

# Semi-Annual Report on the Initiatives and Activities on Rural Electrification



**2nd**

**SEMESTER  
2020**

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**Office for Performance Assessment and Special Studies**

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

For the Year 2020

## **I. INTRODUCTION**

Pursuant to Section 2 of the Republic Act No. 10531, otherwise known as the National Electrification Administration 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, under Section 29 of RA 10531 Implementing Rules and Regulations (IRR), the NEA Board of Administrators shall submit to the Joint Congressional Energy Commission (JCEC) a semi-annual report on the initiatives and activities on rural electrification including the supervision of the NEA over the electric cooperatives in the performance of their franchise obligations. This is to enhance the effectiveness of the JCEC in the exercise of its oversight function,

This report summarizes the status of the NEA's initiatives and activities on rural electrification, and interventions extended to the electric cooperatives in the performance of their franchise obligations.

## **II. EXECUTIVE SUMMARY**

The Covid 19 pandemic remains the big challenge in the program implementation, operation and the provision of services of NEA to ECs and of ECs to their member-consumers until the end of year 2020. However, despite of these concerns the NEA and the ECs continue to pursue their mandate of serving their stakeholders.

The following are the highlights of the NEA's initiatives and interventions on rural electrification for the year 2020.

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

For the second semester of 2020, the NEA, in partnership with the electric cooperatives, energized and completed 413 sitios. This effected to the provision of electric service to additional 313,125 consumers in the EC franchise areas. These accomplishments brought to an energization of 594 sitios and connection of 522,905 for the year 2020.

As of December 31, 2020, total number of sitios energized/completed was 125,123 or 84% of the total 148,385 potential and 14.25 million connected consumers or 98.9% of the 14.34 million. Potential consumers are based on the 2015 census of population, the latest official report of the Philippine Statistics Authority.

## 2. Release of Subsidy Fund for SEP and natural calamities

The 2020 approved budget for Sitio Electrification Program was only released during the last quarter of 2020. Despite of the delayed release of 2020 subsidy fund, the NEA processed and released to 90 ECs a total of PhP 1,277.24 million subsidy as electrification and calamity fund in 2020. This is broken down into PhP 769.10 million in the first semester benefitting 56 ECs and PhP 508.14 million for 34 ECs during the second semester of 2020.

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

In line with the lending function under PD 269 and Section 5(o) of RA 10531, the NEA approved and released a total of PhP 439.98 million to 44 ECs. This includes PhP 311.90 million for capital requirements of ECs and PhP 128.08 as calamity loan. From January to June 2020, NEA released a total of PhP 277.368 million and PhP161.61 million from July to December 2020.

## 4. Capacity Building Programs for NEA and ECs

The Agency offered fifty-eight (58) trainings and scholarship programs on management, leadership and operational skills for both the NEA and the ECs. They were participated by 1,682 officials and staff nationwide.

- a. For NEA management and associates, the Agency conducted 25 trainings and scholarship programs with 229 participants
- b. In line with the NEA's seven (7) point agenda on the "Intensification of Capacity Building Programs for ECs, the Agency trained 1,453 EC officials and staff in thirty-three (33) 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 five (5) new, amended and revised policy and guidelines in 2020 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 continuing the following activities:

- a. Subsidized Renewable Energy Projects which include Expanded Household Electrification Program (Expanded HHEP) and Expanded Sitio Electrification Program (Expanded SEP)
- b. Solar-Powered Atmospheric Water Generators (SPAWG)

- c. 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), Solar PV Mainstreaming (PVM) Program Windows 1 and 2 and Rural Network Solar (RNS)
- d. Other assisted projects which include Installation of Solar Facility including Net Metering Application and Equipment for the ten (10) Public Schools in the coverage area of BATELEC II and Electric Cooperative- Owned Distributed Generation Facility
- e. Information, Education and Communication Campaign that aim to capacitate and inform the Electric Cooperatives of the implementing rules, policy and guidelines on Renewable Energy Programs. These are Seminar-Workshop on Net-Metering Implementing Rules and Interconnection Standards and Use of Simplified Planning Tool (SPT) for Renewable Portfolio Standard (RPS) Compliance of Off-Grid Mandated Participants.

## 7. Status and NEA Intervention to Ailing or Underperforming ECs

Upon the approval and confirmation of the NEA BOA of the graduation of Ticao Island Electric Cooperative, Inc. in 2020, 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 Duterte Power
3. Appointment of NEA representatives to the EC BOD and installation of Executive Officer
4. Formulation and issuance of new and relevant policies and guidelines
5. Round Table Assessment
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 EC Audit
11. Annual and Quarterly EC Performance Assessment
12. Service facilities
  - a. Loan and Guarantee Service
  - b. Institutional Strengthening and Technical Assistance

## I. STATUS OF RURAL ELECTRIFICATION PROGRAM

Rural Electrification Program is the primary mandate of the NEA and its implementing arms, the electric cooperatives. This was clearly defined in 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.

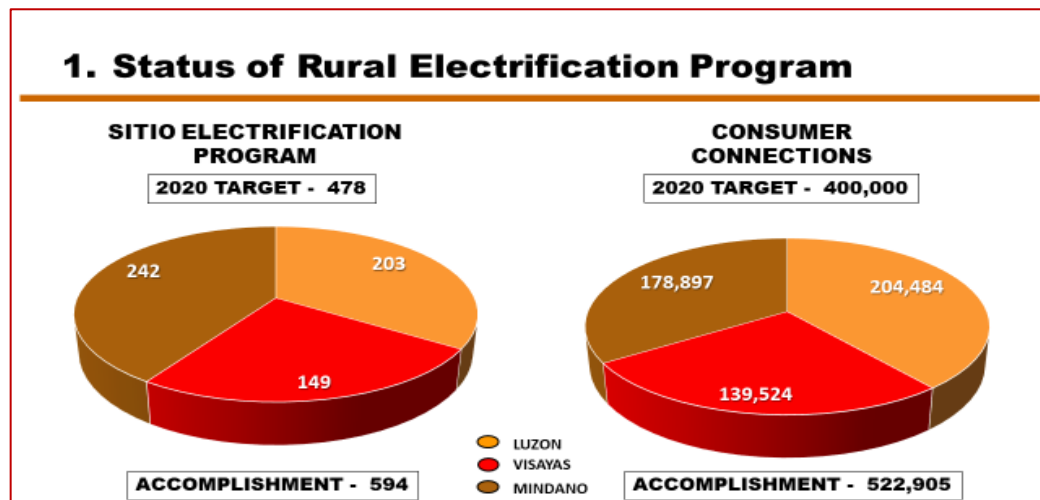
The program is aligned with President Duterte’s agenda of “Access to Electricity for All” and the Department of Energy’s vision that all Filipinos should have access to basic electricity by 2020.

In the NEA’s 7-point agenda, 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 achieving 100% electrification.

To support the above agenda, 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 HHEP) for on-grid and off-grid areas.

