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NEA reduces lending rates for electric coops



NEA Administrator Edita Bueno announces another cut in the Agency's lending rates effective September 2014 to gain competitive financing and aid electric cooperatives in their financing costs.

The NEA Board of Administrators unanimously approved another cut in NEA's lending rate effective September 23, 2014 on term loan approvals as (a) 6.5% interest rate per annum for repayment period of 3-15 years; and (b) 6% interest rate per annum for repayment period of two years.

Administrator Edita S. Bueno said that "as a policy, NEA reviews its lending rates periodically to determine if revision is warranted."

She added that after comprehensive studies, "NEA saw the need to study and review its current lending rate to provide an updated loan pricing that is fair, reasonable, and competitive with other financing institutions."

Based on the August 20, 2014 Philippine Dealing System-Treasury Fixing Rates (PDSTF), the reference rates are 4.3250% for a ten-year tenor and 5.3875% for a 20-year tenor.

Previously in September 2012, NEA reduced its lending rates to the electric

cooperatives from 9% to 8% for 3-15 years repayment period and 8% to 7% for two years repayment period.

The NEA Board, likewise, approved the reduction of interest rates on ECs' outstanding loans from 12% and/or 10% to 9% per annum subject to the following conditions: (1) applicable to advance and current paying ECs; (2) should be supported by a board resolution requesting reduction of interest rate; (3) higher penalty rate of 15%; and (4) effectivity shall be on the 3rd quarter of 2014 (September) amortization due.

"The lowering of the lending rate will also reduce ECs' financing costs which will redound to the benefit of the member-consumers," the Administrator added.

"The interest of our member-consumers is, after all, what we're here for," she added.

The 45-year old state-run agency has already extended P31.360 billion loans to 119 electric cooperatives nationwide to finance various rural electrification projects and support the electrification mandate.



NEA submits YRRP status report P3.135 billion disbursed to affected coops

As member agency of the Infrastructure Cluster formed in the wake of super typhoon Yolanda, NEA submitted to the Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR) a status report of the Yolanda Comprehensive Rehabilitation and Recovery Plan (CRRP) to aid in the monitoring of rehabilitation plans and programs for the 341 Yolanda-hit cities and municipalities.

The Infrastructure Cluster is among the five clusters established by OPARR to facilitate government efforts in the implementation of Yolanda rehabilitation and recovery initiatives, specifically in the reconstruction of damaged infrastructure "to sustain economic and social activities in the affected areas" and increase adaptability of communities to future hazard events.

In the status report, NEA said that of the P3.929 billion frontloaded by the Department of Budget and Management (DBM) to the Agency to cover reconstruction of electric distribution systems in the affected areas, P3.787 billion was obligated, while P3.135 was disbursed as of November 5, 2014.

The report added that the remaining P0.142 billion will be used to finance last mile implementation of Yolanda-related rehabilitation for very remote sitios and households.

Of the five affected regions, the report stated that the biggest allocation went to Region VIII with P2.624 billion. It is followed by Region VI with P1.021 billion, Region VII with P219.655 million, Region IV-B with P47.940 million, and Region V with P16.166 million.

The report added that of the 18 provinces that were badly hit by the super typhoon in November 2013, half were 100% energized by December of the same year.

These provinces include Northern Samar, Negros Occidental, Cebu (mainland), Bohol, Masbate, Occidental Mindoro, Oriental Mindoro, Marinduque, and Romblon. Meanwhile, the other half, including Camotes Island, were fully energized either on the first or second quarter of 2014.

The report also covered the monetary grant NEA and the electric cooperatives (ECs) received from different organizations, including the National Rural Electric Cooperative Association (NRECA) amounting to US\$25,000, the Asian Development Bank (ADB) amounting to US\$1.50

► YRRP/8

NEA stresses need for innovations in power distribution

"We have to be remembered for our best practices and excellence."

Thus said NEA Administrator Edita Bueno before the staff and officials of the Pampanga I Electric Cooperative, Inc. (Pelco 1) during her goodwill visit to the coop last December 22.

