

Market for AS power enters pilot operations

THE pilot stage of the market for reserve power has been launched, with full commercial operations targeted for later in the month, the Independent Electricity Market Operator of the Philippines (IEMOP) said.

In a statement on Wednesday, the IEMOP said pilot operations began on Dec. 26, 2023.

The pilot stage will allow the optimization of the market operator and system operator interfaces and automated real-time dispatch of committed ancillary services (AS). AS contracts are entered into in order to ensure that the grid will have sufficient power should supply be disrupted unexpectedly.

The pilot stage will trial central scheduling and dispatch of contracted ancillary services using enhanced systems of the market operator and system operator, or the National Grid Corp. of the Philippines.

IEMOP operates the Wholesale Electricity Spot Market (WESM), the trading floor for electricity.

With the set integration of the reserve market for AS power into the WESM on Jan. 26, the system operator will be able to procure reserves from the spot market to meet the reserve requirements of the system.

The IEMOP said that the reserve market provides a venue for generators to offer reserve capacities competitively. "These reserve offers are co-optimized with energy offers to determine the best mix of energy and reserve supply that will result in the most competitive prices for electricity."

"Ultimately, the co-optimization of the scheduling of reserves and energy has the objective of reducing the overall cost of both energy and reserves," the IEMOP said.

"The operation of the Reserve Market in the Philippine WESM is a testament to our shared commitment to the growth of the Philippine Energy Sector; a growth that ensures reliability, embraces innovation, and promotes

competition, all leading to transparency and reasonableness of our power rates," Energy Regulatory Commission (ERC) Chairperson Monalisa C. Dimalanta said.

Asked to comment, Bienvenido S. Oplas, Jr., president of Minimal Government Thinkers said that the reserve market will expand power supply by encouraging generation companies (genecos) to build more power plants.

"Most of new generation capacity will be contracted by DUs (distribution utilities), RES (retail electricity suppliers) and ECs (electric cooperatives). But some generation capacity will be for reserves by the system operator or embedded with DUs themselves," Mr. Oplas said in a Viber message.

"The market for new capacity has expanded so more genecos will be encouraged to put up more new power plants," he added.

In an advisory last week, the Department of Energy said that the WESM Governance Arm has yet to issue a certification on the completeness of the preparations.

The software certification by the independent auditor is still pending while the ERC is still reviewing the simulation results for additional constraints submitted by the IEMOP for the approval of the price determination methodology.

Meanwhile, the Philippine Electricity Market Corp. (PEMC) said in a statement that it will assess and monitor the co-optimized market once fully operational to ensure the delivery of its commitment and intent of the enhanced WESM design.

"Our commitment to fulfill PEMC's responsibility to facilitate the readiness certification for the full commercial operations of the co-optimized Energy and Reserve Market have remained steadfast," PEMC President Elvin Hayes E. Nidea said. — **Sheldeen Joy Talavera**

'Improved planning' needed after Panay outages — NGCP

THE National Grid Corp. of the Philippines (NGCP) has called for improved energy resource planning following the outages on Tuesday at multiple power plants on Panay Island.

"The unscheduled maintenance shutdowns of the largest power plants in Panay Island were the primary cause of the power interruption. We emphasize the need for improved planning to ensure sufficient generation per island, with a well-balanced mix of fuels and technology," NGCP said in a statement on Wednesday.

On Tuesday, the NGCP issued a yellow alert for the Visayas grid after multiple power plants tripped, including units of Panay Energy Development Corp. and Palm Concepcion Power Corp. (PCPC).

Due to the plant outages, some 452 megawatts (MW) were unavailable to the grid.

As of 5 p.m. on Wednesday, about 203 MW of power is being produced on Panay, augmented by 24.6 MW from "sources elsewhere in the Visayas."

"We reiterate that load restoration will be done conservatively, by matching loads to restored generation, to prevent repeated voltage failure. NGCP is ready to transmit power once it is available," the grid operator said.

The Visayas grid needs about 300 MW to stabilize and is awaiting a PCPC facility, which has a 135-MW capacity, to synchronize back onto the grid.

In a statement, the Department of Energy (DoE) reminded

the NGCP to "adhere to its responsibilities as system operator in ensuring supply security and reliability of the grid."

"NGCP is in a position to anticipate system disturbance such as what happened yesterday, which unfortunately resulted in the isolation of Panay from the rest of the Visayas grid due to the simultaneous tripping of power plants that caused multiple power interruption affecting other power plants and distribution utilities (DUs)," Energy Undersecretary Rowena Cristina L. Guevara said.