The graph below showed the status of rural electrification program in 2020. This is further explained in the following paragraph of this report.



## SITIO ELECTRIFICATION PROGRAM (SEP)

The approved target for Sitios Electrification Program in 2020 was energization of 964. During the third quarter of 2020, NEA requested the Governance Commission for GOCC (GCG) for the amendment in the SEP targets to 478. This is due to the challenges encountered by both the NEA and electric cooperatives (ECs) during the COVID-19 pandemic and other natural calamities experienced in the same year. Some of the challenges encountered were instantaneous lockdown, less mobility, travel restrictions, problem in supply chain of construction materials, diverting of funds to Covid 19 mitigation, delay in the release of approved budget for SEP, among others. The after-effects were delayed or stoppage in the implementation of planned and on-going projects and inability to do assessment of completed projects thus delays in the issuance of Certificate of Final Inspection and Approval.

Despite all these encountered challenges, the NEA through the ECs, was able to energize 594 sitios. ECs in Luzon implemented 203 sitios, 149 were energized in the Visayas and Mindanao ECs which has the remaining highest potential unenergized sitios, completed and energized the highest with 242. This brought to a cumulative total of 125,123 energized sitios or 84% of the 148,385 total sitios nationwide.

### Status of Sitio Electrification per Island/per Region

| LUZON           |            | VISAYAS      |            | MINDANAO     |            |
|-----------------|------------|--------------|------------|--------------|------------|
| I               | 5          | VI           | 96         | IX           | 66         |
| II              | 49         | VII          | 30         | X            | 28         |
| CAR             | 38         | VIII         | 24         | XI           | 84         |
| III             | 22         |              |            | XII          | 20         |
| IVA             | 19         |              |            | BARMM        | 21         |
| MIMAROPA        | 25         |              |            | CARAGA       | 23         |
| V               | 44         |              |            |              |            |
| <b>TOTAL</b>    | <b>202</b> | <b>TOTAL</b> | <b>150</b> | <b>TOTAL</b> | <b>242</b> |
| <b>NATIONAL</b> |            |              |            |              | <b>594</b> |

## CONSUMER CONNECTIONS

In terms of connection of potential consumers, the target for implementation was 460,000 but was also recalibrated into 400,000. This includes connections through expansion and add-ons. Expansion means those connected consumers as an effect of Sitio Electrification Program while add-ons mean connected consumers in areas already energized.

As of the end of 2020, the total connected consumers are 522,905 which is 114% of the original target of 460,000 and 131% of the recalibrated target of 400,000. Among the major islands, Luzon implemented the highest with 204,484 connections, followed by Mindanao with 178,897 and the Visayas with a total of 139,524 energized consumers. As of December 31, 2020, total consumer connections were 14.25 million or approximately 70 million (using an average of five (5) members per family).

## Status of Consumer Connection per Island, per Region

| LUZON           |                | VISAYAS      |                | MINDANAO     |                |
|-----------------|----------------|--------------|----------------|--------------|----------------|
| I               | 34,085         | VI           | 57,051         | IX           | 47,489         |
| II              | 28,410         | VII          | 39,869         | X            | 36,149         |
| CAR             | 9,391          | VIII         | 42,604         | XI           | 25,341         |
| III             | 54,579         |              |                | XII          | 43,846         |
| IVA             | 19,948         |              |                | BARMM        | 1,382          |
| MIMAROPA        | 23,141         |              |                | CARAGA       | 24,690         |
| V               | 34,930         |              |                |              |                |
| <b>TOTAL</b>    | <b>204,484</b> | <b>TOTAL</b> | <b>139,524</b> | <b>TOTAL</b> | <b>178,897</b> |
| <b>NATIONAL</b> |                |              |                |              | <b>522,905</b> |

## II. STATUS OF SUBSIDY FUNDS RELEASED

Budget for Rural Electrification Program is included in the General Appropriation Act passed by both Houses of Congress. Following the area coverage scheme in Presidential Decree 269 of 1973, electrification is now extending from the economic centers to the thinly settled areas including missionary and economically unviable areas (Republic Act 10531). As such, since 2011, the government, through the NEA and ECs, implemented the Sitio Electrification Program and provides subsidy fund to pursue 100% electrification of the country. The approved subsidy fund for year 2020 was PhP 1.399 billion. Of this, PhP 786 million was released to NEA during the last quarter of 2020.

There are also subsidy funds exclusively approved for Quick Response and EC Emergency Resiliency. The approved budget for these were PhP 100 million and PhP 250 million, respectively and were released on September 17 and 14, 2020.

In 2020, the total subsidy funds were released to ninety (90) ECs amounting to PhP 1,277.24 million. Of these, PhP 819.83 million was released for electrification purposes and PhP 457.41 was released as calamity subsidy for the rehabilitation of typhoon - damaged electric distribution system and restoration of electric service. Highest slice went to Luzon ECs at forty-four (44) percent, thirty-seven (37) percent financed the requirements of Mindanao ECs and the smallest slice of nineteen (19) percent was received by ECs in the Visayas regions as calamity funds.

During the first semester 2020, total funds released for electrification was PhP 366.09 million and PhP 453.74 million for the second semester. In terms of calamity subsidy, the ECs received PhP 403.01 million in the first semester while PhP 54.40 million in the second semester.



**TABLE 2. Distribution of subsidy funds (PhP Million) in three major island groups**

| <b>Major Islands</b> | <b>Electrification</b> | <b>Calamity</b> | <b>Total</b>    | <b>% to Total</b> |
|----------------------|------------------------|-----------------|-----------------|-------------------|
| <b>LUZON</b>         | 302.24                 | 257.64          | 559.88          | 44                |
| <b>VISAYAS</b>       | 182.84                 | 61.40           | 244.24          | 19                |
| <b>MINDANAO</b>      | 334.75                 | 138.37          | 473.12          | 37                |
| <b>TOTAL (PhP M)</b> | <b>819.83</b>          | <b>457.41</b>   | <b>1,277.24</b> | <b>100</b>        |

### III. 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.

Total exposure for 2020 was PhP 439.98 million in response to the financial requirements of forty-four (44) ECs for capital projects, modular generating sets, working capital and restoration and rehabilitation of the electric distribution system. The highest beneficiaries were the Luzon ECs with PhP273.20 million or 62%. Second highest were the ECs in Mindanao, with PhP 137.20 million or 31% and the remaining 7% or PhP29.58 million as calamity loan which supported the rehabilitation and reconstruction of electric distribution system in the Visayas.