In a message rallying the coop to

sustain its operations, Administrator Bueno also made a call on all the officials of Pelco 1 to continue to be a leader in innovations to even improve the quality of service to its member-consumers.

Pelco 1 has so far undertaken a number of Corporate Social Responsibility (CSR) projects

including automation of its Annual General Membership Assembly (AGMA) registration, introduction of video linking of its assemblies, formation of its own volunteer fire brigade, and construction of a community clinic, which was the first for any electric cooperative.

Inaugurated last January 6, 2014, the community clinic provides free medical consultations and basic medications for its member-consumers and also houses dental facilities for simple tooth extraction, tooth filling, and dental prophylaxis.

According to the coop's nurse, an average of 15 patients frequent the clinic to seek medical help.

Every Thursday, a team of Pelco 1's doctor and nurse also visits the coop's



Administrator Edita Bueno during her goodwill visit to Pelco 1 emphasizes the need to further seek innovative means of improving electric service as a way of redefining the role of a coop.

► INNOVATIONS/3

International confab highlights power infra initiatives



Administrator Edita Bueno (4th from L) meets with Partnership to Cut Hunger and Poverty in Africa (PCHPA) Executive Director Dr. Daniel Karanja, PCHPA Board Director Dr. Douglas Tinsler, National Rural Electric Cooperative Association (NRECA) Vice President Dr. Dan Waddle, Energy Development Corporation (EDC) Vice President Agnes de Jesus, academic board of Georgia University, and officials of the Phil-Am Society of the USA and the Philippine Embassy in Washington, D.C.

To foster a continuing cross-border dialogue that highlights the need for power infrastructure initiatives as a component of economic growth, an international conference dubbed as Empowering Africa's Future: Building Infrastructure & Agribusiness through Public-Private Partnerships was held in Arlington, Virginia last October 6-7.

The event, which gathered about 200 civil sector leaders, industry practitioners, and economic development specialists around the world, included NEA Administrator Edita Bueno who shared the

Philippine Rural Electrification (RE) Program experience.

Challenges and key strategic initiatives

Proceeding from a historical account of the Philippine electricity sector, Administrator Bueno went on to outline the challenges in the implementation of the RE Program in the early years, along with the strategies undertaken by key stakeholders to overcome the challenges.

According to Administrator Bueno,

the country's archipelagic characteristic was one of the major hurdles the government had to address in the initial implementation phase of the program.

She said the country being a cluster of islands, implementation mechanisms such as island grid, submarine cable connection, and mini-grid or small power utility operation approach had to be applied to respond to transmission-related challenges.

The program also faced rough sailing due to the issue of viability raised by the ranks of political leaders. But Administrator Bueno was quick to

▶ CONFAB/7

Innovations... from 2

franchise areas to bring medicines to its member-consumers.

Meanwhile, Pelco 1 General Manager Engr. Loliano Allas said all these initiatives form part of their coop's goal to help their coverage areas in ways other than power distribution.

He added that the projects are in response to Administrator Bueno's challenge to think of creative and

out-of-the-box solutions as a way of strengthening a coop's community welfare thrust.

For her part, Administrator Bueno underscored the need for the coop to reappraise its role as a service provider by making actions that ripple beyond the walls of the office.

She said a "transformation" is needed in the manner the coops are reaching out to their member-consumers.



NEA camp gives a good haul in a tug-of-war match against Pelco 1. The game is one of the opening activities held during the goodwill visit.

2014 CHRISTMAS



BEST FOOT FORWARD. "We are only as good as our last performance," says Administrator Edita Bueno during the Agency's 2014 Christmas gathering, as she exhorts officials and employees to put their best foot forward in the attainment of the corporate mandate.



