



## NEA remits Php203M to national government



Photo credit : Malacañang Photo Bureau

Administrator Edita S. Bueno hands over to President Benigno S. Aquino III the check amounting to Php 203 million as remittance of dividends to the National Government. With her are NEA Alternate Board Chair Jose Raymond A. Acol and Board Member Eugene Tan (partially hidden).

### NEA has remitted a total of Php203.98 million to the national government as dividends due from its net earnings for 2014.

The Php203.98M which was turned-over to the Bureau of Treasury (BTr) on April 16, 2015 is the biggest in NEA's history. The amount is 38% higher than last year's payment of Php148M. Under Section 3 of Republic Act No. 7656, otherwise known as the Dividend Law, GOCCs are required to declare and remit at least 50% of their annual net earnings as dividends to the national government. The initial report for 2014 shows a net income before income tax for NEA of Php587 million.

## NEA is audit compliant eight years in a row

**For the eighth consecutive year, NEA remains to be COA audit compliant.**

The state-run agency, mandated to implement the total electrification of the country, was rendered an unqualified audit opinion for Calendar Year 2014 by the Commission on Audit. Since 2007, NEA has been given an unqualified opinion by the State Auditor after reviewing its financial statements which comprise the balance sheet as of December 2014 and income statement, statement of changes in equity and cash flow statement for the year ended.

The COA Report also states that this is the 11th consecutive year that NEA remains to be in the black. Since its financial turnaround in 2004, NEA has consistently posted a positive financial position. Based on Annual Audit Report (AAR), NEA posted a net income before income tax of Php587 million. This is 19% higher than the Php494 million net income recorded in 2013.

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# Electricity comes to 4,744 more sitios nationwide

Electricity has come to 4,744 more sitios during the first semester of 2015. NEA and its partner-electric cooperatives (ECs) have electrified these far-flung sitios benefitting initial consumers of 142,329 or 711,600 Filipinos nationwide through the Sitio Electrification Program (SEP).

For the period, Region VI (Western Visayas) energized the most number of sitios at 682. Among the ECs, Cebeco I electrified the most number of sitios with 237. Other ECs which contributed the most are Zamsureco I (173); Dasureco (158); Noneco (145); Quezelco I (140); Cenpelco (140); Anteco (136); Sukelco (123); Noreco I (122); and Panelco I/Kaelco (119).

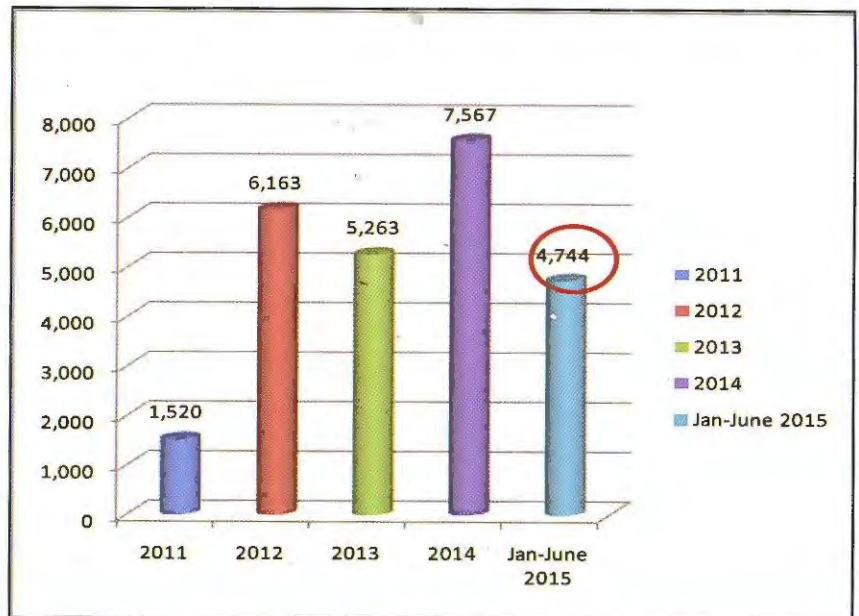
In October 2011, the state-run agency has committed to electrify 32, 441 sitios until the end of President Benigno S. Aquino III's term.