**TABLE 3. Facilitation of loans (PhP million) in three major islands**

| <b>Major Islands</b> | <b>CAPEX</b>  | <b>Calamity</b> | <b>Total</b>  | <b>% to Total</b> |
|----------------------|---------------|-----------------|---------------|-------------------|
| <b>LUZON</b>         | 174.70        | 98.50           | <b>273.20</b> | <b>44</b>         |
| <b>VISAYAS</b>       | -             | 29.58           | <b>29.58</b>  | <b>19</b>         |
| <b>MINDANAO</b>      | 137.20        | -               | <b>137.20</b> | <b>37</b>         |
| <b>TOTAL (PhP M)</b> | <b>311.90</b> | <b>128.08</b>   | <b>439.98</b> | <b>100</b>        |

#### IV. CAPACITY BUILDING PROGRAMS FOR NEA AND ECs

Capacity building and employees empowerment continued despite the challenges experienced in 2020 such as successive typhoons and worst, the situation brought about by COVID 19 pandemic.

The NEA went virtual, and maximized the use of available meeting applications to pursue trainings and certification programs for both the NEA and EC management and associates.

For 2020, capacitation programs offered were modules on leadership and governance, customer relations, communication skills and use of social media, gender sensitivity, finance and audit, project management, technical assessment, safety, disaster risk reduction and management and renewable energy.

There were fifty-eight (58) training and certification programs offered for the Agency and the ECs. Of the 58, 25 programs were participated by 229 NEA management and staff, while 33 programs were opened to 1,453 ECs management and associates. Though the accomplishment is lower than previous years, NEA proved that everything is possible with commitment and political will to perform best, thus the fifty-eight training programs were conducted successfully.

**TABLE 4. On Capacity Building**

| Particulars                 | NEA | ECs   | TOTAL |
|-----------------------------|-----|-------|-------|
| Number of Training Programs | 25  | 33    | 58    |
| Number of Staff Capacitated | 229 | 1,453 | 1,682 |

The training and competency conducted for the quarters in 2020 are summarized to the next tables:

| First Quarter Training Activity                      | Date conducted |          | Training Venue                                  | No. of Participants |
|--|----------------|----------|---|---------------------|
|  | Start          | End      |   |                     |
| Training Course for Managing Heads                   | 01/23/20       | 01/23/20 | Sulo Riviera Hotel, Quezon City                 | 1                   |
| Basic Training Course for Pollution Control Officers | 01/21/20       | 01/24/20 | Sulo Riviera Hotel, Quezon City                 | 1                   |
| 2020 Career Service Executive Conclave (LS)          | 01/28/20       | 01/28/20 | Sofitel Hotel, Pasay City                       | 4                   |
| Certificate Course in Electric Power Management (FS) | 01/6/20        | 02/7/20  | India   | 1                   |
| Project Management Skills Training                   | 02/18/20       | 02/19/20 | HESA, NEA, Quezon City                          | 24                  |
| Sustainability Strategy and Reporting (LS)           | 02/19/20       | 02/20/20 | The Peninsula Manila                            | 2                   |
| Gender Sensitivity Training                          | 03/10/20       | 03/11/20 | HESA, NEA, Quezon City                          | 26                  |
| Incident Command System Executive Course (FS)        | 03/05/20       | 3/05/20  | PIA Bldg., Visayas Avenue, Diliman, Quezon City | 1                   |
| <b>Total</b>   |                |          |   | <b>60</b>           |

| Second Quarter<br>Training Activity   | Date conducted |          | Training Venue     | No. of<br>Participant<br>s |
|---|----------------|----------|--------------------|----------------------------|
|   | Start          | End      |                    |                            |
| Leading in Times of Crisis  | 05/25/20       | 05/29/20 | Video Conferencing | 1                          |
| ICD : Future-Ready Boards: A Deep Dive  | 05/28/20       | 05/28/20 | Video Conferencing | 1                          |
| Accelerating the Renewable Energy Transition: Emerging Policy Developments and Lessons Learned from Vietnam | 06/15/20       | 06/15/20 | Video Conferencing | 2                          |
| <b>Total</b>  |                |          |                    | <b>4</b>                   |

| Third Quarter<br>Training Activity                | Date conducted |          | Training Venue     | No. of<br>Participants |
|---|----------------|----------|--------------------|------------------------|
|   | Start          | End      |                    |                        |
| 2021 and Beyond Strategic Thinking cum Conference | 07/21/20       | 07/23/20 | Video Conferencing | 35                     |
| Philippine Electric Power Industry Online Seminar | 09/15/20       | 09/18/20 | Video Conferencing | 13                     |
| <b>Total</b>                                      |                |          |                    | <b>48</b>              |

| Fourth Quarter<br>Title of Activity   | Date conducted |             | Training Venue     | No. of<br>Participants |
|---|----------------|-------------|--------------------|------------------------|
|   | Start          | End         |                    |                        |
| Technical Writing Report  | 11/ 5-6/20     | 11/9-16/ 20 | Video Conferencing | 24                     |
| Online Introductory Course on Disaster Risk Reduction and Management (DRRM) | 10/06/20       | 10/08/20    | Video Conferencing | 7                      |
| Seminar on Work Order Procedures  | 10/13/20       | 10/16/20    | Video Conferencing | 4                      |
| Leadership Series Module 1  | 11/10-11/20    | 11/18-25/20 | Video Conferencing | 21                     |
| Leadership Series Module 1  | 11/17/20       | 11/20/20    | Video Conferencing | 25                     |
| Successful Collections in the New Economy                                   | 11/25/20       | 11/26/20    | Video Conferencing | 5                      |
| 46th IIEE Annual Convention   | 11/27/20       | 11/28/20    | Video Conferencing | 24                     |
| Basic Safety Training for Lineworkers                                       | 11/16/20       | 11/19/20    | Video Conferencing | 1                      |
| Using Social Media as Customer Communications Channel                       | 10/19/20       | 10/23/20    | Video Conferencing | 1                      |
| Executive Course on Incident Command System                                 | 11/24/20       | 11/07/20    | Video Conferencing | 1                      |
| Using Social Media as Customer Communications Channel                       | 11/23/20       | 11/27/20    | Video Conferencing | 2                      |
| Customer Relationship Management System for ECs                             | 12/7/20        | 12/9-11/20  | Video Conferencing | 2                      |
| <b>Total</b>  |                |             |                    | <b>117</b>             |

## V. 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 five (5) policies and guidelines approved by the NEA BOA in 2020. Three (3) of these are confirmed during the first semester and two (2) during the second quarter of 2020. Of the five approved, three were new while two others were revision of the original policy and guidelines. These are the following:

| Date Approved    | Particulars  |
|------------------|--|
| 27 January 2020  | Adoption of Code of Governance to ECs  |
| 19 February 2020 | Guidelines on ECs Short Term Loan Borrowing from Sources other than NEA                              |
| 30 April 2020    | Proposed Revision of Section 29 of The Standard Joint Pole Agreement And Pole Rental Rate            |
| 8 October 2020   | Policy for the Classification of ECs and Guidelines for the Declaration and Graduation of Ailing ECs |
| 7 December 2020  | Revised Guidelines for Writing-Off Worthless Consumer Account Receivable as Amended                  |

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.