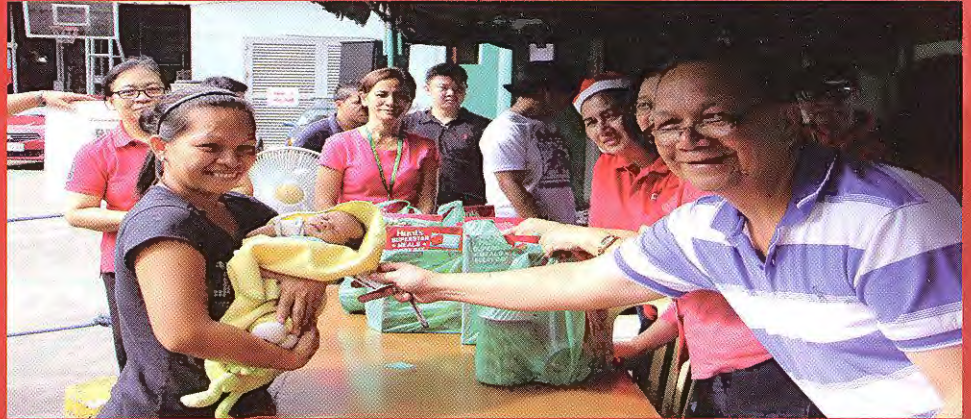
MESSAGES OF GOODWILL. (clockwise from above) Deputy Administrators Edilberto Basig, Sonia San Diego, John Joseph Magtuloy, and Edgardo Piamonte give their goodwill messages, as they look forward to the coming year with prayers for wisdom, fortitude, and good health.



CELEBRATION



MOTHER AND CHILD. Bearing her child in a mantle of motherly care, a beneficiary of the Agency's Outreach Program wears a sweet smile as she receives a package of goodies in time for the Noche Buena.



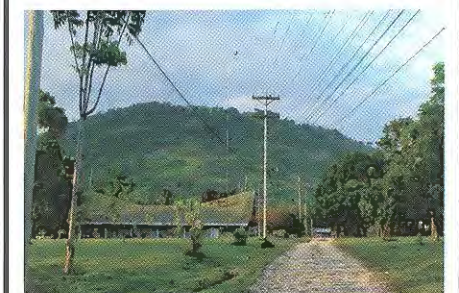
TREE OF HOPE. Employees hang their star on the Agency's Christmas tree as a symbolic gesture of giving back to the community. Each star comes with a small monetary pledge to be donated to NEA's kapitbahay.



IN THE SPIRIT OF SERVICE. Officers of the Section Chiefs Association of NEA (SCAN) lead this year's Outreach Program where more than 200 families have been selected as beneficiaries.



CHEERS TO A GOOD YEAR. Excitement kicks up at the HES Auditorium, as the Lights and Sounds Chorale fires a medley of Christmas songs to open the Agency's 2014 Christmas celebration.



Energized sitios in Mindanao up by 6,101 since 2011

As the year approaches its tailend, the total number of energized sitios in Mindanao has already reached 28,061, bringing the energization level in the region to 77%.

This is according to NEA Administrator Edita Bueno who was present as guest of honor at the 3rd Mindanao Congress of the Advocates for Renewable Energy and Rural Electrification & Development (MinCARED) held last October 28-30 in Cagayan de Oro City.

Administrator Bueno said that as of October 2014, a total increment of 6,101 energized sitios was added to the 21,960 baseline figure identified in June 2011.

She also bared that for the coming year, a total of 954 sitios in Mindanao are programmed to be connected to the grid, with 188 targeted for

CARAGA, 182 for Region 12, 176 for Region 11, 167 for Region 10, 157 for Region 9, and 84 for ARMM.

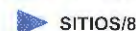
“We will aggressively carry out the total electrification mandate for Mindanao, particularly at a time when conflicts in the region still hamper access to socioeconomic development. Electricity is a groundwork for sealing lasting peace in Mindanao,” she said.

Status of electrification in Mindanao

There are currently 33 operational ECs in the region, which have, as of December this year, served 2,651,110 member-consumers.

The number of energized sitios in the region also rose to 28,559 as of December.

Latest figures also reveal that as of



Solar lanterns light up 80 Mangyan households

A total of 80 Mangyan families in Sitio Layag, Barangay Taclobo in Romblon have received solar lanterns under the Asian Development Bank (ADB)-initiated Energy for All Partnership.