As of June 30, 2015, a total of 25,257 sitios or 78% of the target have been energized utilizing Php14.65 billion or an average of Php580,015.65 per sitio.

Regions III (Central Luzon) and IV-A (Calabarzon) have posted the highest SEP accomplishment at 89%. The coops which have energized the most number of sitios are Ormeco (895); Cebeco I (845); Ifelco (687), Dasureco (623); and Camelco (566).

Eleven ECs, meanwhile, have fully accomplished their SEP targets. These are Inec (18); Panelco I (335); Batanelco (15); Penelco (44); Pelco II (15); Pelco III (3); Zameco II (30); Batelec I (28); Aleco (39); Banelco (147); and Lasureco (62).

In 2014 alone, 7,567 sitios were energized which is 6.98% more than the target



SEP status from 2011 to First semester 2015

of 7,073 sitios. It was a feat considering the massive power restoration efforts put forth by NEA and 70 ECs nationwide to 33 Typhoon Yolanda-devastated ECs covering 341 municipalities, 7,052 barangays and 1,454,184 households.

Administrator Edita S. Bueno said,

*“The provision of electricity to unenergized sitios through the SEP is part of the Aquino Administration’s social contract with the Filipino people. Hence, various strategies are being instituted to fast track SEP implementation for all Filipinos to enjoy the benefits of electricity as soon”.*

Along this line, NEA has included housewiring and installation cost for initial 30 households which were eventually increased to 60 households; accredited Regional Technical Evaluators; created Sitio Implementation Unit in the ECs; encouraged

participation of Civil Society Organizations (CSOs); issued unbundled price index of 5 MVA and 10 MVA substations; and diligently complied with COA rules and regulations.

It has also launched its Build-Back-Better Program this year with the issuance of policy and implementing guidelines designed to facilitate project implementation.



## SPECIAL FEATURE: (Article provided by Agusan del Sur Electric Cooperative, Inc.)

### SEP: *The P286 Saver Story*

Through the combined commitment of NEA and the electric cooperatives to light up the farthest sitios in the country, hope now springs eternal for many of the rural Filipinos. It is this hope which has made possible for them to get into the mainstream of socioeconomic opportunities and have a shot at a better life.

On this page, we are happy to feature one story which made us see how electricity for the rural folks can become another name for hope. Such stories are NEA's best gift from the people, and it will continue to carry out its mandate for as long as there are more lives it needs to touch.

\* \* \*

Life is a constant struggle of making ends meet. This is the view of Tatay Alberto M. Lada, 2014 SEP beneficiary. Fifty-four year old Tatay Alberto earns a living together with his wife Teresita by peddling fish.

To augment income, he also accepts labor jobs in their neighborhood at Purok 6B, Barangay 3, San Francisco, Agusan del Sur. Daily, they earn an average of P500. He understands that his income is not fixed, so he follows a strict budget. He sets aside money for the essentials first, then for the bills and his children's education. Nothing much is left for savings and emergency expenditures.

In 2010, his house along the Maharlika Highway in Barangay Hubang, San Francisco was demolished to give way to a road widening project. "Mura mi ug nibalik sa sugod (It was like starting all over again)," said Tatay Alberto in Bisaya. "We had to include in our budget materials to build our new house. We were able to salvage a few of our woods, but the roof was no longer usable. The roof made from nipa has gone brittle with age, making it impossible to detach without destroying it."

With hard work and determination, Tatay Alberto managed to build a new home for his family at Purok 6B, Barangay Hubang where he spent his childhood years. He refused to settle at the relocation site which was by the riverbank. He found it dangerous for his family.

The place did not have electricity. It was very dark at night, and for a fish peddler who leaves at dawn to get supplies, it was even more inconvenient. Tatay Alberto also felt bad for his children who were studying only with illumination from a kerosene lamp.

"I was very happy when we were chosen as one of the beneficiaries of the Sitio Electrification Program. It was a blessing I will forever be grateful to PNoy (Pres. Benigno C. Aquino III) and to ASELCO. Thank you very much! You see, we used to spend P80 a week for kerosene, but now, we are only paying P34 a month for electricity," shared Tatay Alberto.

Their P80 weekly budget for kerosene totals P320 a month compared to their current P34 budget. For Tatay Alberto, SEP is giving his family P286 savings every month.

