

**Semi-Annual Report
on NEA Initiatives and Activities on
Rural Electrification Program
(1st Semester 2023)**

Office for Performance Assessment and Special Studies


**NATIONAL
ELECTRIFICATION
ADMINISTRATION**

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SEMI-ANNUAL REPORT ON THE INITIATIVES AND ACTIVITIES ON RURAL ELECTRIFICATION AND NEA INTERVENTION ON AILING ECs

First Semester 2023

I. INTRODUCTION

Pursuant to Section 3 of the Republic Act No. 10531, otherwise known as the National Electrification Administration Reform Act of 2013, it is a national policy to promote sustainable development in the rural areas through rural electrification. It also empowers and strengthens the National Electrification Administration (NEA) to pursue the electrification program and bring electricity, through the electric cooperatives as its implementing arm, to the countryside even in missionary or economically unviable areas and to empower and enable electric cooperatives to cope with the changes brought about by the restructuring of the electric power industry.

Likewise, Section 29 of the Implementing Rules and Regulations (IRR) of RA 10531 provides that to enhance the effectiveness of the Joint Congressional Energy Commission (JCEC), in the exercise of its oversight function over the implementation of the Act, the Board of Administrators shall submit to the JCEC a semi-annual report on the initiatives and activities of rural electrification, including the supervision of the NEA over the electric cooperatives (ECs) in the performance of their franchise obligations.

This report summarizes the status of the NEA's initiatives and activities on rural electrification, and interventions extended to the electric cooperatives in the exercise of its supervisory functions. The data contained herein were approved by the NEA Board of Administrators on **October 05, 2023** under Resolution No. 2023-24.

II. EXECUTIVE SUMMARY

National Electrification Administration has been at the forefront of the Rural Electrification Program since its creation in 1969. Electrification of the country down to the barangay level has been achieved through the Agency's implementing arm, the Electric Cooperatives. To further expand coverage of electrification, the national government provided subsidy funds for the Sitio Electrification Program which has been implemented since 2011.

For 2023, NEA has continuously pursued the electrification program despite the challenges and risks besetting the country.

The following are the highlights of the NEA's initiatives and interventions on rural electrification for the First Semester of 2023.

1. Acceleration of the Rural Electrification through Sitio Electrification Program (SEP)

As of June 30, 2023, the NEA, in partnership with the electric cooperatives, energized and completed 527 sitios. This accomplishment redounds to the provision of electric service to additional 231,614 consumers in the EC franchise areas.

A total of 7,415 sitios beginning 2017 was energized or 43% of the total 17,100 unenergized based on Total Electrification Masterplan and 15.70 million connected consumers or 96.48% of the 16.27 million. Potential consumers are based on the 2020 census of population, the latest official report of the Philippine Statistics Authority.

2. Release of Subsidy Fund for SEP and natural calamities

NEA was able to process and release a total of PhP 1,141.51 million subsidy fund for 57 ECs for the first semester of 2023. This is broken down into PhP 569.44 million for Sitio Electrification Program and PhP 572.07 million for calamity.

3. Approval and Release of Loans and Credit Accommodations to the ECs

The NEA approved and released a total of PhP 660.660 million for 18 ECs for first semester of 2023 broken down into PhP 510.66 million for CAPEX and other requirements and PhP 150 million from Short Term Credit Facility.

4. Capacity Building Programs for NEA and ECs

The Agency offered thirty-eight (38) trainings and scholarship programs on management, leadership and operational skills for both the NEA and the ECs for first semester 2023. They were participated by 2,102 officials and staff nationwide.

- a. For NEA management and associates, the Agency conducted 14 trainings and scholarship programs with 358 participants
- b. In line with the NEA's Capacity Building Programs for ECs, the Agency trained 1,744 EC officials and staff in 24 capacity building programs.

5. Summary of Approved Policy Guidelines and Procedures for the Fulfillment of NEA Statutory Obligations

The NEA Board of Administrators confirmed and approved seven (7) policy guidelines from January to June 2023 as part of the statutory obligations and regulatory functions of NEA over the electric cooperatives.

6. Renewable Energy Development

In line with the government's thrust of accelerating the development of renewable energy resources to address climate change, the NEA initiated and has ongoing activities for the following undertakings:

- a. Subsidized Renewable Energy Projects which include Expanded Household Electrification Program (Expanded HEP) and Expanded Sitio Electrification Program (Expanded SEP)
- b. Projects under the European-Union Access to Sustainable Energy Programme (EU-ASEP) which include Integration of Productive Uses of Renewable Energy for Sustainable and Inclusive Energization in Mindanao (I-PURE Mindanao).

- c. Small Wind Grant Aid from the Government of Japan for the installation of 10 units 6kw Wind Turbines in Concepcion, Romblon
- d. Capacity Building Program for Decentralized Renewable Energy System (DRES) and Embedded Generation RE Facilities

7. Status Ailing ECs and NEA Interventions

There are seven (7) remaining ailing or underperforming ECs. These include ABRECO, ALECO, MASELCO, BASELCO, SULECO, TAWELCO and LASURECO.

To ensure that these ECs provide better services to their member-consumer-owners and to prevent further deterioration of the ECs operations, the NEA has done the following interventions:

1. Assignment of Acting General Managers and Project Supervisors
2. Organization of Task Force and Management Teams
3. Appointment of NEA representatives to the EC Board of Directors (BODs) and installation of Executive Officer
4. Formulation and issuance of new and relevant policies and guidelines
5. Round Table Assessment and Dialogue
6. Review and approval of Strategic Development Plan (SDP), Sustainability Plan (SP) and Operation Improvement Plan (OIP)
7. Monitoring and evaluation of accomplishment reports versus the approved Plans (SDP, SP, and OIP) to ensure that all projects are properly and efficiently implemented
8. Capacity Building to enhance EC staff in financial, technical, institutional aspects in managing electric distribution utilities
9. Assistance in the Comprehensive Selection Process for New Power Provider
10. Comprehensive audit (regular and special)
11. Annual and Quarterly EC Performance Assessment
12. Service facilities
 - a. Loan and Guarantee Service
 - b. Institutional Strengthening and Technical Assistance

III. DETAILS OF THE INITIATIVES AND ACTIVITIES ON RURAL ELECTRIFICATION

1. STATUS OF RURAL ELECTRIFICATION PROGRAM

The expansion of the reach of electricity supply to rural areas would not be economically viable for commercial providers of electricity. Thus, the NEA, together with its implementing arm, the ECs has been mandated to provide for such services under the Rural Electrification Program by virtue of Section 2 of Republic Act No.10531 or the NEA Reform Act of 2013. The Program is one of the basic requirements in the promotion of sustainable development in the countryside even in missionary or economically unviable areas.

As part of the current administration's Energy Agenda, NEA's number one priority is the completion of the National Rural Electrification Program and the carrying out of rural development through the Rural Electrification Program. The by-word is to accelerate program implementation towards achievement of 100% electrification.

The NEA established and revised its current programs into a comprehensive Strategized Total Electrification Program (STEP). It integrates various electrification programs, to include the following:

1. Expanded Sitio Electrification Program (Expanded SEP);
2. Barangay Line Enhancement Program (BLEP); and
3. Expanded Household Electrification Program (Expanded HEP) for on-grid and off-grid areas.

