



## ADVISORY

**TO :** **ENERGY REGULATORY COMMISSION (ERC)**  
**NATIONAL ELECTRIFICATION ADMINISTRATION (NEA)**  
**NATIONAL POWER CORPORATION (NPC)**  
**ALL DISTRIBUTION UTILITIES (DUs)**

**FROM :** **THE SECRETARY OF ENERGY**

**SUBJECT :** **CREATION OF THE JOINT TASK FORCE ON SYSTEM LOSS TO IMPLEMENT THE PRESIDENT'S INSTRUCTIONS DURING THE 2026 STATE OF THE NATION ADDRESS**

**DATE :** 13 AUG 2026

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Consistent with President Ferdinand R. Marcos, Jr.'s directive to ease the burden of electricity costs on Filipino consumers by removing system loss charges, including the corresponding Value-Added Tax (VAT), from consumers' electricity bills, the Department of Energy (DOE) shall pursue the implementation of the said directive through a coordinated and whole-of-sector approach involving policy, technical, regulatory, and legislative interventions, particularly through amendments to Republic Act (RA) No. 9136, or the *Electric Power Industry Reform Act of 2001* (EPIRA), as well as corresponding issuances by the appropriate regulatory agencies.

In this regard, a Joint Task Force on System Loss, to be chaired by the DOE and composed of representatives from relevant agencies, entities, and industry stakeholders, is hereby created.

### A. COMPOSITION OF THE JOINT TASK FORCE

The Joint Task Force shall be composed of representatives from the following:

1. Energy Regulatory Commission (ERC);
2. National Electrification Administration (NEA);
3. National Power Corporation (NPC);
4. Electric Cooperatives (ECs) and/or the ECs' representative associations or groups either at the national or regional levels;
5. Private Distribution Utilities (PDUs), through the Private Electric Power Operators Association (PEPOA) or other similar organizations; and
6. Relevant industry associations, including but not limited to, the Philippine Independent Power Producers Association (PIPPA).

The concerned agencies and entities are directed to designate their official representatives to the Joint Task Force within three (3) calendar days from receipt or posting of this Advisory. The designated representatives shall be authorized to participate in technical discussions, submit data or position papers, and coordinate with their respective offices on matters requiring policy, operational, legal, or regulatory action.

The DOE-Electric Power Industry Management Bureau (EPIMB) shall act as the Secretariat of the Joint Task Force.

## **B. FUNCTIONS OF THE JOINT TASK FORCE**

The Joint Task Force shall study, review, and recommend the proposed reforms necessary to advance the State's commitment to reasonable electricity rates, stronger consumer protection, improved distribution efficiency, and a more accountable power sector.

The Joint Task Force shall undertake, among others, the following functions:

1. Review the legal, regulatory, and operational bases for the pass-through of system loss charges and the appurtenant imposition of VAT thereon;
2. Assess the technical and financial or cost implications and the corresponding proposals for technical solutions and funding requirements on removing system loss charges from consumer bills;
3. Identify immediate administrative or regulatory measures, including the financial assistance or fund sourcing, that may be pursued pending legislative amendments;
4. Recommend amendments to EPIRA and other relevant laws, rules, or issuances;
5. Formulate and propose realistic actionable measures – implementable on an expedited timeline and at minimum cost – to reduce technical and non-technical losses at the source through distribution system modernization, advanced metering solutions, enhanced anti-pilferage enforcement, and improved utility performance monitoring; and
6. Perform other actions as may be required consistent with the President's directive and applicable laws, rules, and regulations.

The Joint Task Force shall convene and hold its first meeting within fourteen (14) calendar days from the issuance of this Advisory. It shall submit to the DOE an initial work plan and schedule of activities within fifteen (15) calendar days from its first meeting, and thereafter submit monthly updates on the status of its review, consultations, targets, objectives, and recommendations. The work plan shall include, at minimum, priority issues for resolution, proposed timelines, data requirements, stakeholder consultation mechanisms, financial implications and projections, cost or funding requirements, expected outputs, and other recommendations for submission to the appropriate executive and legislative offices.

All concerned entities are further directed to extend full cooperation to the Joint Task Force by providing any relevant information, technical data, billing and system loss reports, regulatory filings, operational inputs, and other documents that may be necessary for the comprehensive review of the matter, subject to applicable laws, rules on confidentiality, and data protection requirements.

All submissions, inquiries, and other concerns relating to this Advisory shall be coursed through Director Luningning G. Baltazar of the DOE-EPIMB at telephone no. (02) 8479-2900 local 414 or via email at [lgbaltazar@doe.gov.ph](mailto:lgbaltazar@doe.gov.ph).

This Advisory shall take effect immediately upon its posting.

For strict and immediate compliance.

  
**SHARON S. GARIN**  
Secretary