"I am using this extra money for our water bills and other expenditures. I always ensure that I set aside money for bills," added Tatay Alberto.

Blessings for Tatay Alberto continue with new street lights being constructed in their area funded by government's PAMANA project. SEP paved the way for a new lease on life for Tatay Alberto and his family. Thanks to SEP, ASELCO, and NEA!



*Tatay Alberto Lada shows his appreciation for the benefits of electricity service he and his family are now enjoying.*





# Coop Technical Managers meet after 13 years, AESB is guest speaker

After 13 years, the members of the Philippine Association of Technical Managers of Electric Cooperatives (Philatmec) have gathered for a National Convention at the Century Park Hotel Ballroom on May 20-21, 2015 with the theme, "EC Technical Managers: Revitalizing the Link for Progress".

Association President Engr. Edwin C. Zaldivar of the Peninsula Electric Cooperative, Inc. (Penelco) said, *"There are many changes in the electricity industry and as technical managers, we have to set a meeting of minds in order to expand our knowledge and experiences collectively and adequately respond to the needs of the industry. Electric cooperatives are different in load capacities, geographical areas, consumer demands and stakeholder requirements. Our shared experiences can help us to be more technically capable and competent."*

NEA Administrator Edita S. Bueno, who was guest of honor and speaker during the convention said, *"Being a catalyst of change in your community, you must give more of what you know and extend more of what you plan. Learn more and give chance to everyone."*

She reminded the Technical Managers of the programs they need to focus on in order to attain the total electrification mandate and sustain or improve their EC's operational performance. These are the Sitio Electrification Program particularly on procurement procedures and equipment and material standards; upgrading of electric distribution system voltage from 13.2 kV to 23 kV; Resiliency Program and Build Back better Policy; power contracting; renewable energy projects; and system loss reduction.

The Administrator urged them to make their electric cooperatives their advocacy for excellence. She strongly advised them to observe safety programs on the job, share their experiences, rethink of their roles and put in something new and different. And, she encouraged them to strengthen and capacitate themselves such as attendance to the University of Philippines – National Engineering Center's core competency programs and to take the opportunity to attend international energy fora and be exposed to new trends and innovations.

Other officers of Philatmec include Cagelco I's Gregorio P. Mappatao, Jr. , Vice President for Luzon; Leyeco V's Crescente C. Lopena VP for Visayas; Aneco's Darwin Daymiel, VP for Mindanao; Cotelco's Edgardo G. Alada, Secretary; and Batelec I's Nilo Baylosis, Treasurer.



*Administrator Bueno addresses the officers and members of PHILATMEC recognizing the importance of their roles in pursuing the goals of the Rural Electrification (Program) and encouraging their selfless participation in this noble cause.*



## AESB, 7 others in Asia Clean Energy Forum



(Inset) Administrator Bueno with Deputy Administrator Edilberto I. Bassig and Director Ana Rosa D. Papa with some of the participants from other agencies during the Asia Clean Energy Forum in ADB Headquarters, Mandaluyong City.

Administrator Edita S. Bueno led the NEA officials who attended and participated in the 2015 Asia Clean Energy Forum (ACEF) held at the Asian Development Bank Headquarters in Mandaluyong City on June 15-19, 2015. ACEF has become Asia's premier knowledge sharing event around development and key issues in Asia's clean energy sector.

With the theme, "Connecting the Policy, Technology and Finance Communities", the forum's objective was to attain sustainable energy for all (SE4A) through universal access to modern energy services (EA); improvement of energy efficiency (EE); and renewable energy (RE).

Administrator Bueno, who is currently a member of the Steering Committee of the Energy for All (EA) Partnership, has committed to participate in the attainment of E4All target.

She said, "NEA and the electric cooperatives from 2008 to first quarter of 2015 have provided energy access to approximately 15.03 million Filipinos. Based on NEA's corporate performance target, there will be an additional 1.73 million from April to December 2015 that will result in a minimum contribution of 16.76 million Filipinos". Other NEA initiatives with the ADB are Solar Lantern Project in ROMELCO and Feasibility Study for Hybridizing Diesel with Hydro Power.