SITIO ELECTRIFICATION PROGRAM (SEP)

The approved target for Sitio Electrification Program in 2023 is the energization of 1,085 sitios. This target was laid out in consideration of the continuing threat of the COVID-19 pandemic as well as the potential impact of other unforeseen disasters and force majeure events. The challenges that the NEA and the Electric Cooperatives are facing have continued to impede the provision of services to Member-Consumer-Owners, especially those residing in remote areas across the country. Despite these formidable risks and challenges, NEA remains steadfast in its commitment to achieving the electrification target for sitios, thereby advancing the vision of sustainable rural development.

Undeterred by these risks and challenges, the NEA through the ECs, was still able to energize 527 sitios. ECs in Luzon implemented 114 sitios, 142 were energized in the Visayas and Mindanao ECs which has the remaining highest potential unenergized sitios, completed and energized the highest with 271. This brought to a total of 7,415 energized sitios from 2017 to present.

Table 1. Status of Sitio Electrification per Island/per Region

LUZON		VISAYAS		MINDANAO	
I	19	VI	82	IX	17
II	4	VII	24	X	51
CAR	38	VIII	36	XI	73
III	21			XII	109
IV-A	18			CARAGA	21
MIMAROPA	14			ARMM	-
V	-				
TOTAL	114	TOTAL	142	TOTAL	271
NATIONAL					527

CONSUMER CONNECTIONS

As a result of the Agency's electrification program, the connection of 500,000 potential consumers is targeted to be achieved for 2023. This includes connections through expansion and add-ons. Expansion refers to those connected consumers as an effect of the Sitio Electrification Program while add-ons mean connected consumers in areas already energized.

As of June 2023, the total connected consumers are 231,614 which is 46% of the annual target of 500,000. Among the major islands, Luzon implemented the highest with 63,030 connections, followed by Visayas 35,345 and the Mindanao with a total of 43,042 energized consumers. The total cumulative consumer connections are 15.700 million.

Table 2. Status of Consumer Connection per Island, per Region

LUZON		VISAYAS		MINDANAO	
I	19,012	VI	27,551	IX	12,153
II	11,588	VII	20,772	X	11,894
CAR	6,175	VIII	15,463	XI	16,501
III	31,824			XII	8,517
IV-A	15,263			BARMM	2,069
MIMAROPA	6,704			CARAGA	12,641
V	13,487				
TOTAL	104,053	TOTAL	63,786	TOTAL	63,775
NATIONAL					231,614

2. STATUS OF SUBSIDY FUNDS RELEASED

The budget for Rural Electrification Program forms part of the General Appropriation Act passed by both Houses of Congress. Following the area coverage scheme in Presidential Decree 269 of 1973, electrification now extends from the economic centers to the thinly settled areas including the missionary and economically unviable areas by virtue of Republic Act 10531. In 2011, the government has instituted the implementation of the Sitio Electrification Program through the NEA and ECs and subsidy fund was provided to pursue 100% electrification of the country. For 2023, the approved subsidy fund for Sitio Electrification Program is PhP 1,677.5 billion.

Likewise, subsidy fund for EC Emergency Resiliency (ECERF) was also provided in the amount of PhP 200 million so that ECs are assured of the availability of funds in times of fortuitous event or force majeure.

Compared with the subsidy released for the first semester of 2022 amounting to PhP 1,174.534 million, there is a 3% decrease or PhP 33.024 million as against the release of PhP 1,141.51 million for first semester of 2023. Funding source for the releases to ECs in 2023 are from the previous subsidy grants provided to NEA by the national government.

Below is the comparative status of subsidy releases for first semester of 2023 versus first semester of 2022.

TABLE 3. Comparative Status of Subsidy Releases

Major Islands	First Semester of 2023	First Semester of 2022	Difference	Percent Change
LUZON	399.14	382.913	16.22	4
VISAYAS	540.13	299.093	241.03	81
MINDANAO	202.24	492.528	(290.29)	(59)
NATIONAL	1,141.51	1,174.534	(33.024)	(3)

As of June 2023, PhP 1,141.51 million subsidy funds have been released to 57 ECs. Out of these funds, PhP 569.44 million was released for electrification purposes and PhP 572.07 was released as calamity subsidy for the rehabilitation of typhoon - damaged electric distribution system and restoration of electric service. Of these, the highest allocation of forty-seven (47) percent or a total of PhP 540.13 million was released to ECs in Visayas, likewise thirty-five (35) percent in Luzon and eighteen (18) percent were released to Mindanao ECs with the amount of PhP 399.14 and PhP 202.24 respectively.

TABLE 4. Distribution of subsidy funds (PhP Million) in three major island groups

Major Islands	Electrification	Calamity	Total	% to Total
LUZON	304.227	94.915	399.142	35
VISAYAS	183.384	356.750	540.134	47
MINDANAO	81.826	120.408	202.234	18
NATIONAL	569.437	572.073	1,141.51	100

3. STATUS OF LOANS AND CREDIT ACCOMMODATIONS TO ECS

One of the major services of the NEA to the electric cooperatives is the provisions or facilitation of loan based from the provisions stated in PD 269 and Section 5(o) of RA 10531. Loans and credit accommodations to the ECs are for their capital requirements intended for rehabilitation/upgrading, expansion and construction of the electric distribution system and to augment insufficient fund for power accounts and working capital.

As of June 2023, NEA was able to facilitate the financial requirements of eighteen (18) ECs relating to a total of PhP 660.660 million for capital projects, calamity loans and working capital.

Compared with the same period last year, there was a 38% decrease on loan releases to ECs with the amount of PhP 1,074.026 for first semester 2022 as against PhP 660.660 for first semester 2023. The table below shows the comparison of loans released broken down into three major island groups.

Table 5. Comparative Status of Loan Releases

Major Islands	First Semester 2023	First Semester 2022	Difference	Percent Change
LUZON	150.068	252.075	(102.007)	(40)
VISAYAS	55.284	364.149	(308.865)	(85)
MINDANAO	455.308	457.802	(24.94)	(5)
NATIONAL	660.660	1,074.026	(413.366)	(38)

The highest availment of loan for first semester 2023 were the Mindanao ECs with PhP 455.308 million or 69%. The second are the ECs in Luzon with PhP 150.068 million or 23% and the remaining 8% or PhP 55.284 million were released to Visayas ECs.

The top five (5) regions that availed loans are Region VII (PhP 339.190M), Region X (PhP 299.999M), Region V (PhP 176.138M), CARAGA (PhP 121.618M) and CAR (PhP 39.367M).

Regional status is presented in the following table:

Table 6. Status of Loan Releases per Region (PhP Million)

LUZON		VISAYAS		MINDANAO	
I	50.000	VI	51.836	IX	102.781
II	-	VII	-	X	319.108
CAR	-	VIII	3.448	XI	-
IV-A	85.068			BARMM	10.692
V	15.000			CARAGA	22.727
TOTAL	150.068	TOTAL	55.284	TOTAL	455.308
NATIONAL					660.660

4. CAPACITY BUILDING PROGRAMS FOR NEA AND ECs

NEA continues to be a learning institution as it carries out the statutory obligations for structural reforms stated in Republic Act 9136 (EPIRA) and RA 10531 (NEA Reform Act). Capacity building programs such as competency seminars, trainings and local scholarship services are still being conducted for NEA and EC personnel.