Meanwhile, the Energy Regulatory Commission (ERC) said it requested additional data from the NGCP and the generation companies to assist in its review of the incidents.

"The ERC understands the inconvenience this situation has caused to the consumers of Panay, and we assure the public that every effort is being made to restore power as quickly as possible," ERC Chairman Monalisa C. Dimalanta said.

Overall, the plant outage has affected a distribution utility and seven electric cooperatives, according to the NGCP.

These are MORE Electric and Power Corp., Guimaras Electric Cooperative, Inc., Iloilo Electric Cooperative, Inc. (ILECO I), ILECO II, ILECO III, Capiz Electric Cooperative, Inc., Antique Electric Cooperative, Inc., Aklan Electric Cooperative, Inc., and Guimaras Electric Cooperative, Inc. — **Sheldeen Joy Talavera**



Exportable agri commodities focus of new DA dev't plan

THE Department of Agriculture (DA) said it is seeking to expand agricultural and fisheries exports and has set into motion the drafting of the Philippine Agricultural Export Development Plan (PAEDP).

According to a special order signed by Agriculture Secretary Francisco Tiu Laurel, Jr., the DA will create a national steering committee and technical working group to prepare the plan.

The DA said the national steering committee will set the policy direction that the plan will then flesh out.

It added that a technical working group will help create the mechanisms to facilitate exports and ensure that activities and programs are aligned with the Philippine Export Development Plan (2023-2028).

"Member agencies shall create their respective core group that will (assist in) the creation of the PAEDP and provide technical assistance on matters related to export development," the DA said.

The DA added that the technical working group will seek to identify priority commodities with the strongest export potential.

The steering committee will be headed by Mr. Laurel with all DA undersecretaries as members, while Assistant Secretary for Policy Research and Development Noel A. Padre will head the technical working group.

Agricultural exports declined 13.3% to \$1.61 billion during the third quarter of 2023, accounting for 8.2% of total exports, according to the Philippine Statistics Authority.

Leading exports were edible fruit and nuts as well as peel of citrus fruit melons, valued at \$492.09 million or 30.5% of the total.

Among the top five exported commodities were animal and vegetable fats; preparations of vegetables, fruit, nuts or other parts of plants; tobacco and manufactured substitutes; and preparations of meat of fish, crustacean, mollusks and other aquatic invertebrates.

President Ferdinand R. Marcos, Jr. has said that the government is focusing on increasing exports of agricultural products to make the economy more competitive. — **Adrian H. Halili**

'Only' 19 LGUs declared compliant with business one-stop shop rules

THE Anti-Red Tape Authority (ARTA) said only 19 local government units (LGUs) out of 1,637 are fully compliant with the electronic business one-stop shop (eBOSS) requirement of the Ease of Doing Business (EODB) law.

"Out of 1,637 LGUs, 630 have reported that they are now (implementing the law). But validation by the ARTA Compliance Monitoring and Evaluation Office showed that only 19 LGUs are fully compliant, which means that they are fully automated, while 611 LGUs are only partially automated," ARTA Secretary Ernesto Perez said in an interview with government network PTV.

"We are continuously doing our compliance audit together with the Department of Interior and Local Government (DILG) and Department of Information and Communications Technology (DICT)," he added.

eBOSS is one of the flagship programs of ARTA. It aims to streamline procedures for applications and issuance of local business licenses and permits via a single digital portal accessible on demand.

Mr. Perez said the President has tasked ARTA and other government agencies to implement a nationwide rollout of the eBOSS platform to help non-compliant LGUs.

"President Marcos himself ordered us together with the Presidential Management Staff, DILG and DICT to hold a nationwide rollout tentatively in the last week of January," he said.

Mr. Perez said that ARTA will be helping the LGUs by donating hardware and providing technical assistance.

"This is so our LGUs will not have any reason to not comply with the requirements," he added.

Aside from eBOSS, ARTA also wants to hasten the issuance of permits and licenses for telecommunications towers.

"Through this, more than 36,000 permits have been issued just for one year of implementation," Mr. Perez said. — **Justine Irish D. Tabile**

DBM allots P550 million for kidney institute

THE Department of Budget and Management (DBM) said it approved the release of P550 million for an outpatient department (OPD) building at the National Kidney and Transplant Institute (NKTi).

Budget Secretary Amenah F. Pangandaman in a statement on Wednesday said the issuance of Special Allotment Release Orders will support efforts to enhance the healthcare system.

