

Power co-ops pressed to tap indigenous sources to energize remote areas

The National Electrification Administration (NEA) pressed the electric cooperatives (ECs) to study alternative electrification solutions to extend power to remote and far-flung communities that still do not have access to it.

Speaking at the NEA-EC Consultative Conference on August 4, Administrator Edgardo Masongsong underscored the importance of affordable and reliable electricity, especially in off-grid areas, as the coronavirus pandemic continues to hit the country.

In his message, the NEA chief said that energy access matters during the pandemic. Hence, he urged the electric cooperatives to consider setting up microgrids and solar home systems to connect remote communities without access to electricity.

Department of Energy (DOE) Undersecretary Emmanuel Juaneza, who also serves as the NEA Board of Administrators alternate chairman, echoed the same message during the virtual consultative meeting.

Undersecretary Juaneza challenged the ECs to harness indigenous energy resources available in their areas, such as hydro and solar. He added that the DOE is ready to assist them in developing small-scale power generating facilities.

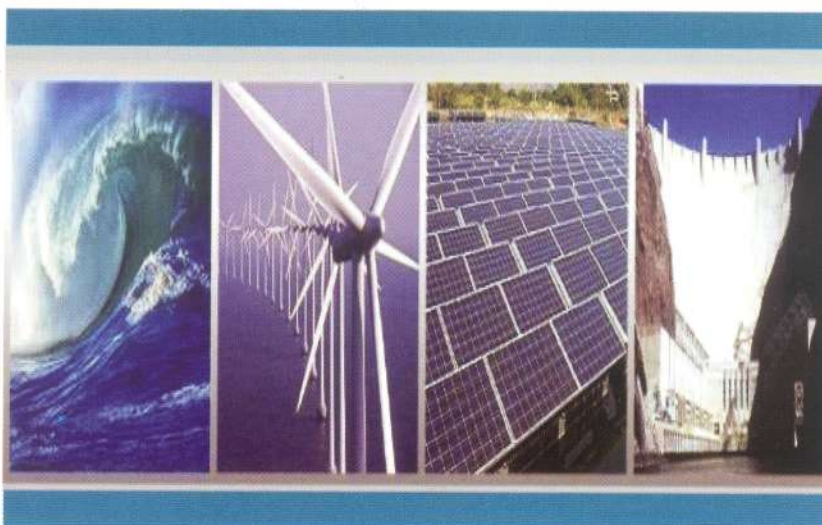


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Administrator Masongsong also laid out the actions implemented by the DOE, NEA, and the ECs over the past months in response to COVID-19 crisis.

Administrator Masongsong also thanked the power distribution utilities for the resilience they have shown in the face of the unprecedented challenges brought by the health crisis. He reaffirmed the Agency's commitment to continue to provide support and guidance to the ECs during these challenging times.

The consultative conference, which was held via Zoom video conferencing, focused on the theme "*Charging for the Future: Moving for a Resilient Rural Electrification Program.*"

Prior to this, a Strategic Thinking and Conference was held virtually on July 21 to 23, which provided the platform for the NEA and ECs to craft a two-year sustainability plan.

The plan includes strategies to enhance the resilience of the NEA, the power cooperatives, and the Rural Electrification Program in dealing with the challenges posed by the coronavirus pandemic.

The consultative meeting was virtually attended by the Board of Directors and general managers of 105 ECs, leaders of different allied organizations, and the Power Bloc representatives.

The event was part of the month-long observance of the 11th National Electrification Awareness Month this August and the 51st Foundation Anniversary of the NEA. ###

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PhP1.6-B allotted for sitio electrification in 2021

NEA presented its PhP3.9-billion budget for fiscal year 2021 as recommended by the Department of Budget and Management (DBM) wherein PhP1.6 billion is allotted for the energization of over a thousand "sitios."



During the House Committee on Appropriations' deliberation on the proposed budget of the Department of Energy and its attached agencies for 2021 on September 7, Administrator Masongsong said that this is based on the 2021 National Expenditure Program (NEP).