For the first semester of 2023, there were thirty-eight (38) trainings and scholarship programs conducted and facilitated for both the NEA and ECs with a total of 2,102 personnel capacitated. Out of the 38 programs, fourteen (14) were facilitated for NEA associates and was attended by 358 participants. Twenty-four (24) were conducted for EC management and staff with 1,744 personnel capacitated in different disciplines (Table 7)

TABLE 7. 2023 Summary of Capacity Building Programs

Particulars	NEA	ECs	GRAND TOTAL
Number of Training and Local Scholarship Programs	14	24	38
Number of Staff Capacitated	358	1,744	2,102

The following are the trainings and scholarship programs conducted and facilitated for NEA associates for during the First Semester of 2023:

PROGRAM	NUMBER OF PARTICIPANTS	Date conducted	
		Start	End
Generation and Use of Sex Disaggregated Data (SDD) and GAD Statistics	29	2-Feb-23	3-Feb-23
Seminar-Workshop on Gender Mainstreaming and GAD Audit for GAD Focal Point System (GFPS)	34	7-Feb-23	8-Feb-23
Basic SCADA Training Workshop	33	28-Feb-23	3-Mar-23
Leave Administration Course for Effectiveness (LS)	3	08-Mar-23	09-Mar-23
Safety Leadership for Electric Cooperatives (LS)	8	14-Mar-23	16-Mar-23
Policies and Procedures on Appointments (LS)	2	11-Apr-23	12-Apr-23
Strategic HROD Series 2: HR Analytics (LS)	2	25-Apr-23	25-Apr-23
Computer Assisted Audit Techniques (CAATs) and Data Analytics Using MS Excel	42	12-Apr-23	14-Apr-23
Seminar Workshop on Embedded Renewable Energy Generator Modeling and Simulations using DNV Synergi Electric Engineering Analysis Software (LS)	10	27-Apr-23	28-Apr-23
Fundamentals of CANVA: Alternative to PowerPoint Presentation	31	15-May-23	16-May-23
Seminar-Workshop on Sexual Harassment in the Workplace	31	18-May-23	19-May-23
Stabilizing Power System to Introduce Various Kind of Renewable Energy (FS)	1	04-Jun-23	22-Jun-23
Critical Thinking and Sound Decision Making	32	29-Jun-23	30-Jun-23

For the EC management and staff, the following trainings had been facilitated for the first semester of 2023:

PROGRAM	NUMBER OF PARTICIPANTS	Date conducted	
		Start	End
Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 10531)	51	10-Jan-23	12-Jan-23
Power 101 (Digos City)	54	7-Feb-23	8-Feb-23

PROGRAM	NUMBER OF PARTICIPANTS	Date conducted	
		Start	End
Power 101 (Cagayan de Oro City)	80	15-Feb-23	16-Feb-23
Safety Leadership Seminar	80	21-Feb-23	23-Feb-23
2023 Seminar - Workshop for NEA-EC Communicators	162	21-Feb-23	23-Feb-23
Seminar on Computer Assisted Auditing and Accounting Tools (CAATs) - Data Analytics Using Excel	41	28-Feb-23	2-Mar-23
Power 101+ for BATELEC II	58	3/14/2023	3/15/2023
Safety Leadership Seminar	75	3/14/2023	3/16/2023
Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 10531)	52	3/15/2023	3/16/2023
Safety Leadership Seminar	73	3/21/2023	3/23/2023
AMAPHI Seminar on Supervisory Leadership and Consultative Conference	134	3/22/2023	3/23/2023
Cooperative Management Course I and Good Governance III (CMC I & III)	221	3/28/2023	3/30/2023
Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 10531)	62	17-Apr-23	18-Apr-23
Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 10531)	28	3-May-23	4-May-23
Technical Report Writing	37	10-May-23	11-May-23
Cooperative Management Course II - Financial Management	118	17-May-23	18-May-23
Basic Lineworker Training Course	34	12-Apr-23	23-May-23
Basic Lineworker Training Course	43	24-Apr-23	23-May-23
Cooperative Management Course II - Financial Management	142	6-Jun-23	7-Jun-23
Technical Report Writing	32	7-Jun-23	8-Jun-23
Basic Lineworker Training Course	62	15-May-23	13-Jun-23
Seminar on Computer Assisted Auditing and Accounting Tools (CAATs) & Data Analytics using Excel for Region IV Ecs	53	19-Jun-23	21-Jun-23

Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 10531)	18	22-Jun-23	23-Jun-23
Distribution Impact Study	34	26-Jun-23	30-Jun-23

5. SUMMARY OF APPROVED POLICY, GUIDELINES AND PROCEDURES FOR THE FULFILLMENT OF NEA STATUTORY OBLIGATIONS

In accordance with the expanded powers and functions under Section 5 of RA 10531 and Section 5 of its IRR, the following policies and guidelines were formulated and have been approved by the NEA Board of Administrators. The purposes are to ensure fulfillment of the NEA’s mandate and to provide guidance and directions to the electric cooperatives in order to improve their performance to the highest efficiency level and the success in the implementation of plans, programs and targets.

There are seven (7) policies and guidelines approved by the NEA BOA for the first semester of 2023. The policy and guideline shall take effect upon the confirmation and approval of the NEA Board of Administrators and 15 days upon filing with the University of the Philippines (UP) Law Center pursuant to the Presidential Memorandum Circular No.11, dated October 9, 1992.

Below is the list of Policy Guidelines approved for the first semester of 2023.

Date Approved	Particulars
January 9, 2023 (Memo to ECs No. 2023-18)	Amendment on the Revised Policy Guidelines on the Implementation of Strategized Total Electrification Program (STEP)
March 22, 2023	Definition of “Derogatory Record in the Hiring and Selection Process of EC General Manager
April 26, 2023 (Memo to ECs No. 2023-21)	Policy-Guidelines on Annual EC Overall Performance
June 15, 2023 (Memo to ECs No. 2023-30)	Policy Amending Revised Guidelines on Benefits, Allowances and Incentives of Electric Cooperative Officials and Employees
June 15, 2023 (Memo to ECs No. 2023-34)	Policy Guidelines on the Release, Project Implementation and Liquidation of Calamity Grants to Electric Cooperatives Funded by ECERF/NDRRMF/QRF and other Calamity-Related Fund Sources
June 15, 2023 (Memo to ECs No. 2023-27)	Equipment and Materials Price Index 2023
June 13, 2023 (Memo to ECs No. 2023-32)	Amendment to the National Electrification Administration (NEA) Memorandum No. 2020-001, also known as the Code of Governance for Electric Cooperatives

6. RENEWABLE ENERGY DEVELOPMENT

The present administration has set forth a comprehensive energy agenda aimed at advancing the country's renewable energy development programs. It reflects a commitment to sustainable and clean energy solutions, addressing both the nation's energy security and environmental concerns. These strategic initiatives demonstrate a proactive approach to energy policy, fostering a greener and more resilient future for the Philippines. In support of this agenda, the NEA continues to promote the development of renewable energy. This initiative also aims to accelerate rural electrification program and obtain sustainable socioeconomic development in the far-flung areas of the country where on-grid access to electricity is not feasible. Relative to this, the following are the NEA's activities to achieve these goals:

A. NEA's Subsidized Renewable Energy Projects

Expanded Sitio Electrification Program (Expanded SEP)

The project was allocated with PhP 12 million budget for the conduct of feasibility study on establishing Mini-Grid System with Renewable Energy Source. The feasibility study is directed to provide electricity to six (6) off-grid locality in the franchise areas of three (3) EC beneficiaries, namely QUEZELCO II, ZANECO, SOCOTECO II which aims to put up either mini-grid community using only a renewable energy source or hybrid mini-grid community.

