



16 May 2024

For : All Member-Consumer-Owners (MCOs) of Electric Cooperatives (ECs)
Subject: Advisory Notice to Member-Consumer-Owners (MCOs) of Electric Cooperatives (ECs)

This Agency is issuing this advisory to inform and request the understanding of the MCOs regarding the recent increase in electricity prices.

This Agency puts the public on notice that the rise in electricity prices is primarily due to an increase in the generation component of the electricity rates. The generation component represents a pass-through cost from the power suppliers to the ECs. This means that the costs incurred by the power suppliers are directly transferred to the ECs and then to the consumers, without any markup from the ECs.

Recent reports indicate that the heightened heat index across the Philippines, a factor beyond the control of the ECs, has significantly driven up the generation costs. This increase in generation costs is unavoidable on the part of the ECs and directly impacts the rates charged to the MCOs.

The increase in the generation component is beyond the control of the ECs. Generally, the ECs do not have the ability to influence or reduce these generation costs, as they are set by the power suppliers based on their operating conditions, among other factors.

Thank you for understanding and your continued support for your ECs


ANTONIO MARIANO C. ALMEDA
Administrator