"President Ferdinand R. Marcos, Jr. has always said no Filipino should be deprived of quality healthcare. That's why we continuously give high regard to our healthcare facilities, more importantly, our specialty hospitals like NKTi," Ms. Pangandaman said.

The funds will finance the construction and expansion of an eight-storey OPD building for NKTi, the DBM said.

The building is designed to house services like diagnostic and surgical facilities, it added.

The proposed building will help the NKTi achieve its mission of treating and preventing kidney and allied diseases, the DBM said.

The OPD building will ultimately cost P1.331 billion, the DBM noted. — **Aaron Michael C. Sy**



OPINION

BIR's road to digitalization

THE Bureau of Internal Revenue (BIR) has recognize the need to adapt to take advantage of fast-evolving technology to ensure it collects its rightful share of taxes from the digital economy. To do this, it has mapped out a 10-year digital roadmap. The roadmap incorporates the tools necessary to maximize resources at the BIR and ensure maximum value for the organization. It is anchored on three principles — (i) adopting a people-first approach; (ii) instituting a process perspective; and (iii) embracing digital technology, with the digital transformation mindset as its foundation. In addition, the roadmap consists of various digitalization projects that would modernize and digitalize tax administration, consistent with the objectives of Republic Act No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, to reduce red tape. As it applies to the BIR, the law means making tax compliance more convenient for taxpayers.

One of the notable projects under the BIR's Digital Transformation initiative is the launch of the Online Registration and Update System (ORUS), a web-based system that provides an end-to-end process for registering tax-

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payers and updating their information. With the implementation of ORUS, taxpayers may skip the long queues and register and update their information with the BIR from the comfort of their homes.

Under Executive Order No. 98, series of 1999, all persons whether natural or juridical, dealing with all government agencies and instrumentalities, are required to provide their tax identification numbers (TIN) on all forms, permits, licenses, clearances, official papers and documents which they secure from and file with government agencies. This directive was issued as TINs are essential for our tax authorities to trace taxable transactions of persons and monitor their tax compliance.

In line with the Executive Order, BIR Revenue Regulations No. 7-2012 directs non-resident aliens not engaged in trade or business in the Philippines or non-resident foreign corporations to obtain TINs for the purpose of withholding taxes on their income from sources in

the Philippines. The withholding agent is required to apply for the TIN on their behalf prior to or at the time of the filing of their withholding tax returns.

Moreover, Securities and Exchange Commission (SEC) Memorandum Circular No. 1, series of 2013, requires the inclusion of TINs of foreign investors (natural and juridical persons) in all forms, papers and documents filed with the SEC. In this regard, corporations filing their general information sheets (GIS) with the SEC are required to first secure TINs for their investors and stockholders, whether natural or juridical persons. If the TIN is missing, the SEC is to return the GIS.

With the launch of ORUS and the issuance of BIR Revenue Memorandum Circular (RMC) No. 120-2023, Filipino citizens and foreign nationals may now apply for TIN online without lining up at their respective Revenue District Offices (RDOs) and physically submitting hard copies of their application documents. Individuals and corporations may create an account in ORUS by filling out the necessary information and uploading the relevant documents in order to secure their TINs. Although the TIN application is now done online, the documentary requirements are still the

same as in the previous practice (physical filing).

RMC 120-2023 is the BIR's announcement of the availability of digital TINs through ORUS. With this new feature, individual taxpayers may secure their digital TIN identification document (ID) through the website starting Nov. 21, 2023, by creating an account and registering as a taxpayer. Those with previously issued TINs, whether or not they have been issued a physical TIN ID, may also still register with ORUS. It is worth noting that taxpayers who will be applying for a digital TIN ID are required to update their e-mail address at the RDO where they are registered by accomplishing and submitting BIR Form S1905 (Registration Update Sheet) via e-mail to their respective RDOs or through BIR's eServices — Taxpayer Registration Related Application portal. Should there be any changes or updates that must be made after securing the digital TIN ID, taxpayers may re-generate their ID through the same website after 30 days from the first or last digital TIN ID generation, whichever is applicable.

Digital TIN IDs are to be honored and accepted as a valid government-issued ID for taxpayers to transact with

government agencies and institutions, local government units, employers, banks, financial institutions and other relying parties. While digital TIN IDs do not have signatures, the authenticity of this ID may quickly be verified through ORUS as well by scanning the Quick Response (QR) code that may be found on the digital ID.

We have seen a number of the BIR's Digital Transformation projects go live, making tax administration more efficient. Taxpayers remain hopeful that the BIR launches the remaining Digital Transformation projects to make tax compliance more convenient.

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