As of June 2023, Quezon II Electric Cooperative, Inc. (QUEZELCO II) has already completed the project for the 3 barangays under its franchise area namely Brgy. Carlagan, Burdeos, Quezon; Brgy. Rizal, Panukulan, Quezon and Brgy. Cabungalunan, Burdeos. Likewise, Zamboanga Norte Electric Cooperative, Inc (ZANECO) has also completed the project for Brgy Selinog, Dapitan City.

As for South Cotabato II Electric Cooperative, Inc. (SOCOTECO II), the second bidding with the winning bidder, Atdinum Energy, Inc. has already been completed. NEA is awaiting the submission of Notice of Award for the processing of the funds to be released to the cooperative. Before the funds are disbursed, SOCOTECO II still needs to complete the processing of its unliquidated subsidy fund for the STEP project with NEA.

B. Assisted Projects under the European Union - Access to Sustainable Energy Programme (EU-ASEP)

Integration of Productive Uses of Renewable Energy for Sustainable and Inclusive Energization in Mindanao (I-PURE Mindanao)

I-PURE Mindanao is a project funded by the EU-ASEP 4.5 Million Euro Top-up Grant. The NEA is in close coordination with the Mindanao Development Authority (MinDA) and some Mindanao ECs for the implementation of the project. The main objective to improve economic and social conditions of families in marginalized and disadvantaged communities in Mindanao through the use of renewable energy solutions for their livelihood activities and household energization.

The project will utilize different energization schemes and renewable energy powered machineries to augment the economic generation potential in the agri-fishery value chain in some areas in Mindanao.

For the component Productive Use of Renewable Energy (PURE), the construction of civil works for Arakan and Tulunan, North Cotabato is still on-going while for Bagumbayan, Sultan Kudarat; Sitangkai and Sibutu, Tawi-tawi it is already scheduled for Electromechanical Inspection. The Picong, Lanao del Sur; Sen. Ninoy Aquino and Lebak, Sultan Kudarat are already for award of contract to the winning bidder. Preparation of Final Design is already being undertaken for Glan, Sarangani while the testing and commissioning of the project has begun for Kalamansig, Sultan Kudarat. As for Kidapawan, North Cotabato it is awaiting final tapping point.

For the component Household Electrification, the household electrification projects for COTELCO and SOCOTECO II these areas have been successfully completed, with the Certificate of Final Inspection and Acceptance (CFIA) already issued by NEA. The delivery of materials for household electrification in East Sibutu and Sitangkai, Tawi-tawi shall already be undertaken.

C. Other Assisted Projects

1. Installation of Solar Facility including Net Metering Application and Equipment for Public Schools

The Project aims to install a Solar Power Facility in rooftop of Public Schools including a Net Metering Connection and the intention is to source a portion of the schools' demand through the use of solar facility. The Project's intention is to source a portion of Public Schools' demand through the use of Solar Facility.

The Net Metering connection enables the Public Schools to maximize the power generated by the Solar Facility. The excess power will be delivered to the grid and will be offset on

the consumed electricity from the grid. This is monitored by a bidirectional meter which records the imported and exported energy. The project will help in generating savings and at the same time mitigate climate change.

The following are the updates on the progress of electrification projects within various electric cooperatives, along with the number of public schools involved:

BATELEC II – Batch 2:

The electric cooperative has made significant progress by completing the procurement process for 31 out of 32 projects. The remaining task is to finalize the liquidation of subsidy funds released to BATELEC II to enable NEA to proceed with the initial release of funds.

INEC – Batch 1:

This project, consisting of 8 public schools, has been successfully completed and energized. The next steps involve scheduling the NEA final inspection and acceptance process.

INEC – Batch 2:

Currently, the electrification projects encompass 10 hospitals and 15 schools. The cooperative is to undertake the bidding process for this project.

NEECO II Area 1:

The electric cooperative has completed the procurement process for the single project in Area 1. The project is now in the final stages of check release preparation.

CEBECO I:

Preparations are underway for the procurement of the project by CEBECO I.

CEBECO II:

The electric cooperative is working on the liquidation of NEA subsidy projects, which is a necessary prerequisite for NEA to initiate the initial release of funds.

2. ROMELCO SMALL WIND GRANT AID

The NEA is working closely with the Department of Finance (DoF) and Department of Foreign Affairs (DFA) seeking endorsement for possible grant assistance from the Government of Japan for the installation of small wind turbines (10 units of 6kW wind turbines) in the Municipality of Concepcion, Romblon.

The project aims to provide sufficient and clean energy source for over 1200 households and residents in the said municipality. The grant will be outsourced and operated by Romblon Electric Cooperative Inc. (ROMELCO) to bring electric service to its area coverage.

The DFA has officially endorsed the project to the Embassy of Japan on May 8, 2023. The NEA is currently awaiting the response and endorsement from the Japanese Embassy for the Romblon project proposal.

3. Renewable Energy Information, Education and Communication Campaigns

NEA continues to conduct a series of Information, Education and Communication campaign to capacitate and inform the ECs on the implementing rules, policies and guidelines on Renewable Energy Programs.

a. Decentralized Renewable Energy Systems (DRES) Project

For the first semester of 2023, in partnership with Tara Foundation, the Preferred Energy Inc (PEI) undertook the Decentralized Renewable Energy Systems (DRES) Project in the Philippines with grant assistance from the European Climate Fund (ECF). The DRES Project seeks to support the government's programs to achieve total household electrification by assisting electric cooperatives (ECs) to provide their isolated and off-grid service areas with sufficient, reliable, and affordable electricity using decentralized clean energy systems

One of the main objectives of the program is NEA and ECs' capacity building, training, and awareness, which will concentrate on the use of optimization tools and the creation of suitable technological designs and commercial models for DRES. On March 23, 2023 the NEA and PEI conducted a needs assessment survey for the Electric Cooperatives. The technical training on Distributed Renewable Energy System to Electric Cooperatives shall be undertaken on the second semester of this year.

b. Technical Assistance of Energy Transition Partnership (ETP)

This program is designed to deliver a technical assistance (TA) project focused on the power distribution sector, specifically for the Electric Cooperatives (EC) through the National Electrification Administration (NEA). The program has been designed to enable smart grid transformation (distribution network side) and demonstrate its applicability to increase renewable energy (RE) in the power generation mix.

The acquired TA consists of three components. The first component focuses on enabling smart grid transformation by conducting an assessment of the barriers to smart grid adoption, specific to the EC's, and developing the Geographic Information System (GIS)-based map of the on-grid, backbone distribution network. Beyond the identification of the barriers, the assessment study will also provide pragmatic solutions that the ECs and NEA may consider continuing with the smart grid transition. Meanwhile, the second component is designed to support the ECs in identifying smart grid investments through an Investment Plan framework. Lastly, the third component demonstrates the applicability of the GIS-based maps in contributing to the RE targets of the Philippines. The provision of capacity building is also embedded accordingly in each of the project components. This TA is

aligned with ETP's second, third, and fourth strategic outcomes: de-risking RE investment, extending smart grids, and building knowledge and awareness.

7. Status of ECs and Recommendation for Ailing Electric Cooperatives

Based from the NEA Reform Act of 2013 or Republic Act 10531, the following are the basis for NEA's intervention in the operation and management of the ECs:

- a. Rule IV - Section 21, IRR of RA 10531 empowers NEA to exercise its Step-In Rights over an ailing EC by appointing or assigning a PS or PS/AGM or assigning third persons to the Board of EC until the NEA decides that the election of a new Board of Directors to lead the EC is necessary. The NEA may also create a Management Team for the purpose.
- b. Section 5 Section 4(e) of Presidential Decree No. 269, as amended, is hereby further amended of RA 10531 that empowers NEA to supervise the management and operations of all electric cooperatives.
- c. Section 5 Section 4(j) of Presidential Decree No. 269, as amended, is hereby further amended by RA 10531 empowers NEA to ensure the economic and financial viability, and operation of all electric cooperatives.