## VI. RENEWABLE ENERGY DEVELOPMENT

The NEA promotes the development of renewable energy-based resources as one of the major strategies to accelerate rural electrification program; and as an initiative to continuously implement efficient energy conservation measures and mitigate climate change. Relative to this, the following are the NEA's activities to achieve these goals:

### 1. Expanded Sitio Electrification Program (Expanded SEP)

The project was allocated with PhP 12 million budget. This is for the conduct of Feasibility Study on Establishing Mini-Grid System with Renewable Energy Source. The program intends to put up either mini-grid community using only a renewable energy source or hybrid mini-grid community.

The feasibility study is directed to provide electricity to six (6) off-grid locality in the franchise areas of four (4) EC beneficiaries, namely QUEZELCO II, ZANECO, DASURECO and SOLECO.

Quezon II Electric Cooperative, Inc. (QUEZELCO II) submitted requirements for (1) Brgy. Carlagan, Burdeos, Quezon (2) Brgy. Rizal, Panukulan, Quezon and (3) Brgy. Cabungalunan, Burdeos. Zamboanga Norte Electric Cooperative, Inc (ZANECO) submitted requirements for (1) Brgy Selinog, Dapitan City, and South Cotabato II (SOCOTECO II) submitted requirement for (1) Brgy. J.P. Laurel (2) Brgy. Tamban, Sarangani Province. The Memorandum of Agreement is due for signing in the first quarter of 2021.

## **2. Expanded Household Electrification Program (Expanded HEP)**

The NEA has allotted PhP153 million for the Expanded Household Electrification through Solar Photovoltaic (PV) Mainstreaming Program. It is designed to bring electricity to the most dispersed and isolated households, unviable for grid connection for the next five years. The target is to electrify at least 5,000 households using 50 Wp Solar Home System (SHS) units. Program beneficiaries are five (5) ECs.

All ECs have completed the Virtual Factory Acceptance Test. Installation of Solar Home System is now in progress in ILECO III; BISELCO, CASURECO IV and ZANECO have on-going delivery while COTELCO is now ready to release its payment for SHS units.

**TABLE 5. EC Beneficiaries showing Target Number of Households**

| Electric Cooperative | No. of Households |
|----------------------|-------------------|
| CASURECO IV          | 878               |
| ILECO III            | 931               |
| BISELCO              | 1,200             |
| ZANECO               | 967               |
| COTELCO              | 1,063             |
| Total                | 5,039             |

## **3. Solar-Powered Atmospheric Water Generators (SPA WG)**

The project is acquired through grant from Asian Development Bank and is implemented by Zero Waste Mass Water, Inc. (ZMW). It aims to provide safe drinking water in areas with scarcity in accessing potable water. ZMW uses hydro panel that collect water vapor and process it to mineralized drinking water. A single unit can produce five (5) liters of water per day. The beneficiaries are eight (8) ECs.

**TABLE 6. EC BENEFICIARIES OF SOLAR POWERED ATMOSPHERIC GENERATORS**

| <b>ECs</b> | <b>Total Installed</b> | <b>ECs</b> | <b>Total Installed</b> |
|------------|------------------------|------------|------------------------|
| DASURECO   | 4 units                | PANELCO I  | 4 units                |
| ASELCO     | 8 units                | BOHECO II  | 6 units                |
| FIBECO     | 2 units                | ROMELCO    | 4 units                |
| DANECO     | 4 units                | SAMELCO I  | 4 units                |

#### **4. Assisted Projects under EU-ASEP**

European Union – Access to Sustainable Energy Program has been a partner in the energization projects of the government through the utilization of renewable energy source to improve the socio-economic lives of people in the remotest and most isolated areas in the countryside. This year, the European Union continues to implement three (3) electrification programs.

##### **a. Solar PV Mainstreaming (PVM) Program**

The Program is an off-grid electrification scheme using a solar home system (SHS) to electrify dispersed households in remote and off-grid areas. The ECs will operate and maintain this program under a fixed monthly tariff approved by the Energy Regulatory Commission (ERC).

The program offered was in two (2) windows. In Window 1, the participating ECs are COTELCO, DASURECO, SOCOTECO II and SUKELCO. The target was installation of solar home system to 10,000 households. Window 2 aims to install SHS unit to 30,500 households. The participating ECs were Cotabato Electric Cooperative, Inc. (COTELCO), Davao Sur Electric Cooperative, Inc. (DASURECO), South Cotabato II Electric Cooperative, Inc. (SOCOTECO II), Sultan Kudarat Electric Cooperative, Inc. (SUKELCO), First Bukidnon Electric Cooperative, Inc. (FIBECO) and Bukidnon Second Electric Cooperative, Inc. (BUSECO). The implementation was completed in 2020.

##### **b. Rural Network Solar (RNS)**

This project is on the development of small - grid connected solar photovoltaic power plant. EU-ASEP provides subsidy funds amounting to 7 million euros or PhP 420 million for seven (7) projects at 1 million euros or PhP 63.86 million each. The small - grid connected solar photovoltaic power plant will be installed close to distribution substation of ECs in cooperation with the private sector. EC will shoulder a maximum of 30% as equity and secure Certificate of Registration (COR) for Own-Use.

The beneficiaries are six (6) ECs, namely, PANELCO I, BENEKO, SAMELCO I, SAMELCO II, SOCOTECO II and SUKELCO.

**c. 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 works in coordination with the Mindanao Development Authority (MinDA) and some Mindanao ECs. The primary aim is 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.

NEA is now working on the EU-ASEP suggested revision of the Project Proposal and completing all the requirements. Once revisions and all other requirements are complete, EU-ASEP will evaluate the proposal and upon approval will notify the NEA of the decision.

**5. Other Assisted Projects**

**a. Electric Cooperative- Owned Distributed Generation Facility**

The program aims to empower all electric cooperatives to own renewable energy generation facilities, either wholly owned or partly owned through Joint Venture and other schemes.

This was initiated by the Department of Energy. DOE and NEA are working closely to educate the ECs on their rights in owning generation facilities as well as the limitations provided by the law. This includes conduct of site visits and resource assessments to determine the renewable energy potentials in their franchise areas. Initial assessment was done in the following ECs: SAMELCO I, DORELCO, SOLECO, ESAMELCO NORSAMELCO, MOELCI I, BUSECO, LANEKO and SOCOTECO II.

**b. Installation of Solar Facility including Net Metering Application and Equipment for the (10) Ten Public Schools in co BATELEC II coverage area**

The Project's intention is to source a portion of (10) Ten Public Schools' demand through the use of Solar Facility. The Project aims to install a Solar Power Facility in rooftop of Public Schools including a Net Metering Connection.

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.

Installation of the RE facility is complete. Additional REC meters are still being installed. The target completion date is on February 2021.

## **6. Information, Education and Communication Campaign**

### **a. Net-Metering Implementing Rules and Interconnection Standards**

The NEA through the Renewable Energy Development Division conducted and assisted a series of Information, Education and Communication (IEC) Campaign for the 2nd semester of 2020 to capacitate the Electric Cooperatives (ECs) and Renewable Energy Developers and introduce to them the implementing rules, policy and guidelines on Renewable Energy Programs. This Seminar-Workshop helps ECs and stakeholders gain understanding on solar rooftop installations, and other RE technologies and learn to implement their own net-metering implementation plans.