Of the PhP3.9 billion corporate operating budget, PhP1.8 billion will be subsidized by the national government while the remaining PhP2.1-billion will be sourced from the internally generated funds of the agency.

The PhP1.8 billion state subsidy is broken down as follows: PhP1.6 billion is appropriated for the sitio electrification projects and PhP200 million for the Electric Cooperatives Emergency and Resiliency Fund (ECERF).

In his statement, Administrator Masongsong said the PhP1.6-billion subsidy will only electrify 1,085 sitios in 2021. He also disclosed that there are some 12,000 sitios or 1.7 million households across the country that still need to be energized. ▶ page 8

NEA posts 95.90% collection efficiency in first half of 2020

The agency collected some PhP773.91 million in loan amortization payments from the electric cooperatives (ECs) in the first six months of 2020.

This translated to 95.90-percent collection efficiency, the NEA Finance Services Department said in a report submitted to Administrator Masongsong.

Acting Director Milagros Robles of Finance Services Department noted that the amount is, however, 27 percent lower than the PhP1.098 billion registered in the same period last year.

The agency attributed this drop to no payment received from the ECs for the first semester of 2020 but used the advance payment instead to pay for loan amortizations due.

The lower collection was also due to the extension of the 30-day grace period for first and second quarter amortization payments in compliance to the directive of regulatory agencies in light of the coronavirus pandemic.

The top five highest-paying ECs were Nueva Ecija II Electric Cooperative, Inc. - Area 2 (NEECO II - Area 2), Occidental Mindoro Electric Cooperative, Inc. (OMECO), Central Pangasinan Electric Cooperative, Inc. (CENPELCO), First Laguna Electric Cooperative, Inc. (FLECO), and Misamis Oriental I Rural Electric Service Cooperative, Inc. (MORESCO I).

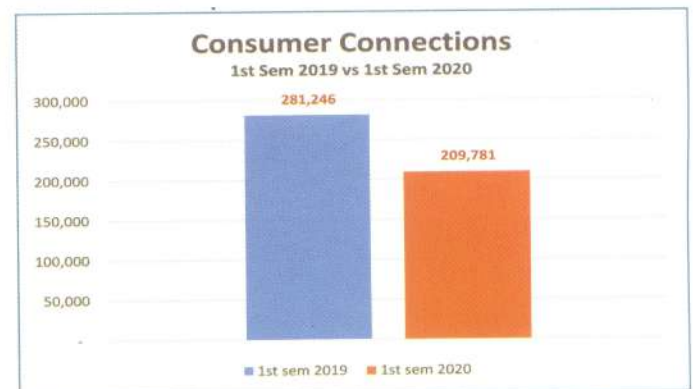
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NEA, power co-ops hit 46% new electricity connections target in 1st semester

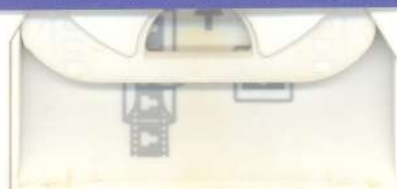
NEA and the ECs managed to reach 209,700 new consumer connections in the first half of 2020, down 15-percent compared to the same period last year as a result of the coronavirus crisis.

Based on the figures submitted to the NEA Information Technology and Communication Services Department (ITCSD), the ECs recorded 209,781 additional consumer connections from January to June 2020, making up about 46 percent of the 460,000 corporate target for the year.

The decline in new service connections was attributed due to the community quarantine restrictions imposed by



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NEA certified as FOI-compliant

NEA has been certified by the Presidential Communications Operations Office (PCOO) as "fully compliant" with the enhanced Freedom of Information (FOI) program requirements.

The NEA recently received the certificate of compliance from PCOO after undergoing the validation process.

The certification confirms that the NEA has fully complied with all the FOI requirements set by the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring Information and Reporting Systems.