The project, which is part of an overarching goal of E4ALL to provide energy access to 100 million people in the Asia-Pacific region by 2015, was spearheaded by the Romblon Electric Cooperative, Inc. (Romelco) in coordination with NEA.

The project was approved by Seacology, a nonprofit organization dedicated to assisting local communities through unique deal approaches, and received a total grant of US\$11,894 which was wired to Romelco July this year.

In exchange for the provision of

solar lanterns, the Mangyan family-beneficiaries have agreed to be a key player in the conservation of the watershed areas of the Mt. Guiting-Guiting National Park where their community is located.

Sitio Layag Chieftain Domingo Rollon said for his part that the solar lighting has facilitated their household activity

and enabled the Mangyan children to study more conveniently.

Meanwhile, Romelco General Manager Engr. Rene Fajilagutan said the coop is undertaking a number of initiatives to create livelihood programs for the Mangyan community, including the development of a coffee plantation.



Mangyan beneficiaries listen to a talk by CDPD Manager Guillermo Paz as he explains to them their duty to conserve Mt. Guiting-Guiting National Park in exchange for the provision of solar lanterns.

NEA bags Environmental Excellence Award

NEA took another feather in its cap, as it joined this year's roster of Environmental Excellence Awardees given by the Department of Environment and Natural Resources (DENR) on November 21.

This is the second time the Agency has been awarded the top honors for its Environmental Management Program (EMP), after receiving the recognition in 2011.

According to DENR, NEA's effective implementation of its EMP "has helped institute a safe, clean, orderly, and greener office," which has, in turn, "generated savings and redounded to financial benefits and incentives."

NEA's EMP covers operationalization of 10 green initiatives which include electricity conservation, waste management, water conservation, fuel conservation, air pollution prevention, greening, emergency preparedness, green procurement, power reliability, efficiency, and safety, and brigada ahensiya.



Deputy Administrator Sonia San Diego (center), together with Manager Enrique Morales (leftmost) and Directors Diana San Luis (second from R) and Judith Alferez (rightmost), receives the Environmental Excellence Award conferred to NEA for its effective implementation of environmental management practices. The recognition rites were led by DENR Undersecretary Demetrio Ignacio (third from R) and EMB OIC-Director Atty. Jonas Leones (second from L).

The criteria for the 2014 Search for Eco-friendly Government Offices include 84 points for the implementation of environmental management programs based on Policy, Promotion of Awareness, and People and Practices and 16 points for the implementation of other programs such as green procurement, emergency preparedness, and orderliness, cleanliness, and safety of the office and its premises.

According to DENR Undersecretary for Field Operations Demetrio Ignacio, while it is important to raise awareness on the protection of environment, it is even more important "to translate this awareness, understanding, and concerns into actions."

He added that government agencies can be "agents of change" in supporting the global call to reduce man's ecological footprint.

Confab... from 3

out that the issue eventually died down owing to the creation of NEA and the formation of electric cooperatives (ECs) nationwide and their shared commitment to providing energy access for all Filipinos.

She added that since the total electrification was enacted as a state policy in 1969, the program has received all out support from the Philippine presidents, including the provision of the initial capital for its pilot projects and the grant of government-extended concessional loans and subsidies for the ECs.

Total investment in electrification by the government as of 2014 is at US\$

1,377.05 million, comprising foreign and local loans and subsidies.

Likewise, Administrator Bueno touched on the non-interest of private electric-owned systems to extend lines to rural areas.

She said this was addressed by the expansion of EC coverage area to include proximate areas served by small sitios.

Electrification status and milestones

According to the figures bared by Administrator Bueno during the forum, there are now 17 million Filipino consumers or approximately 85 million of the 100 million of the

total population with electric service.

All 1,490 municipalities and 144 cities are also fully energized, while village and sub-village (sitio) electrification stand at 99.97% and 86%, respectively.

She added that the average revenue of EC per month is US\$ 2,092, while its average monthly sales is 10,338 MWh.