Seminar-workshop on Net-Metering program was conducted to help ECs and stakeholders gain understanding on solar rooftop installations, and other RE technologies under the net-metering scheme. It also introduces implications on both technical and administrative processes. Through this seminar-workshop, ECs will be able to implement their own net-metering implementation. The workshop was conducted by SunSmart Solar Power Technology, Inc. on November 10, 2020. It was attended by 15 participants.

### **b. Use of Simplified Planning Tool (SPT) for Renewable Portfolio Standard (RPS) Compliance of Off-Grid Mandated Participants**

The seminar-workshop on Simplified Planning Tool (SPT) for RPS Compliance of Off-Grid Participants aims to help the Off-grid Mandated Participants to understand the basic concept of hybridization. This also trains the ECs on the use and functions of the SPT in the preparation for their required RPS compliance.

Three sessions were conducted; one for Luzon, another in the Visayas and one in Mindanao in October 2020 and it was attended by 76 mandated participants.

## **VII. Status of Ailing Electric Cooperatives and NEA Interventions**

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 in 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 implementation challenges and issues adversely affecting the ECs’ operation and performance and worst may cause performance deterioration. These includes:

- 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 Guidelines for the Classification for ECs and Provision for NEA Intervention under Memorandum Order No. 2014-001 issued on January 14, 2014. This guideline includes set of standards and criteria on financial and operational status of ECs. The non-compliant ECs will be precluded and declared as “ailing” and may be open for alternative options or partnership with qualified private sector investors.

As of December 31, 2020, there were seven (7) remaining ailing ECs. They are ABRECO, ALECO and MASELCO in Luzon and BASELCO, TAWELCO, SULECO and LASURECO in Mindanao. The NEA Board of Administrator confirmed and approved the graduation of TISELCO from ailing EC on October 28, 2020. TISELCO sustained its performance as Yellow 1 or 2 EC for the last five (5) years.

To mitigate the difficulties of these ECs and refrain from continuous financial and operational deterioration, the NEA enters, but not limited to the following interventions:

- a. Creation of Task Force Duterte Power 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

The NEA's intervention concerns on the improvement of EC operation, avoid or prevent further financial and operational deterioration and bring back the EC to its stable and healthy condition.

Below are the status of ailing ECs and the NEA extended interventions in the year 2020.

## 1. ALECO

ALECO is under a twenty-five (25) year Concession Agreement with San Miguel Energy Corporation (SMEC) and its subsidiary Albay Electric Power Company (APEC) since October 2013.

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | D              | R                      | ML                    |
| 2018 | D              | R                      | ML                    |
| 2017 | D              | R                      | ML                    |
| 2016 | D              | R                      | ML                    |
| 2015 | D              | R                      | ML                    |

ALECO's operation remained the same for the last five (5) years. Performance rating in the annual categorization levelled from 35% to 40%. Based on the performance in second quarter of 2020 through Performance Classification, the EC is non-compliant in five (5) out of six performance parameters, namely, collection efficiency, payment to power supplier, financial operation and net worth, both in red and system loss.

Assistance was extended to modify the 2020 proposed Operation Improvement Plan (OIP) template to Strategic Development Plan (SDP) format to reinforce its activities for the improvement of its financial operation and inject reforms in power reliability and reduction of system losses in both the technical and non-technical aspects.

On February 24, 2020, NEA installed Mr. Lorenzo A. Penoliar as the new Project Supervisor of ALECO through NEA Office Order No. 2020 -043 and on September 26, 2020, Ms. Bienvenida M. Tongol was designated as Project Supervisor.

## 2. ABRECO

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | C              | R                      | EL                    |
| 2018 | D              | R                      | EL                    |
| 2017 | D              | R                      | EL                    |
| 2016 | D              | R                      | L                     |
| 2015 | D              | R                      | L                     |

On January 16, 2020, NEA designated Engr. Victor L. Baula from Bangued as the new Acting General Manager (AGM) effective February 3 of this year to ensure efficient delivery of electric service to member-consumer-owners (MCOs). On February 3, 2020, Office Order No. 2020-20 was issued to identify the functions of the AGM as recommended by the Task Force Duterte - ABRECO Power.

Based on the 2<sup>nd</sup> quarter EC Classification, ABRECO was not compliant in 4 of the 6 performance parameters, namely, working capital fund which can only financed 45% of the one-month working capital requirement, collection efficiency, payment of power bill to the power provider and system loss.

Financial unviability was due to unreliable billing system. As a resolution, BENEKO offered its Billing System free of charge including installation and training of employees.

The upgrading of the Billing System, through BENEKO's assistance, corrected the unreliable data of the previous billing system including the reconciliation and updating of the billing ledgers. This is done to improve its financial viability.

For institution reform and development, NEA conducted Meter Reading, Billing, Collection and Disconnection Enhancement Seminar-Workshop (MRBCD) to assess and strengthen the capability of meter readers on efficient kWh meters reading.

The NEA also continued to monitor the implementation of the EC Strategic Development Plan and operational performance. In August 2020, a Round Table Assessment was done to evaluate and ensure that the project were accomplished as planned.

## 3. MASELCO

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | C              | R                      | EL                    |
| 2018 | C              | R                      | EL                    |
| 2017 | D              | R                      | EL                    |
| 2016 | D              | R                      | EL                    |
| 2015 | D              | R                      | EL                    |

On February 24, 2020, NEA issued Officer Order No. 2020-044, designating Deputy Administrator Rossan S.J. Rosero-Lee as Project Supervisor (PS) of MASELCO. Acting General Manager (AGM) Romeo V. Acuesta shall continue to function as such.

As of the 2<sup>nd</sup> quarter of 2020, MASELCO was not compliant in only one (1) of the six performance parameters, the system loss. The level is at 15.32% which is higher compare to the cap of 12%. Further, records show that for the past 3 years, MASELCO has improved its performance from five (5) non-compliance to three (3) non-compliance of the performance parameters' standard. If not registered as Red EC, the EC will be Yellow 2 in 2017 and Yellow 1 for years 2018 and 2019.

NEA assisted MASELCO in the formulation of its 2020 Strategic Development Plan. For the improvement of financial operations, it will implement fees/rates adjustment on inspection and pole rental. They will also exert effort in cutting of operating expenses and disposal of non-performing assets.

For technical assistance, NEA did the analysis and evaluation of CAPEX projects to improve power quality and capacity problems specifically on the low voltages incurred in the area of Cataingan, Placer, Balud, Dimasalang, Esperanza, Aroroy, Mandaon in order to attract potential large load connections.

On institutional development, NEA capacitated the ECs on the organization of MCOs and on Member-Consumer-Owners-Program for Empowerment (MCOPE).