Under Section 20 of the Implementing Rules and Regulations of RA 10531, an electric cooperative can be declared an "ailing EC" when it falls under the following circumstances:

- a. Has negative Net Worth for the last three (3) years
- b. Has accumulated ninety (90) days arrearages in power supply purchases from generating companies and power suppliers and the transmission cost
- c. Unable to provide electric service due to technical and/or financial inefficiencies
- d. Unable to efficiently perform its electric distribution utility obligations or continue in business due to organizational, external and internal factors
- e. Failed to meet other operational standards established by NEA

There are many issues and challenges being faced by the electric cooperatives that hinder the implementation of their plans and programs for the improvement of their operations or at worst scenario, may even cause the decline of their organization. These challenges include:

- a. Unstable/adverse peace and order situation
- b. High level of poverty incidence
- c. Strong political interventions/interference
- d. Cultural and ethnic beliefs
- e. Governance and management issues
- f. Natural and man-made calamities
- g. Financial concerns such as overdue power accounts from PSALM and power generating companies, unrecoverable interest, surcharges and penalties from

- consumers' bill, huge uncollected power accounts from local government units, military camps and other government agencies, inappropriate distribution rates, among others
- h. Technical concerns such as old, dilapidated distribution line system, transformer overloading, lack of long - term power supply contracts

The Electric Cooperatives are evaluated based on the Policy for Classification of ECs and Guidelines for the Declaration and Graduation of Ailing EC under Memorandum to ECs No. 2020-049.

The Policy Guideline includes seven (7) performance parameters and standards on financial, operational and technical status of ECs. The parameter on Status of Reliability, which was not included in the 2014 Guidelines for Classification of ECs, was introduced in the 2020 Policy to monitor the implementation and compliance of ECs in the set standard under Philippine Distribution Code (PDC) on SAIDI/SAIFI. The non-compliant ECs will be classified and declared as "ailing" and would require NEA's full intervention and may be open for alternative options or partnership with qualified private sector investors, local government and other ECs.

As of June 30, 2023, there are seven (7) ailing ECs classified based on their financial and operational performance under the parameters identified by NEA. They are ABRECO, ALECO, and MASELCO in Luzon and BASELCO, TAWELCO, SULECO and LASURECO in Mindanao.

The current condition of these ECs necessitates NEA intervention to prevent further retrogression and improve their operational efficiency and standards of service. The following interventions were implemented:

- a. Creation of Task Force and Management Teams
- b. Designation of Acting General Managers and/or Project Supervisors
- c. Appointment of NEA Representative to the EC Board of Directors (BODs)
- d. Formulation and issuance of new and relevant policies and guidelines
- e. Round Table Assessment and Round Table Dialogue
- f. Provision of loans and subsidies
- g. Capacity Building for EC management and staff
- h. Member-Consumer-Owners (MCO) Empowerment Program
- i. Financial, institutional and technical services facilities

Status of Ailing and/or underperforming ECs and the NEA extended interventions from January to June 2023.

1. APEC/ALECO

Year	Categorization	Classification - Color	Classification - Size
2022	D	R	ML
2021	D	R	ML
2020	Deferred	R	ML
2019	D	R	ML
2018	D	R	ML
2017	D	R	ML

For the second quarter of 2023, ALECO is non-compliant in all of the 7 performance parameters in EC Classification. The EC is not able to comply with the financial parameters set by NEA. As for the Technical Parameters, only its SAIDI was compliant with the result of 800.19 minutes in duration of sustained customer power interruptions.

The 25-year Concession Agreement (CA) between ALECO and SMC Global Power Holdings, Corp. (SMCGPHC) and its subsidiary Albay Electric Power Company (APEC) was mutually terminated by ALECO and SMC Global Power as a result of the unanimous vote of the cooperative's member-consumer-owners during a Special General Membership Assembly on September 3, 2022.

Following this, NEA took action to oversee ALECO's operations, appointing Engr. Wilfredo Bucsit as the Acting General Manager and establishing a Management Task Force for ALECO. This was done to facilitate a seamless transfer of operations from APEC Management to ALECO Management and ensure a smooth transition from APEC, the concessionaire, to ALECO.

In an effort to enhance its current overall performance rating, NEA mandated ALECO's Acting General Manager, Engr. Wilfredo Bucsit, to develop a new One-Year Operation Improvement Plan (OIP) for the period from January 1 to December 31, 2023. The OIP will outline specific activities and strategies to sustain operational improvement, addressing heightened demands for power rate reduction, power security, service reliability, governance standards, and member-consumer-owners' empowerment. This plan should be accompanied by a Memorandum of Commitment (MOC) from the Board of Directors, Management, and Staff.

2. ABRECO

Year	Categorization	Classification - Color	Classification - Size
2022	C	R	EL
2021	C	R	EL
2020	Deferred	R	EL
2019	C	R	EL
2018	D	R	EL
2017	D	R	EL

Based on the second quarter 2023 EC Classification, ABRECO was not compliant in 5 of the 7 performance parameters, namely, working capital fund, collection efficiency, payment to GENCO, net worth and system loss. It was able to attain a positive result of financial operations and retained a current status in its accounts payable to NEA. As for power reliability, both the SAIDI and SAIFI were compliant with the result of 4.91 and 202.06 minutes in duration of sustained customer power interruptions. However, the working cash general fund of Php30.362M is insufficient to finance its one (1) month working capital requirement of Php76.324M.

On May 15, 2023, the NEA appointed Ms. Bienvenida Tongol as Project Supervisor with the following functions:

- a) Supervise the management and operations of ABRECO to ensure the delivery of electric service to the member-consumers;
- b) In the absence of a Board of Directors of ABRECO, to act as Board of Directors, promulgate and pass upon policies for and on behalf of the electric cooperative;
- c) Sign/countersign checks, withdrawal slips, and other banking transactions for and on behalf of the EC with all banks, where ABRECO has an account; and
- d) Perform other tasks that may be assigned by the NEA for the purpose of operational efficiency.

The NEA directed ABRECO to formulate a One-Year SDP covering the period 1 January 2023 to 31 December 2023; the SDP shall specify the detailed activities and strategies to sustain operational improvement and address the increased demands for power rate reduction, security of power, reliability of service, good governance, and member-consumer-owners' empowerment.

ABRECO formulated the Strategic Development Plan, which underwent evaluation by the NEA. Recommendations were presented to address the issues and challenges within ABRECO. The cooperative also initiated efforts, with NEA's assistance, to enhance collection efficiency and reduce system losses.

Furthermore, NEA actively monitors and validates the implementation of the EC's designated plans and programs to gauge their effectiveness in improving the EC's operations and to ensure the full achievement of set targets. ABRECO and NEA maintain an ongoing collaborative effort to enhance the operational and financial sustainability of the cooperative and to devise strategies that align with NEA's parameters and standards.

3. MASELCO

Year	Categorization	Classification - Color	Classification - Size
2022	C	R	ML
2021	C	R	ML
2020	Deferred	R	ML
2019	C	R	EL
2018	C	R	EL
2017	D	R	EL

MASELCO has been consistently rated as D from 2015 to 2017. However, there was a significant improvement in the EC performance rating in 2018 as it was rated as C after its successful implementation of SDP from 01 January to 31 December 2018 with the support of NEA, EC officers, management and employees. The cooperative was able to maintain its Category C since then.