Impact of Rural Electrification

The impact of the RE Program has been seen in a number of key development areas such as business, education, healthcare, security, agriculture, and tourism.



UP Alumni Engineers names PGD as 2014 Most Distinguished Alumnus

The University of the Philippines Alumni Engineers has named former NEA Administrator Pedro Dumol as this year's Most Distinguished Alumnus.

Recognized for his "outstanding contribution to the electrification of the country by bringing nationwide light and power to 70 percent coverage area as Administrator of the National Electrification Administration for more than 16 years," Gen. Dumol provided the impetus for the organization of electric cooperatives (ECs) as a "social development catalyst

in the rural areas, thus reaching rural electrification to 90 percent coverage."



It was during his term as NEA chief when massive construction of distribution lines began, as well as the setting-up of various systems

and procedures which enabled the ECs to be organized on an area-coverage basis.

With a master's degree in Business Administration and a bachelor's degree in Mechanical Engineering both earned from UP, Gen. Dumol led the initiatives in generating funding assistance for the electrification programs, while encouraging rural people the profitable use of power.

The recognition rites were held on November 15 in UP Diliman alongside the occasion of UPAE Homecoming.

Confab . . . from 7

Administrator Bueno noted that "a progressive countryside has not only resulted in an upswing in the economy, but also created opportunities for both urban and rural dwellers."

The profitable use of electricity, according to her, has enabled people to undertake livelihood projects to be able to pay their power bills.

Sitios . . . from 6

June 2014, total loan funds facilitated to Mindanao ECs is P10.798 billion, while total subsidy funds released is P8.498 billion.

Average collection efficiency in the region as of June is 84%, while 23 Mindanao ECs posted a 90% to 100% collection efficiency level in the same period.

Meanwhile, seven ECs in the region have posted a single-digit systems loss level as of August.

Challenges to Mindanao ECs

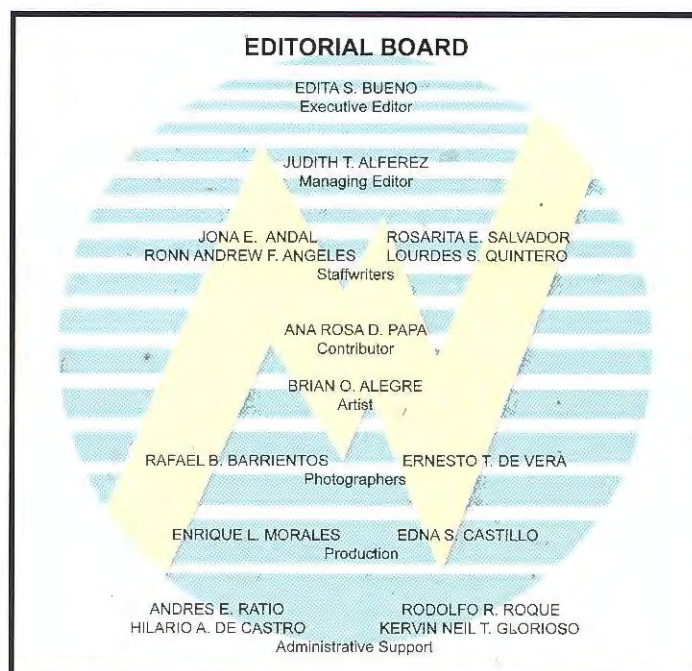
In the event, Administrator Bueno emphasized the need for ECs to conduct regular consultations through the Multi-Sectoral Electrification Advisory Council (MSEAC) to elicit participation from member-consumers.

She also said that the EC management, particularly its Board of Directors, should "make good use of the role" given to them to set out a better direction for the coop.

YRRP . . . from 2

million, and the Japan International Cooperation Agency (JICA) amounting to US\$1,415 million worth of boom truck units.

The NRECA grant was used for the mobilization of Task Force Kapatid, whereas the ADB grant will be used to procure electrical distribution materials and equipment for the construction of distribution lines in the province of Eastern Samar.



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