Administrator Masongsong said this acknowledgement serves as a testament to the agency's commitment to promote transparency and accountability.



Certification requirements include the submission of FOI Reports and the completion of the Updated People's FOI Manual, which serves as a guide by the NEA in processing all the FOI requests.

The NEA has designated the agency's Corporate Communications and Social Marketing Office (CCSMO) as the FOI receiving officers to facilitate all the requests for information.

Executive Order No. 2 on Freedom of Information, which President Rodrigo Duterte signed in 2016, states that every Filipino shall have access to information, official records, public records and to documents and papers pertaining to official acts, transactions or decisions, as well as to government research data used as basis for policy development.

Covered by the EO are all government offices under the Executive Branch, national government and all its offices, departments, bureaus, offices, and instrumentalities including government owned or controlled corporations (GOCC), and state universities and colleges.###

NEA welcomes new COA Resident Auditor

Effective October 12, 2020, Ms. Cynthia C. Herrera, State Auditor IV was assigned to NEA as the OIC Supervising Auditor

Ms. Herrera has been in the Commission for many years and has served in various agencies including the Metropolitan Waterworks and Sewerage System (MWSS) as her last assignment.

Meanwhile, Mr. Alex Espina was also installed as new acting audit team leader in NEA replacing Mr. Pedro Gonzalo Mendoza who was transferred to PSALM.###



Ms. Ma. Chona O. Dela Cruz of NEA Finance Services and Accounting Division officially welcomes Ms. Herrera who was endorsed by outgoing COA supervising auditor, Ms. Glorina Suson.

NEA extends deadline for EC loan amortization payment

NEA has extended the payment deadline for loan amortization of the electric cooperatives (ECs) due for the second quarter of 2020.

Administrator Masongsong issued Memorandum No. 2020-033, extending the deadline for ECs to settle their loan amortization from June 30 to July 30, 2020.

The relief measure was in consideration of the declaration of a state of calamity throughout the country under Proclamation No. 929 due to coronavirus disease; and enactment of Republic Act No. 11469 or the "Bayanihan to Heal as One Act."

The extension of payment period was meant to provide assistance that will ultimately redound to the benefit of poor Filipino consumers in far-flung areas.

The NEA has been offering various loan windows to the ECs for their capital expenditure projects and rehabilitation or upgrading of their distribution facilities.

Its lending program includes regular, calamity and concessional loans, stand-by and short-term credit loans, single-digit system loss loan, renewable energy loan, and modular generator sets loan.

It will also be recalled that the NEA earlier allowed the ECs to secure short-term loans from sources other than the agency like banks, financing companies, and other established financial intermediaries, as long as they are reasonable and appropriate.

Under the NEA Loan Policy No. 14-A, ECs may borrow money from financial institutions to augment monthly collection deficiencies that would cover their power bills; to facilitate working capital requirements; and for the purchase of maintenance vehicles.

Terms and conditions of the loans must also be "fair and equitable," such that repayment period shall not exceed three years; interest rates are reasonable, and at the lowest, if possible; and the amount of loan shall not exceed three times the EC's average power billing.###

51st NEA Anniversary and 11th National Electrification

NEA's anniversary, National Electrification Awareness Month celebrations go online amid coronavirus pandemic

NEA held the celebration of the 11th National Electrification Awareness Month (NEAM) and its 51st Founding Anniversary online as the spread of the coronavirus disease 2019 (COVID-19) continues in the country.

NEAM, which is celebrated annually every month of August by virtue of Proclamation No. 1743 signed in March 2009 by then President Gloria Macapagal Arroyo, recognizing the significant contributions of electrification program in nation building.

Anchored on the theme "Charging for the Future: Moving for a Resilient Rural Electrification Program," this annual observance coincided with the NEA's 51st founding anniversary.

Unlike the previous years, most of the celebration activities this year were done virtually due to the threat of health crisis in the country, including the holding of the NEA-EC Consultative Conference, as the ban on mass gatherings was in place.