With the Administrator were Deputy Administrators Edilberto Bassig of Field Operations and Sonia San Diego of Corporate Resources and Financial Services; Directors Ana Rosa Papa of Information Technology and Communications Services; Leila Bonifacio of Accounts Management, and Roderick Padua of Corporate Planning; Manager Guillermo Paz of Consumer Development and Protection and Officer-In-Charge Ernesto Silvano, Jr. of Renewable Energy Development.

### Audit ... from page 1

"NEA continually strives to live up to its avowed corporate values of absolute honesty, maximum efficiency and total solidarity to be a stable asset to the government. The COA opinion confirms that NEA's best practices are aligned to good public governance. Together with our partner-electric cooperatives nationwide, NEA constantly finds ways to step up its level of public service."

Likewise, for 2014, NEA has remitted Php203.98 million to the National Government representing full payment of its dividends for the net earnings for the year and has paid its full obligation of Php171.64 million to the Bureau of Internal Revenue.

The continuous effort in the reconciliation and adjustment of inventory and other related accounts and addressing properly the COA comments, observations and recommendations particularly on the implementation of the rural electrification projects such as the unexpended subsidy fund

balances, deviations/deficiency in the implementation of subsidy-funded projects and in the maintenance and utilization of subsidy funds are among the factors which attributed to NEA's audit opinion.

As the first government-owned and controlled corporation to adopt the COA-developed Electronic New Government Accounting System (e-NGAS) in March 2005, NEA's processing of financial transactions has been speedier, simpler and more transparent.



## New NEA employees visit Batelec II



New NEA employees accompanied by training facilitators from the Agency pose for a photo opportunity with Batelec II General Manager Octavious Mendoza (in white polo barong) and Batelec II department managers during the new hires' study-visit to the coop last April 7.

To allow new NEA employees to see the operations and activities of ECs at ground level, a total of 27 NEA young blood were given the opportunity to go on a study-visit to the Batangas II Electric Cooperative, Inc. (Batelec II) last April 7.

During the study-visit, Batelec II General Manager Octavious Mendoza expressed optimism in helping broaden the scope of knowledge of the new hires about the EC through the study-visit.

*"I hope maiimpart namin yung knowledge and experiences na gusto niyong malaman about the coop,"* he said. (I hope we will be able to impart to you the knowledge and experiences you need to learn about the coop.)

All the department managers of Batelec II were in full force during the study-visit to brief attendees on the institutional, technical, and financial aspects of the coop.

Jaydel Lique, OIC of Member Consumer Services and Public Relation Department (MCSPRD), highlighted the role of the coop through its social responsibility activities as a clear manifestation of its giving back to the community its share of successes.

Among the activities he cited include Batelec II's bloodletting and scholarship programs, brigada electric check, tree planting, livelihood program for the best Barangay Power Associations (BAPA), and accident insurance coverage for BAPA officers.

The scholarship program, for one, already produced 55 scholars from two cities and 15 municipalities, while their brigada eskwela check had given much-needed assistance to schools through provision of free electrical materials and repair service of dilapidated electrical facilities.

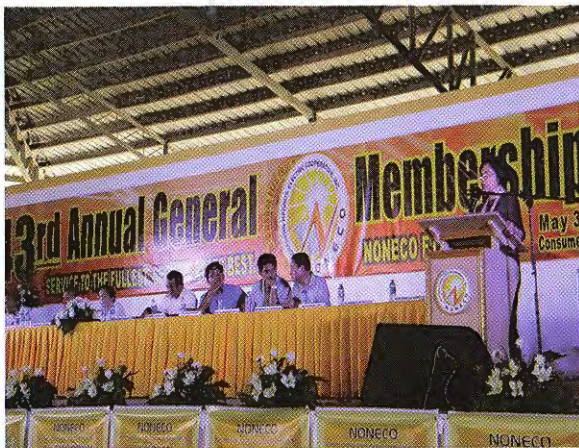
In response, one of the NEA employees said the study-visit made him appreciate more the role of EC in helping build a strong community.

He said the trip to Batelec II made him realize that "an EC's role extends beyond power distribution in ensuring that the needs of its member-consumers are well taken care of."

The study-visit was capped by a tour of the coop's branch office in San Jose and their unit office in Cuenca.