#### **4. BASELCO**

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | D              | R                      | L                     |
| 2018 | D              | R                      | L                     |
| 2017 | D              | R                      | L                     |
| 2016 | D              | R                      | L                     |
| 2015 | D              | R                      | L                     |

NEA confirmed the permanent position of Mr. Dusib H. Durapan as the General Manager but under Performance Management Contract.

For the 2<sup>nd</sup> quarter of 2020, BASELCO was non-compliant in all of the six (6) performance parameters in EC Classification and still rated as "Red".

EC Technical staff of NEA assisted the EC in the packaging and delivery of JICA - donated equipment and materials intended for the rehabilitation of 30 kms. backbone lines from Isabela City to Lamitan City. As of the end of 2020, all donated equipment and materials were 100% delivered and line rehabilitation was 80% complete.

Moreover, a hands-on technical assistance was also extended in the preparation of CAPEX projects to accommodate the increase of load demand, increase of consumer connections/applicants and to improve the operational performance of the system.

## 5. SULECO

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | C              | R                      | L                     |
| 2018 | C              | R                      | L                     |
| 2017 | C              | R                      | L                     |
| 2016 | D              | R                      | L                     |
| 2015 | D              | R                      | L                     |

SULECO was compliant in two (2) performance parameters, namely, working capital fund and financial performance with PhP 6.18 million net margin as of the 2<sup>nd</sup> quarter of 2020. The EC was non-compliant in the five (5) remaining performance parameters in EC Classification.

The EC was a recipient of JICA - donated equipment and materials, such as poles, conductors, distribution transformers and grounding wire, intended for the rehabilitation of backbone lines within the EC coverage area. All JICA donated equipment and materials were 100% delivered. The rehabilitation of lines in SULECO franchise area are 20% completed.

## 6. TAWELCO

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | D              | R                      | M                     |
| 2018 | D              | R                      | M                     |
| 2017 | D              | R                      | M                     |
| 2016 | D              | R                      | M                     |
| 2015 | D              | R                      | M                     |

TAWELCO was under the supervision of NEA - designated PS/AGM Engr. Eleno M. Desuyo, Jr., designated on October 17, 2019.

As of 2<sup>nd</sup> quarter of 2020, the EC was non-compliant in all of the six (6) performance parameters in EC Classification thus rated as "Red" EC.

NEA assisted TAWELCO in the packaging and delivery of JICA donated equipment and materials for the rehabilitation of around 17 kilometers backbone lines and improvement of the electric distribution system. Relative to this, the EC was also provided a total subsidy of PhP 11.42 million for its labor and overhead cost. The delivery of equipment and materials are still in progress.

During the first quarter of 2020, the officers, management and employees covering the period January 1, 2014 to September 30, 2019 deployed NEA auditors to TAWELCO to conduct comprehensive audit to address various complaints on irregularities and mismanagement. Auditors recommended for a Motu Propio Investigation by the NEA Administrative Committee. The EC was also issued a show cause order for the violations made.

## 7. LASURECO

| Year | Categorization | Classification - Color | Classification - Size |
|------|----------------|------------------------|-----------------------|
| 2019 | D              | R                      | EL                    |
| 2018 | D              | R                      | EL                    |
| 2017 | D              | R                      | EL                    |
| 2016 | D              | R                      | EL                    |
| 2015 | D              | R                      | EL                    |

NEA Deputy Administrator Vicar Loureen G, Lofranco was designated as Project Supervisor of LASURECO on June 18, 2019. One of her main role is to supervise the management and operation of the EC.

As of 2nd quarter 2020, SULECO was non-compliant in all of the six (6) performance parameters in EC Classification thus rated as “Red” EC.

The major project of LASURECO is the Marawi Recovery, Rehabilitation and Reconstruction Program, chargeable against funds from the National Disaster Risk Reduction and Management. In January 2020, 90% of the Php106 million project funds for electrification of various resettlement sites was already released.

LASURECO was also a recipient of the JICA donated equipment and materials and as of the end of 2020 was already 100% delivered. NEA provided subsidy funds amounting to Php20.20M intended for the labor and overhead cost in the rehabilitation of backbone lines utilizing the JICA donated equipment and materials.

Under the Sitio Electrification Program, NEA has allocated Php73.20 Million for the energization of sixty (60) sitios with 2,713 potential household connections.

Other NEA initiatives include conduct of Meter Reading, Billing, Collection and Disconnection Enhancement Seminar-Workshop for the EC officers and employees and Work Order Procedures Seminar/Workshop. NEA also provided assistance in the CAPEX preparation, analysis, and evaluation, formulation of the ECs 2020 Operation Improvement Plan (OIP), preparation of the Monthly Financial and Statistical Report and preparation of Projected Cash Statement and Revenue Sales.

## Annex A: Status of 2020 Rural Electrification Program

| <b>Electric Cooperatives</b> | <b>Sitios</b> | <b>Consumer Connections</b> |
|------------------------------|---------------|-----------------------------|
| <b>Region I</b>              | <b>5</b>      | <b>34,085</b>               |
| INEC                         |               | 3,873                       |
| ISECO                        |               | 4,662                       |
| LUELCO                       |               | 6,221                       |
| PANELCO I                    | 5             | 3,294                       |
| CENPELCO                     |               | 9,159                       |
| PANELCO III                  |               | 6,876                       |
| <b>Region II</b>             | <b>49</b>     | <b>28,140</b>               |
| BATANELCO                    |               | 300                         |
| CAGELCO I                    | 13            | 4,424                       |
| CAGELCO II                   | 16            | 4,046                       |
| ISELCO I                     |               | 5,106                       |
| ISELCO II                    | 20            | 9,046                       |
| NUVELCO                      |               | 2,941                       |
| QUIRELCO                     |               | 2,547                       |
| <b>CAR</b>                   | <b>38</b>     | <b>9,391</b>                |
| ABRECO                       |               | 1,543                       |
| BENECO                       |               | 3,282                       |
| IFELCO                       |               | 2,090                       |
| KAELCO                       | 15            | 820                         |
| MOPRECO                      | 23            | 1,656                       |
| <b>Region III</b>            | <b>22</b>     | <b>54,579</b>               |
| AURELCO                      | 15            | 2,362                       |
| TARELCO I                    |               | 6,739                       |
| TARELCO II                   |               | 3,623                       |
| NEECO I                      |               | 2,788                       |
| NEECO II – Area 1            |               | 5,855                       |
| NEECO II – Area 2            | 7             | 4,231                       |
| SAJELCO                      |               | 1,355                       |
| PRESCO                       |               | 1,381                       |
| PELCO I                      |               | 5,647                       |
| PELCO II                     |               | 7,214                       |
| PELCO III                    |               | 2,332                       |
| PENELCO                      |               | 5,737                       |
| ZAMECO I                     |               | 2,744                       |
| ZAMECO II                    |               | 2,571                       |