For 2023, NEA required MASELCO to prepare and implement another one (1) Year Strategic Development Plan (SDP) covering the period 01 January to 31 December 2023. The objective is to sustain operational improvement which will address the increased demands for power rate reduction, security of power supply, reliability of service, good governance and MCO empowerment. To this, the cooperative was able to submit its Strategic Development Plan on April 27, 2023 which NEA approved with the following targets:

PARAMETERS	BASE YEAR (2022)	TARGETS (2023)
Collection Efficiency	95.09%	96.00%
Payment to Power Supplier	Res-Arrears	Res-Current
Power Reliability		
SAIFI	24.04	Compliant to standards
SAIDI	2,867.69	
System Loss	15.01%	11.50%
Result of Financial Operation (Before RFSC)	12,647	Positive
Net Worth	342,639	Positive

Assessment of the MASELCO's 2023 2nd quarter performance showed that it was not compliant in five (5) of the seven parameters set by NEA, the collection efficiency, accounts payable to GENCO, net worth, system loss and system reliability. It is worthy to mention that the cooperative's cash general fund of Php137,535M is sufficient to finance its one month working capital requirement of Php87,849M and it has attained a positive result of financial operation in the amount of Php8,873.39M.

MASELCO is in Restructured-Arrears in its accounts payable to DMPC. Currently, the EC has been reconciling with DMPC over the amount it owes before finalizing the restructuring agreement. Thus, if the restructuring proposal is approved and the EC will become current in its amortization payments on the restructured account, the status of payment to power supplier will improve.

As mandated under the 2023 SDP, MASELCO is continuing to pay Php3M per month above its current bill to reduce its power bill arrearages with DMPC. The EC achieved the target of paying two (2) months in the 1st quarter equivalent to Php6M.

MASELCO is confronted with various challenges to meet the NEA standards in financial, institutional and technical performance parameters under the Key Performance Standards. With the extension of appointment of Deputy Administrator Atty. Rossan SJ. Rosero-Lee as Project Supervisor and Engr. Nelso A. Lalas as Acting General Manager, strategies and initiatives are continuously being undertaken to mitigate the risks and challenges encountered in the attainment of plans and programs to improve organizational performance.

Electric Cooperatives under Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)

Republic Act No. 11054, the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), otherwise known as the Bangsamoro Organic Law (BOL), was approved on 27 July 2018.

With the passage of this Law, the four (4) ailing/underperforming ECs are now under the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), namely: Tawi-Tawi Electric Cooperative, Inc. (TAWELCO), Basilan Electric Cooperative, Inc. (BASELCO), Sulu Electric Cooperative, Inc. (SULECO), and Lanao del Sur Electric Cooperative, Inc. (LASURECO). The other three (3) electric cooperatives under BARMM are Maguindanao Electric Cooperative, Inc. (MAGELCO), Siasi Electric Cooperative, Inc. (SIASELCO), and Cagayan de Sulu Electric Cooperative, Inc. (CASELCO)

For critically-challenged ECs, especially those in the BARMM areas, NEA initiated interventions through designation of Project Supervisors (PSs), Acting General Managers (AGMs) and/or PS/AGMs, as follows:

1. NEA Board Member Agustin L. Maddatu – as PS of Lanado del Sur Electric Cooperative, Inc. (LASURECO)
2. Ms. Peraida L. Jalani – as PS/AGM of Tawi-Tawi Electric Cooperative, Inc. (TAWELCO)
3. Ms. Claudia Pondales – as PS of Maguindanao Electric Cooperative, Inc. (MAGELCO)
4. Ms. Suraina K. Andao – as AGM of MAGELCO

NEA also designated technical personnel to assist in the day-to-day operations of the ECs such as in MAGELCO.

Aside from the financial assistance through grant of subsidies for the electrification projects and loans for qualified EC-borrowers for working capital and CAPEX requirements, below are the other assistances that had been and are being provided to ailing ECs:

1. Donation drive for a total of 67,300 units of kWh meters from various regional EC associations. This totaled to some Php80 million. However, this does not

- include Siasi Island Electric Cooperative, Inc. (SIASELCO) and Cagayan de Sulu Electric Cooperative, Inc. (CASELCO) as beneficiaries. NEA is still working on the possibility of providing kWh meters for their requirements;
2. Preparation of requirements for the transition and transfer of supervision of BARMM ECs to the BARMM Government through MENRE through creation of management task forces
 3. Assistance in the formulation and preparation of the following:
 - a. Annual Cash Operating Budget (COB); and
 - b. Annual Operation Improvement Plan (OIP)/Strategic Development Plan (SDP)
 4. Conduct of preventive maintenance activities for various EC substations and distribution lines;
 5. Inspection of JICA Projects;
 6. Development and Design of ECs' Distribution System Maps;
 7. Performance Assessment and Technical Audit of the ECs; and
 8. Conduct of Financial Management Audit

Performance Assessment of BARMM ECs

Most of the BARMM ECs, for years, have been assessed and evaluated under the NEA Overall Performance Assessment and Evaluation System as underperforming ECs.

They have not complied either with all or most of the parameter standards set by NEA under the Key Performance Standards (KPS) and EC Classification Standards, and are therefore tagged as either under the "Ailing" or "Red" or "Yellow-1" ECs.

The common challenges observed in BARMM ECs include high incidence of power pilferages coupled with unreliable distribution system due to obsolete, aged, or dilapidated distribution facilities. Also, high incidence of poverty in these places results in inability of customers to pay their electric bills on time.

Likewise, the adverse peace and order situation are seen to have a big contribution to the poor economic condition in these areas. All these circumstances lead to the BARMM ECs' inability to pay their payables to power providers and creditors; and, financial difficulty to cover other administrative expenses.

For the BARMM ECs to be able to pay its mounting obligations and to recover from being an ailing electric cooperative, the whole nation approach in resolving the root causes of the problems is necessary.

1. TAWELCO

Year	Categorization	Classification - Color	Classification - Size
2022	D	R	M
2021	D	R	M
2020	Deferred	R	M
2019	D	R	M
2018	D	R	M
2017	D	R	M

Latest assessment of their accomplishments showed that the EC was not compliant with five of the seven (7) performance parameters in EC Classification. Collection Efficiency standard of 95% was not attained with only 36.42 collection performance and as a result, the cooperative sustained a negative Net Worth. Despite the financial condition of the cooperative, it was still able to pay its financial obligation with NEA.

NEA has provided Management Assistance to TAWELCO by assigning Ms. Peraida T. Jalani as Project Supervisor/ Acting General Manager. Ms. Jalani is tasked to supervise and monitor the implementation of plans and programs set to address the financial, institutional and technical issues in the operations of the cooperative including the mandate to provide total electrification in the Province of Tawi-Tawi. To date, with the designation of PS/AGM Peraida T. Jalani, the Billing System has been repaired by the members of the Management Team from SULECO.

TAWELCO is a recipient of JICA donated equipment and materials for the rehabilitation of around 17 kilometers backbone lines and improvement of the electric distribution system. To date, the rehabilitation of the distribution line is 50% completed.

The NEA assessed and subsequently approved the 2022 Operational Improvement Plan of the cooperative. Strategies and mitigation plans to improve the overall performance of the cooperative were also identified during the consultations with TAWELCO such as creation of regional/inter-agency task force; management take-over and termination of all employees and hiring of new and more qualified personnel to handle the critical operations of the cooperative.