The annual celebration kicked off with an online Thanksgiving Mass on July 28, which was officiated by Rev. Fr. Jerry Orbos and participated in by the officials and employees of electric cooperatives (ECs) from their respective offices followed by a Virtual Press Conference attended by the Energy beat reporters.



(From top, counterclockwise) Administrator Masongsong lays out the directions of the RE Program and the Agency as he addresses the participants during the NEA-EC Consultative Conference held via online facility on August 4; Rev. Fr. Jerry Orbos, SVD officiates the thanksgiving celebration for 11th National Electrification Awareness Month (NEAM) celebration on July 28; NEA officials led by Administrator Masongsong together with the Deputy Administrators answer questions from the Energy Beat reporters during the Virtual Press Conference also on July 28.

From July 29 to 31, all ECs simultaneously conducted national line clearing activities throughout the country as contained in a memorandum issued by Administrator Masongsong emphasizing the importance of said undertaking in carrying out the objectives of Republic Act No. 11361, or the Anti-Obstruction of Power Lines Act.

This activity also helped in letting the public know how these line clearing activities will ensure unhampered flow of electricity, and satisfactorily meet the electricity needs of every consumer, especially under the New Normal environment.

"This COVID-19 pandemic challenged our way of life and impacted how we implement and sustain our Rural Electrification Program. The theme for this year, 'Charging for the Future: Moving

Electricity Awareness Month (NEAM) celebration



Electric cooperatives undertake line clearing activities in accordance with the provisions of the RA 11361 or the Anti-Obstruction of Power Lines Act and in support of the efforts in improving electricity services. The annual event happened from July 29 to 31; NEA joins PHILRECA in honoring the Lineworkers for their dedication to the fulfillment of the goals of the Rural Electrification Program (REP); NEA representative pose for a posterity photo during the outreach activity on August 26 at the National Kidney and Transplant Institute in Quezon City

for a Resilient Rural Electrification Program,' highlights the importance of adapting to the New Normal," said Director Ana Rosa Papa, this year's Overall Chairperson of NEAM and Anniversary Committee.

"As such, we call on all our stakeholders, especially the electric cooperatives, to innovate and step-up during this time of crisis. I hope that this humble celebration will remind all of us of the work that lies ahead and that we, at

the NEA, will continue to give our support and guidance to the Rural Electrification Program," Director Papa added.

Meanwhile, the NEA joined the rural electrification sector led by the Philippine Rural Electric Cooperatives Association (PHILRECA) in paying tribute to all line workers of ECs across the country during an online Linemen Appreciation Day

event held on August 3, 2020.

In his message, Administrator Masongsong acknowledged the "hard work, dedication, and sacrifices" of line workers as essential personnel of power utilities in keeping the lights on in rural communities, especially during these challenging times.

"Kami ay taos-pusong nagpapasalamat sa inyo, sa araw-araw na pagsusumikap at pagtitiis, anuman ang panahon at situwasyon—mapa bagyo man o lindol, at maging pandemya—patuloy ninyong ginagampanan ang inyong trabaho para masigurong tuloy-tuloy ang daloy ng kuryente sa mga tahanan at iba't ibang establisyemento sa kanayunan," Administrator Masongsong said.

The NEA chief also expressed his support to House Bill No. 472, introduced by the Power Bloc representatives, that seeks to declare first Monday of August every year as "National Linemen Appreciation Day" in recognition of the role that line workers play in rural electrification.

As a culminating activity, NEA, through the Human Resources and Administration Department and in cooperation with the Samahang Makareporma na mga Kawani ng NEA (SAMAKAREN), the agency's recognized union, held a community outreach project on August 26.

Some 300 personal protective equipment (PPE) were distributed to the Covid 19 frontliners in three neighboring hospitals namely East Avenue Medical Center, Philippine Heart Center and National Kidney and Transplant Institute. ###

NEWS AROUND THE ECs

Davao Oriental power co-op vows to improve services

The Davao Oriental Electric Cooperative, Inc. (DORECO) has committed to improve its distribution facilities in a bid to provide better service to its power consumers in the province.