## Annex A: Status of 2020 Rural Electrification Program

| <b>Electric Cooperatives</b> | <b>Sitios</b> | <b>Consumer Connections</b> |
|------------------------------|---------------|-----------------------------|
| <b>Region IV-A</b>           | <b>19</b>     | <b>19,948</b>               |
| FLECO                        |               | 1,621                       |
| BATELEC I                    |               | 2,200                       |
| BATELEC II                   |               | 10,787                      |
| QUEZELCO I                   | 16            | 3,701                       |
| QUEZELCO II                  | 3             | 1,639                       |
| <b>Region IV-B</b>           | <b>25</b>     | <b>23,141</b>               |
| LUBELCO                      |               | 332                         |
| OMECO                        |               | 4,326                       |
| ORMECO                       |               | 8,192                       |
| MARELCO                      |               | 1,620                       |
| TIELCO                       |               | 1,817                       |
| ROMELCO                      |               | 968                         |
| BISELCO                      | 20            | 792                         |
| PALECO                       | 5             | 5,094                       |
| <b>Region V</b>              | <b>44</b>     | <b>34,930</b>               |
| CANORECO                     |               | 6,330                       |
| CASURECO I                   |               | 2,991                       |
| CASURECO II                  |               | 3,601                       |
| CASURECO III                 | 7             | 2,284                       |
| CASURECO IV                  | 14            | 2,455                       |
| ALECO                        |               | 4,468                       |
| SORECO I                     |               | 2,108                       |
| SORECO II                    |               | 3,140                       |
| FICELCO                      |               | 2,824                       |
| MASELCO                      | 20            | 3,891                       |
| TISELCO                      | 3             | 838                         |
| <b>Luzon</b>                 | <b>202</b>    | <b>204,484</b>              |



## Annex A: Status of 2020 Rural Electrification Program

| <b>Electric Cooperatives</b> | <b>Sitios</b> | <b>Consumer Connections</b> |
|------------------------------|---------------|-----------------------------|
| <b>Region VI</b>             | <b>96</b>     | <b>57,051</b>               |
| AKELCO                       | 18            | 7,868                       |
| ANTECO                       | 19            | 6,281                       |
| CAPELCO                      | 36            | 5,896                       |
| ILECO I                      |               | 4,995                       |
| ILECO II                     | 5             | 4,834                       |
| ILECO III                    |               | 7,821                       |
| GUIMELCO                     |               | 1,305                       |
| NONECO                       | 14            | 5,833                       |
| CENECO                       |               | 6,938                       |
| NOCECO                       | 4             | 5,280                       |
| <b>Region VII</b>            | <b>30</b>     | <b>39,869</b>               |
| NORECO I                     | 2             | 4,613                       |
| NORECO II                    |               | 6,273                       |
| BANELCO                      |               | 1,402                       |
| CEBECO I                     |               | 5,655                       |
| CEBECO II                    |               | 4,929                       |
| CEBECO III                   |               | 3,998                       |
| PROSIELCO                    |               | 840                         |
| CELCO                        |               | 545                         |
| BOHECO I                     |               | 6,139                       |
| BOHECO II                    | 28            | 5,475                       |
| <b>Region VII</b>            | <b>24</b>     | <b>42,604</b>               |
| DORELCO                      | 5             | 5,264                       |
| LEYECO II                    |               | 2,583                       |
| LEYECO III                   |               | 3,559                       |
| LEYECO IV                    |               | 2,135                       |
| LEYECO V                     | 6             | 7,328                       |
| SOLECO                       |               | 4,268                       |
| BILECO                       |               | 2,570                       |
| NORSAMELCO                   |               | 6,428                       |
| SAMELCO I                    |               | 1,758                       |
| SAMELCO II                   | 9             | 2,326                       |
| ESAMELCO                     | 4             | 4,385                       |
| <b>Visayas</b>               | <b>150</b>    | <b>139,524</b>              |

## Annex A: Status of 2020 Rural Electrification Program

| <b>Electric Cooperatives</b> | <b>Sitios</b> | <b>Consumer Connections</b> |
|------------------------------|---------------|-----------------------------|
| <b>Region IX</b>             | <b>66</b>     | <b>47,489</b>               |
| ZANECO                       | 27            | 19,005                      |
| ZAMSURECO I                  | 6             | 20,635                      |
| ZAMSURECO II                 | 33            | 4,597                       |
| ZAMCELCO                     |               | 3,525                       |
| <b>Region X</b>              | <b>28</b>     | <b>36,149</b>               |
| MOELCI I                     |               | 3,296                       |
| MOELCI II                    |               | 2,672                       |
| MORESCO I                    |               | 6,223                       |
| MORESCO II                   | 5             | 3,547                       |
| FIBECO                       | 4             | 9,292                       |
| BUSECO                       | 3             | 5,768                       |
| BASELCO                      |               | 787                         |
| LANECO                       | 16            | 4,564                       |
| <b>Region XI</b>             | <b>84</b>     | <b>25,341</b>               |
| DORECO                       | 12            | 4,988                       |
| DANECO                       | 38            | 11,117                      |
| DASURECO                     | 34            | 9,236                       |
| <b>Region XII</b>            | <b>20</b>     | <b>43,846</b>               |
| COTELCO                      | 1             | 6,818                       |
| COTELCO-PPALMA               |               | 6,818                       |
| SOCOTECO I                   | 5             | 4,048                       |
| SOCOTECO II                  | 14            | 13,255                      |
| SUKELCO                      |               | 12,907                      |
| <b>ARMM</b>                  | <b>21</b>     | <b>1,382</b>                |
| TAWELCO                      |               |                             |
| SIASELCO                     | 2             |                             |
| SULECO                       | 2             | 1,382                       |
| BASELCO                      |               |                             |
| CASELCO                      |               |                             |
| LASURECO                     | 17            |                             |
| MAGELCO                      |               |                             |
| <b>CARAGA</b>                | <b>23</b>     | <b>24,690</b>               |
| ANECO                        | 1             | 6,415                       |
| ASELCO                       | 19            | 4,364                       |
| SURNECO                      |               | 2,137                       |
| SIARELCO                     |               | 1,756                       |
| DIELCO                       | 3             | 1,751                       |
| SURSECO I                    |               | 5,819                       |
| SURSECO II                   |               | 2,448                       |
| <b>Mindanao</b>              | <b>242</b>    | <b>178,897</b>              |
| <b>Total</b>                 | <b>594</b>    | <b>522,905</b>              |