2. BASELCO

Year	Categorization	Classification - Color	Classification - Size
2022	D	R	L
2021	D	R	L
2020	Deferred	R	L
2019	D	R	L
2018	D	R	L
2017	D	R	L

As of 2nd quarter of 2023, BASELCO was compliant with only one parameter, the working capital requirement. The other remaining six (6) parameters were not complied by the EC which can be attributed to multiple internal and external factors such as dilapidated electric distribution system, socio-political interventions, governance, threat on safety and security, widespread irregularities, and fraudulent activities among others.

Collection efficiency is at 65.38% which is very low compared to the standard criteria of 95%. Initiatives to increase collection level has been identified such as massive collection drive in the entire province of Basilan but prioritizing Isabela and Lamitan City; strict implementation of Disconnection Policy; shorten the billing period to consumers from twenty (20) to fifteen (15) days, and to further improve the electric distribution system facilities in other areas with recorded low collection efficiency.

NEA continuous to monitor the submitted Operational Improvement Plan (OIP) by the cooperative wherein it details the priority plans and programs to address the issues that hinder the adherence of the coop to NEA parameters and standards on EC classification which would alleviate its current status as ailing EC.

3. SULECO

Year	Categorization	Classification - Color	Classification - Size
2022	B	R	L
2021	C	R	L
2020	Deferred	R	L
2019	C	R	L
2018	C	R	L
2017	C	R	L

As of 2nd quarter of 2023, SULECO was not compliant with two parameters (2) of the seven (7) parameters on EC classification namely collection efficiency and net worth. With the collection performance of the cooperative at 42.04%, it is positive to note that it is still able to finance its one month working capital of PhP 40.519 million with its PhP 195.395 million working capital fund. Also, the cooperative was able to sustain a positive financial operation.

The cooperative's system loss has improved from 9.35% in 2022 to the present status of 8.04%. This is the result of continuous rehabilitation of distribution lines and implementation of elevated cluster metering in the province.

The result of annual EC overall performance assessment showed that SULECO was able to improve its performance having attained category B from C in 2021. The transition from a 'C' rating in 2021 to a 'B' rating in 2022 signifies the Cooperative's commitment to continuous improvement. The concentrated efforts on financial stability, institutional governance, and technical capabilities have yielded tangible results. While there is room for further growth, this progress demonstrates the Cooperative's dedication to its member-consumer-owners and stakeholders.

4. LASURECO

Year	Categorization	Classification - Color	Classification - Size
2022	D	R	EL
2021	D	R	EL
2020	Deferred	R	EL
2019	D	R	EL
2018	D	R	EL
2017	D	R	EL

As of 2nd quarter of 2023, LASURECO is still not able to comply with all the seven parameters in EC classification. Their cash general fund of Php6.490 million is insufficient to finance the cooperative's one-month working capital requirement of Php73.734 million. The cooperative has a negative Net Worth and is negative in their Financial Operations.

On January 26, 2023, NEA designated Board Member Agustin L. Maddatu as Project Supervisor of the cooperative to perform the following tasks:

1. Perform the functions of a regular Board in the absence of a Board of Directors;
2. Supervise the management and operation of LASURECO;
3. Sign/countersign checks, withdrawal slips, and other banking transactions for and in behalf of the EC with all banks where LASURE CO has an account; and,
4. Perform other tasks/duties that may be assigned/directed by the NEA for the purpose of operational efficiency.

On the Institutional aspect of the EC operations, there is a need to re-engineer the workforce of LASURECO. Accordingly, NEA has undertaken the necessary preparations and staff work on the Proposed Re-organizational Structure. However, the implementation of the restructuring plan is yet to be realized due to insufficient funds to support the program, particularly the retirement pay of qualified employees.

Operationally, of major concerns of the EC are its high System Loss, low Collection Efficiency and the lack sufficient funds to acquire equipment and materials to ensure power reliability, efficiency and safety in its coverage area as well as capacity to pay its power obligations and other maturing debts. One of the plausible solutions to address the high System Loss and low Collection Efficiency is to obtain the support and involvement of the political leaders, from the Barangay to the Regional level, particularly in enforcing what is lawfully right and expected from the MCOs and Stakeholders in order to make the EC viable.

Annex A: Status of 1st Semester 2023 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region I		19,012
INEC		2,181
ISECO		2,666
LUELCO	14	2,800
PANELCO I	5	1,387
CENPELCO		5,213
PANELCO III		4,765
Region II		11,588
BATANELCO		107
CAGELCO I		2,441
CAGELCO II		1,872
ISELCO I		2,071
ISELCO II		1,179
NUVELCO	4	3,332
QUIRELCO		586
CAR		6,175
ABRECO		648
BENECO	12	3,024
IFELCO	26	762
KAELCO		794
MOPRECO		947
Region III		31,824
AURELCO	4	1,292
TARELCO I	2	3,518
TARELCO II	6	2,473
NEECO I		1,167
NEECO II – Area 1		3,153
NEECO II – Area 2	9	2,619
SAJELCO		736
PRESCO		766
PELCO I		2,692
PELCO II		4,392
PELCO III		976
PENELCO		4,518
ZAMECO I		1,808
ZAMECO II		1,714

Annex A: Status of 1st Semester 2023 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region IV-A		15,263
FLECO	18	824
BATELEC I		3,748
BATELEC II		7,722
QUEZELCO I		2,368
QUEZELCO II		601
Region IV-B		6,704
LUBELCO		94
OMECO		1,616
ORMECO		2,010
MARELCO	2	967
TIELCO	11	728
ROMELCO		316
BISELCO		379
PALECO	1	594
Region V		13,487
CANORECO		1,481
CASURECO I		1,225
CASURECO II		2,035
CASURECO III		1,505
CASURECO IV		2,000
ALECO		707
SORECO I		1,123
SORECO II		1,385
FICELCO		690
MASELCO		1,336
TISELCO		-
Luzon	114	104,053

Annex A: Status of 1st Semester 2023 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region VI		27,551
AKELCO		2,023
ANTECO		1,944
CAPELCO		2,798
ILECO I		2,511
ILECO II	39	4,092
ILECO III	22	2,740
GUIMELCO	20	848
NONECO		2,642
CENECO		4,442
NOCECO	1	3,511
Region VII		20,772
NORECO I	17	3,685
NORECO II		3,082
BANELCO	2	542
CEBECO I		3,370
CEBECO II		2,223
CEBECO III		2,035
PROSIELCO	5	403
CELCO		247
BOHECO I		2,183
BOHECO II		3,002
Region VIII		15,463
DORELCO	5	1,894
LEYECO II		1,120
LEYECO III		1,142
LEYECO IV	7	973
LEYECO V		2,550
SOLECO	7	1,805
BILECO		725
NORSAMELCO	11	987
SAMELCO I		885
SAMELCO II	6	1,823
ESAMELCO		1,559
Visayas	142	63,786