DORECO, through Board Resolution No. 110 received by the National Electrification Administration (NEA) on July 1, said it would continue its efforts to resolve power issues within its franchise area.

DORECO admitted that its coverage area was experiencing frequent low power voltage as it is located at the load end of southern Mindanao. The EC said it has already requested the National Grid Corp. of the Philippines (NGCP) to improve the voltage level in the province.

To address this situation, the power distribution utility announced that the NGCP has already laid down its development plan to construct 138 kV transmission line by 2024.

While waiting for the establishment of the 138 kV transmission line, DORECO



Photo DORECO

embarked on an embedded 11-megawatt diesel fired power plant, which is expected to be completed this year, in partnership with a private company.

In addition, it also installed an automatic voltage regulator in Barangay Roxas, Gov. Generoso, Davao Oriental in December 2019 to address the low voltage concerns in

the towns of San Isidro and Gov. Generoso.

DORECO also energized its 10 MVA Substation in Baganga in December 2019 to improve the distribution services in the towns of Baganga, Boston, Caraga, Cateel, and Manay.

"Through the years, the entire DORECO workforce has been doing its best in ensuring power reliability and service efficiency in the delivery of power services within the province of Davao Oriental," the power co-op said.

It also filed an application with the Energy Regulatory Commission (ERC) for the approval of its capital expenditure (CapEx) projects in March 2015. Its CapEx was approved by the ERC in October 2018 in the amount of PhP176.919 million.

For this reason, DORECO sought financial assistance from the NEA in the form of loan amounting to PhP62.222 million. The cooperative said the financial support will be used for the immediate procurement of equipment and devices "to ensure the continuity and sustainability" of its operations.###

NEA, power co-ops hit...from page 2

both the national and local governments in view of the coronavirus pandemic.

Data from the NEA ITCSD showed that for the first quarter, the ECs delivered 134,435 new consumer connections. The number, however, was down 44 percent in the second quarter to 75,346 connections.

On a per island basis, Luzon

registered a 43-percent reduction in new electricity connections, while Visayas and Mindanao registered a decrease of 41-percent and 47-percent, respectively.

With restrictions on movement in place combined with non-availability of electrical construction materials due to the coronavirus pandemic, this year's corporate target of 460,000 additional consumer connections may not be reached.

The NEA chief, however, advised all ECs to still speed up the procurement process or maximize whatever available electrical materials in their respective warehouses, as well as mobilize their personnel, instead of waiting for the contractors.

The additional connections brought the overall level of energization within the coverage areas of the 121 non-profit distribution utilities nationwide is at 96.61 percent or 13,850,055 connections out of the 14,335,784 potential consumers based on the 2015 census. ###

NEWS AROUND THE ECs

Power co-ops urged to support 'Kadiwa Ni Ani at Kita' program

NEA urged the electric cooperatives (ECs) to support the "Kadiwa Ni Ani at Kita" marketing program designed to help farmers and fishers amid the coronavirus disease 2019 (COVID-19) pandemic in the country.



Administrator Masongsong issued a memorandum enjoining the 121 ECs to extend the necessary assistance to the Department of Agriculture (DA) to ensure the successful implementation of the "Kadiwa Ni Ani at Kita" program in rural communities.

In the fight to overcome COVID-19 and its effects, collaboration between the private sector and the national government is crucial. This is why the NEA fully supports the Department of Agriculture's 'Kadiwa Ni Ani at Kita' program.

The "Kadiwa Ni Ani at Kita" program, launched in September 2019, serves as a direct marketing link between farmers and fisherfolk, and consumers. This initiative helps farmers and fishers sell their products directly to consumers at affordable prices.

The NEA, the Department of Energy (DOE), the DA, and the Department of Trade and Industry (DTI) have had initial discussions with the National Association of General Managers of Electric Cooperatives, Inc. (NAGMEC) and the Philippine Rural Electric Cooperatives Association, Inc. (PHILRECA) on how to bring the program to rural areas.