PHOTO GALLERY



NEA officials grace AGMA occasions to represent the Administrator. (Clockwise) Deputy Administrator Edgardo R. Piamonte in SOCOTECO II on May 9; Deputy Administrator Edilberto I. Bassig in QUEZELCO II on June 6; Deputy Administrator Sonia B. San Diego in INEC on May 30 and Director Judith Alferez in NONECO on May 31.

**Remit ...** *from page 1*

The state-run agency has also deposited Php171.64M to the account of the Bureau of Internal Revenue (BIR) on April 10, 2015 for the Agency's income tax due for 2014.

Last year, NEA has earned a 7th consecutive unqualified opinion from

*"NEA continuously strives for excellence by dutifully paying its obligations to the government. The agency's contribution to the national coffers is part of its commitment to pursue good governance, render reliable public service and promote inclusive growth".*

- Administrator Edita S. Bueno -

COA based on the agency's audited financial statements for CY 2013. After restructuring in 2003, NEA has posted a positive net margin for 11 straight years.

Among the contributing factors to NEA's positive financial position are the enhanced lending program and corporate practices of prudence. Since its financial turnaround in 2004, NEA has been adopting various measures and initiatives to make its operation more viable and feasible. One of these is MOM, a coined word for minimization of expenses, optimization of resources and maximization of revenues.

**Sitios ...** *from page 2*

Likewise, the ECs have partnered with private organizations; enhanced basic regional services such as procurement, training of additional linemen and electricians and task force kapatid; signed Memorandum of Agreement between EC and Local Government Units to ease compliance requirements; conducted parallel pre-membership activities; membership application and assistance to potential consumers; and realigned new projects or turned-over to NEA excess electrification funds.





## Accelerating the Deployment of Renewable Energy in Rural Electrification

To make available electric service in isolated and far-flung communities as soon as possible in order to improve the quality of life of the people, expand their access to basic services and jumpstart infrastructure for rural development, NEA realizes the need to accelerate the deployment of renewable energy in Rural Electrification.

The poorest households and areas in the country are mostly found in unenergized sitios particularly in Mindanao where poverty incidence is highest. Based on studies, some of these remote sitios can be serviced most economically through renewable energy technologies such as micro-hydro, solar photovoltaic and hybrid power system. NEA and ADB recognize that renewable energy development in these areas is the best feasible and responsive way to address the current technical constraints in electrifying these communities.

Hence, the Government of the Philippines requested the ADB to provide policy and advisory technical assistance (TA) to pilot and develop viable business models for rural community-based renewable energy in Mindanao.

The TA will create a revolving fund that will be operated by a microfinance organization at first but to be turned-over eventually to the local community-based organizations (CBOs) to be identified for the pilot renewable energy projects. The fund will provide financial assistance to help the project beneficiaries use the energy productively to generate income which will pay the energy services and maintenance of the pilot facilities. The CBOs can play an active role in the implementation of the project and will ensure long term sustainable benefits of the renewable energy facilities.

The ADB, in cooperation with NEA and the municipalities concerned, proceeded to conduct feasibility studies to identify target areas and evaluate potential RE resources and technologies, energy demand, existing infrastructure, socio-economic profiles and possible business models for livelihood development within such areas. Three project sites were identified and validated to be suitable for distributed renewable energy-based rural electrification. These are 1. Barangay Gethsemane, Bayugan City, Agusan del Sur; 2. Brgy. Sto. Niño, Bayugan City, Agusan del Sur; and 3. Brgy. Dalupan, Don Marcelino, Davao Occidental.

The group piloted two micro-hydro power plant projects in the Dalupan and Gethsemane sites. These two projects can provide electricity to isolated unviable areas as mini-grid and can be integrated with the main grid under the "Net-Metering Scheme". They have the ability to synchronize with the grid when line extensions are already available.

The Dalupan MHPP has a capacity of 25 kW and can energize four sitios with 140 households. It is slated for inauguration by the end of July 2015. The Gethsemane MHPP, which has a capacity of 30 kW and can energize three sitios with 73 households, is scheduled to be launched by end of September 2015.

NEA's Office for Renewable Energy Development led by Engr. Ernesto Silvano, Jr. and ADB Review Mission Team Representatives Choon Sik Jung and Michel Llanes regularly monitors the progress implementation of the projects.

As committed, Dasureco has finished the installation of house wiring and line connections in time for the inauguration of the Dalupan MHPP on July 29, 2015.

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