Annex A: Status of 1st Semester 2023 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region IX		12,153
ZANECO		4,033
ZAMSURECO I		2,602
ZAMSURECO II	15	3,331
ZAMCELCO	2	2,187
Region X		11,894
MOELCI I		906
MOELCI II		1,135
MORESCO I		1,923
MORESCO II	4	1,845
FIBECO	15	2,729
BUSECO		2,023
CAMELCO		129
LANECO	32	1,204
Region XI		16,501
DORECO	8	1,244
DANECO	65	4,687
DASURECO		10,570
Region XII		8,517
COTELCO		1,003
COTELCO-PPALMA	43	362
SOCOTECO I	3	1,991
SOCOTECO II		3,969
SUKELCO	63	1,192
BARMM		2,069
TAWELCO		-
SIASELCO		-
SULECO		17
BASELCO		1,116
CASELCO		88
LASURECO		517
MAGELCO		331
CARAGA		12,641
ANECO		3,421
ASELCO		3,196
SURNECO		928
SIARELCO	3	2,234
DIELCO	2	992
SURSECO I		457
SURSECO II	16	1,413
Mindanao	271	63,775
Total	527	231,614

Annex B: 1st Semester 2023 Subsidy Releases

Electric Cooperatives	Amount
REGION I	54,003,877.70
INEC	12,928,304.93
ISECO	575,000.00
PANELCO III	406,852.29
LUELCO	24,197,935.26
CENPELCO	15,895,785.22
REGION II	49,157,815.04
CAGELCO II	3,898,699.29
ISELCO II	5,276,559.96
QUIRELCO	39,982,555.79
REGION III	26,854,625.72
AURELCO	18,435,088.36
TARELCO I	7,069,539.15
NEECO II A1	1,349,998.21
REGION IV-A	33,260,394.77
QUEZELCO I	4,096,158.84
QUEZELCO II	29,164,235.93
REGION IV-B	92,396,781.62
PALECO	17,888,185.15
TIELCO	23,408,500.34
OMEKO	771,201.81
ORMECO	50,328,894.32
REGION V	143,467,711.87
CASURECO I	15,719,040.21
SORECO I	26,911,542.72
SORECO II	2,202,247.64
ALECO	63,857,217.5
CANORECO	34,777,663.8
REGION VI	177,450,415.12
ILECO I	29,574,124.15
ILECO II	26,681,544.88
GUIMELCO	61,898,061.82
CENECO	6,989,901.72
CAPELCO	2,576,024.63
NOCECO	42,982,061.95
AKELCO	6,748,695.97

Annex B: 1st Semester 2023 Subsidy Releases

Electric Cooperatives	Amount
REGION VII	204,442,856.00
CELCO	7,109,379.97
CEBECO I	37,445,276.79
CEBECO II	8,907,016.43
CEBECO III	17,040,740.8
BOHECO I	47,284,629.27
BOHECO II	69,624,903.39
PROSIELCO	6,539,194.52
NORECO I	10,462,009.76
NORECO II	29,705.07
REGION VIII	158,241,617.05
SOLECO	57,308,275.98
DORELCO	9,821,669.92
LEYECO IV	43,399,189.09
LEYECO V	41,100,295.05
SAMELCO I	3,527,626.18
SAMELCO II	3,084,560.83
REGION IX	4,418,234.9
NORDECO	4,418,234.9
REGION X	17,630,643.11
MOELCI I	8,846,328.52
MOELCI II	58,358.85
MORESCO II	7,812,243.1
BUSECO	913,712.64
REGION XI	4,418,234.9
DASURECO	4,418,234.9
REGION XI	58,704,572.24
SOCOTECO I	55,150,604.1
SUKELCO	3,553,968.14
CARAGA	111,682,264.35
ASELCO	3,700,536.2
DIELCO	19,416,393.67
SURNECO	58,823,987.95
SIARELCO	29,741,346.53
BARMM	5,701,523.97
LASURECO	5,701,523.97
TOTAL	1,141,510,127.17

Annex C: January to June 2023 CAPEX Loans

Electric Cooperatives	Loan Type	Project/s	Amount
Region I			
CENPELCO	WC	Power Accounts-Sual Power Inc. (formerly SMEC)	50,000,000.00
Region IV			
FLECO	WC	Power Accounts - GNPower Mariveles Energy Center Ltd. Co.	50,000,000.00
	RE-FR	Replacement of Old/Unreliable 69kV Oil Circuit Breaker of Pakil Substation	4,490,000.00
QUEZELCO I	EUCPDRP	Installation of Switching Station for Pitogo-Agdangan 69kV Line and Disconnect Switches between Unisan and Pitogo	15,178,146.84
	EUCPDRP	Acquisition of Lot for Agdangan 15MVA Substation (1,000 sq. m.)	3,400,000.00
	SDSL	Replacement of 10,000 units of Kwhr meters	12,000,000.00
Region V			
SORECO I	RE-FR	20MVA Substation, Distribution Line Extension of Feeder Metering and Construction of 0.080km 69kV Sub-Transmission Line Connection Point at Tughan, Juban	15,000,000.00
Region VI			
ANTECO	WC	Power Accounts-Panay Energy Development Corp. (PEDC)	12,000,000.00
ILECO III	RE-FR	Construction of 15MVA Banate Substation and Construction of 13.2kV Double Circuit for BF1 and BF2	7,835,905.29
NONECO	RE-FR	Supply & Delivery, Removal of existing unit, installation of new unit, Testing and commissioning for the upgrading of 10MVA Cadiz Substation to 15MVA Substation with the complete protection in 69kV and 15kV	32,000,000.00
Region VIII			
LEYECO V	FR-Renewable	Acquisition of right of way for the affected lots/properties and access road for the construction of 2MW Bao Mini-Hydro Power Project	3,447,720.00

Annex C: January to June 2023 CAPEX Loans

Electric Cooperatives	Loan Type	Project/s	Amount
Region IX			
ZANECO	RE-FR	Acquisition of KWH meters, distribution transformers, poles and service drop wires	42,781,000.00
ZAMSURECO II	WC	To finance the monthly shortfall on the settlement of its accounts with GNPowder Kauswagan Ltd. Co.	60,000,000.00
Region X			
MORESCO I	RE-FR	Construction of MORESCO I's new administration building in Poblacion, Laguindingan, Misamis Oriental (3rd Release)	20,542,984.83
	Gensets	Supply, Delivery, Installation and Commissioning of 3 units 2MW Modular Gensets-10% Retention	12,851,284.31
BUSECO	RE	Standard connection facilities	4,652,914.71
	RE	Replacement of Reclosers	4,900,000.00
	RE	Replacement of Dilapidated Poles	12,235,769.00
	RE	Replacement of Defective kWhr Meter	13,924,731.56
LANECO	WC	Power Accounts-FDC Misamis Power Corp. (FDCMPC)	27,772,883.68
	WC	Power Accounts-GNPowder Kauswagan Ltd. Co. (GNPK)	22,227,116.32
MORESCO II	WC	To finance the monthly shortfall on the settlement of its accounts with FDC Misamis Power Corporation	50,000,000.00
BARMM			
BASELCO	Concessional	Replacement of Old, Broken and Rotten Poles	5,084,166.9
	Concessional	Replacement of Dilapidated Transformers	1,608,319.7
SIASELCO	Concessional	Construction of office building and acquisition of office furniture	4,000,000.00
CARAGA			
SURSECO I	RE-FR	Supply and Delivery of Materials and Labor for the Relocation of Barobo Substation, Uprating and Installation of Barobo Substation from 5 MVA to 10 MVA (50% Final Release)	19,390,932.5
SIARELCO	RE-FR	Buffer Stocks for Contingencies/Emergency/Calamities	3,335,785.85
TOTAL			510,659,661.49

Annex D: January to June 2023 STCF Loans

Electric Cooperatives	Month Released	Amount
LANECO	January 2023	50,000,000.00
LANECO	February 2023	50,000,000.00
LANECO	March 2023	50,000,000.00
TOTAL		150,000,000.00