"The NEA is one with the government in bringing this program of the Department of Agriculture at the ECs' doorsteps," Masongsong said, adding that he is counting on the continued cooperation of the power cooperatives.

The NEA chief also reminded the 121 ECs that physical distancing and other health protocols must be strictly observed when taking part in the implementation of the program to prevent the spread of the COVID-19. ###

Solar power technology for a public school in MASELCO coverage area



Deputy Administrator and MASELCO Project Supervisor Atty. Rossan Rosero-Lee, TEREDD Manager Ernesto Silvano Jr., MASELCO AGM Romeo Acuesta, and Institutional Assist Abdulmalik Lao Bacaraman.

In cooperation with the NEA, SunSmart Solar Power Technology Inc. recently turned over its integrated off-grid solar power system donation for a public school in the province of Masbate to the Masbate Electric Cooperative, Inc. (MASELCO) on September 11, 2020.

The donation of an Off-Grid Integrated Solar Power System with the Mary Perpetua E. Brioso National High School in Masbate as beneficiary was made as part of SunSmart's corporate social responsibility initiative. ###

Restoration of PhP9B budget for rural electrification sought

NEA welcomed the resolution filed by the 'power bloc' of the House of Representatives that seeks to restore PhP9 billion in the agency's proposed budget for fiscal year 2021.

Power Bloc representatives filed on September 22 House Resolution No. 1245 urging the House Committee on Appropriations to restore the P9 billion in the NEA's proposed budget for the implementation of the government's electrification projects.

Administrator Edgardo Masongsong said the additional budget is important to realize the goal of total electrification by 2022.

NEA looks forward to a favorable action from Congress as initiated by the Power Bloc for the restoration of the original request for subsidy if only to fast track the national government's Total Electrification Program.

The Agency initially proposed a PhP10.8 billion budget for next year's projects, such as Sitio Electrification Program (SEP) Phase II, Barangay Line Enhancement Program, Strategized Sitio Electrification for Off-Grid Areas, among others.

However, the Department of Budget and Management (DBM) recommended only a PhP1.8 billion subsidy as indicated in the 2021 National Expenditure Program (NEP). The said amount is broken down as follows: PhP1.6 billion for SEP and PhP200 million for Electric Cooperatives Emergency and Resiliency Fund (ECERF).

The Power Bloc representatives Presley De Jesus (PHILRECA), Sergio Dagooc (APEC), Godofredo Guya (RECOBODA) and Adriano Ebcas (Ako Padayon Pilipino) said restoring the proposed budget will allow NEA to energize an additional 3,915 sitios and



enhance the grid connections of 74 barangays including seven barangays under the National Task Force to End Local Communist Armed Conflict, and 13 submarine cabling projects.

The proposed budget, the lawmakers said, will also augment the recommended PhP200-million budget for ECERF, a financial assistance to electric cooperatives for the restoration or rehabilitation of damaged infrastructure after a fortuitous event or force majeure.

The Power Bloc reiterated that to be able to fully and effectively implement the directive of President Duterte as well as to finally provide access to electricity for all Filipinos, the NEA should be given the full amount it has proposed.###

Php1.6B allotted for ...from page 2

For total electrification by 2022, the needed fund is more or less PhP15 billion. That is why the agency requested PhP7.5 billion for sitio electrification for 2021 but the (DBM-approved) level is only about PhP1.6 billion.

As of June 30, 2020, the NEA and the 121 ECs have energized 123,726 sitios or 84 percent of the targeted 147,989 sitios. The rural electrification program contributed to the provision of electricity to 13.85 million consumer connections nationwide to date.

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NEA posts... from page 2

Administrator Masongsong, through memoranda dated March 19 and June 29, 2020, extended for 30 days the payment deadline for loan amortization of ECs due for the 1st and 2nd quarter, respectively. ###

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