDA said.

"Low- to middle-income consumers have reduced their consumption of baked goods or have turned to cheaper alternatives," it added.

Imported baking add-on ingredients totaled $32 million while another $20 million worth of add-ons were sourced locally, including bananas, cassava, coconuts, mangoes, mung beans, pineapples, and purple yam.

The USDA said that the supply and quality of local products have been affected due to "poor post-harvest capacity, lack of robust cold chain infrastructure, and high transportation cost." This has opened opportunities for US exports to present a wide variety of baking add-on ingredients.

Despite "strong competition due to a tariff disadvantage," the USDA said Philippine bakers prefer products from the US "due to their superior quality and availability." — **Sheldeen Joy Talavera**