

EPM approves a contribution of COP 340 thousand million to lower power generation tariffs up to 8.7 %.

EPM delivered its rate reduction proposal to the energy sellers with which it has long-term sales contracts.

EPM, through its Power Generation business, joins the Pact for Rate Justice, announced last September 16 by Irene Vélez, Minister of Mines and Energy. They thereby make progress in answering the proposals presented by the Energy and Gas Regulatory Commission (CREG, for the Spanish original) that seek to reduce energy rates in the country, in light of the significant increase in the Producer Price Index (PPI), which would apply as of the consumption of October.

“EPM made a proposal that implies a contribution of approximately COP 340 thousand million for a 12-month period and a reduction of 8.7 % for sellers with more customers in socioeconomic levels 1 and 2, as well as a higher unit cost per kilowatt of power,” stated Jorge Andrés Carrillo Cardoso, CEO of EPM. He added that there will also be a 4.7 % reduction for other companies with which they have long-term contracts.

Moreover, it is expected to offer a discount to non-regulated users (consumption over 55,000 kWh/month), in order to relieve the cost of electricity for companies.

This initiative, designed for the well-being of users, will become a reality once the sellers with whom EPM has long-term contracts accept the proposal.

On the other hand, in line with the Ministry of Mines and Energy and CREG’s proposal for all members of the energy service chain to join this initiative, EPM will make significant efforts in the regulated components of Transmission and Distribution that are part of the rate. However, it will not be able to adhere to the option established in CREG Resolution 101 031 of 2022. The company will continue making progress in the search for mechanisms within the current regulatory framework and continue applying the rate option for commercialization in the regulated market.

"It is important to emphasize that the energy commercialization companies operating in the country purchase energy from different generation companies to meet the demand of their markets. For that reason, in order to reflect the rate reduction on customers, it is necessary for these companies to negotiate with the other generation companies with which they have contracted the purchase of energy," explained Carlos Orduz, EPM's Vice-president of Energy Generation.

EPM's proposal was made based on the National Government's Pact for Rate Justice and applying the resolutions of the Energy and Gas Regulation Commission (CREG) that have been issued according to the institutional systems legally established in the country for the electricity sector's functioning.

Context

Pact for Rate Justice

Broadly speaking, the Pact for Rate Justice includes four fundamental agreements:

1. Issuing regulatory standards to help reduce energy rates in the short-term.
2. The willingness of energy generation and distribution companies, such as EPM, to renegotiate energy contracts, always for the benefit of users.
3. Follow-up of these agreements on the part of CREG and the Ministry of Mines and Energy.
4. Maintaining dialogues to always seek the best solutions for users and the sector.