## Annex B: 2020 Subsidy Releases

| Electric Cooperatives | Amount                |
|-----------------------|-----------------------|
| <b>REGION I</b>       | <b>17,471,339.93</b>  |
| ISECO                 | 5,175,000.00          |
| LUELCO                | 3,764,380.01          |
| PANELCO I             | 8,531,959.92          |
| <b>REGION II</b>      | <b>189,048,561.99</b> |
| BATANELCO             | 13,697,517.24         |
| CAGELCO I             | 92,457,196.07         |
| CAGELCO II            | 68,110,166.62         |
| ISELCO II             | 9,333,000.00          |
| NUVELCO               | 5,450,682.06          |
| <b>CAR</b>            | <b>195,452,517.32</b> |
| ABRECO                | 15,481,918.37         |
| BENECO                | 104,972,358.27        |
| IFELCO                | 12,019,734.50         |
| KAELCO                | 31,657,525.24         |
| MOPRECO               | 31,320,980.94         |
| <b>REGION III</b>     | <b>30,579,387.68</b>  |
| AURELCO               | 25,977,218.69         |
| NEECO I               | 257,296.36            |
| PELCO III             | 3,705,872.63          |
| ZAMECO I              | 639,000.00            |
| <b>REGION IV-A</b>    | <b>17,763,250.55</b>  |
| BATELEC II            | 14,876,041.38         |
| QUEZELCO I            | 2,887,209.17          |
| <b>REGION IV-B</b>    | <b>82,863,285.15</b>  |
| BISELCO               | 63,594,063.37         |
| OMECO                 | 16,051,731.26         |
| ORMECO                | 3,217,490.52          |
| <b>REGION V</b>       | <b>26,702,812.90</b>  |
| CASURECO IV           | 24,671,816.23         |
| FICELCO               | 195,380.02            |
| TISELCO               | 1,835,616.65          |
| <b>TOTAL LUZON</b>    | <b>559,881,155.53</b> |
| <b>REGION VI</b>      | <b>148,465,695.09</b> |
| AKELCO                | 77,702,082.01         |
| ANTECO                | 5,201,794.14          |
| GUIMELCO              | 8,776,302.06          |
| ILECO II              | 691,525.13            |
| ILECO III             | 26,794,587.98         |
| NOCECO                | 8,880,638.44          |
| NONECO                | 20,418,765.33         |

## Annex B: 2020 Subsidy Releases

| <b>Electric Cooperatives</b> | <b>Amount</b>           |
|------------------------------|-------------------------|
| <b>REGION VII</b>            | <b>51,128,379.96</b>    |
| BANELCO                      | 3,439,420.30            |
| BOHECO II                    | 42,638,551.27           |
| CEBECO II                    | 1,217,223.94            |
| NORECO I                     | 2,873,817.41            |
| NORECO II                    | 959,367.04              |
| <b>REGION VIII</b>           | <b>44,647,155.20</b>    |
| DORELCO                      | 3,359,690.99            |
| ESAMELCO                     | 5,869,195.70            |
| LEYECO II                    | 1,471,645.28            |
| LEYECO V                     | 9,942,924.22            |
| NORSAMELCO                   | 890,622.64              |
| SAMELCO I                    | 9,792,389.49            |
| SAMELCO II                   | 11,319,364.24           |
| SOLECO                       | 2,001,322.64            |
| <b>TOTAL VISAYAS</b>         | <b>244,241,230.26</b>   |
| <b>REGION IX</b>             | <b>62,343,684.71</b>    |
| ZANECO                       | 62,343,684.71           |
| <b>REGION X</b>              | <b>139,151,457.61</b>   |
| BUSECO                       | 46,998,942.45           |
| FIBECO                       | 68,637,789.08           |
| LANECO                       | 19,693,637.46           |
| MORESCO II                   | 3,821,088.62            |
| <b>REGION XI</b>             | <b>997,137.06</b>       |
| DASURECO                     | 997,137.06              |
| <b>REGION XII</b>            | <b>85,398,111.90</b>    |
| SOCOTECO I                   | 1,518,901.39            |
| SOCOTECO II                  | 35,495,715.27           |
| SUKELCO                      | 48,383,495.24           |
| <b>ARMM</b>                  | <b>142,248,846.80</b>   |
| LASURECO                     | 137,145,469.28          |
| MAGELCO                      | 5,103,377.52            |
| <b>CARAGA</b>                | <b>42,983,173.70</b>    |
| ASELCO                       | 27,144,740.94           |
| SIARELCO                     | 3,143,025.70            |
| SURNECO                      | 12,001,549.51           |
| SURSECO I                    | 424,998.01              |
| SURSECO II                   | 268,859.54              |
| <b>TOTAL MINDANAO</b>        | <b>473,122,411.77</b>   |
| <b>TOTAL</b>                 | <b>1,277,244,797.55</b> |

## Annex C: 2020 CAPEX Loans

| Electric Cooperatives | Loan Type    | Project/s   | Amount        |
|-----------------------|--------------|---|---------------|
| <b>Region II</b>      |              |   |               |
| CAGELCO II            | RE LOAN      | Construction of 38.9km 69kV lines fr Lucban, Abulug to Centro, Sanchez Mira; 4 electric towers at Lucban bridge & Pamplona bridge; & 5/6.25 MVA s/s at Sanchez Mira (Final rel)           | 9,837,240.00  |
| <b>REGION IV-A</b>    |              |   |               |
| QUEZELCO I            | E-CAPEX      | Upgrading of Lopez substation s/s from 5MVA to 10MVA (2 <sup>nd</sup> rel)  | 2,364,000.00  |
| QUEZELCO I            | E-CAPEX      | Installation of 5MVA s/s in Balinarin Guinayangan, Conversion of 23.920km Line from 1 Phase to 3 Phase in Upper Calauag & installation of 3 Single Phase in Calauag (2 <sup>nd</sup> rel) | 16,617,892.00 |
| <b>REGION IV-B</b>    |              |   |               |
| OMECCO                | WC           | To finance the cash shortfall on the settlement of power accounts with OMCCPC   | 33,641,033.00 |
| <b>REGION V</b>       |              |   |               |
| MASELCO               | Concessional | Construction of Cataingan 10MVA substation at Curvada, Cataingan (2nd release)  | 7,088,064.38  |
| MASELCO               | Concessional | Construction of Cataingan 10MVA substation at Curvada, Cataingan (final release)  | 20,260,345.62 |
| CASURECO I            | RE-FR        | Construction of CASURECO I's administrative building (final rel.)   | 8,844,002.41  |
| CASURECO I            | RE-FR        | Construction/Repair/Improvement of Non-Network Projects   | 652,963.22    |
| CASURECO I            | RE-FR        | Improvement/Repair of consumer assistance 3 & 5, staff house, & proposed collection center in Lupi, Cam. Sur  | 1,436,038.46  |
| CASURECO I            | RE-FR        | Purchase of 5 units reclosers   | 1,145,000.00  |
| CASURECO I            | RE-FR        | Rehabilitation of Warehouse at Puron Batia, Libmanan, Cam. Sur (Final)  | 872,113.50    |
| CASURECO I            | RE-FR        | Construction of 2-storey Consumer Assistance Office II at Libod . Libmanan, Cam. Sur (Final)  | 1,410,264.88  |
| CASURECO I            | RE-FR        | Construction of 2-storey Consumer Assistance Office IV at Brgy. Ragay, Cam. Sur (Final)   | 1,513,213.11  |
| CASURECO I            | RE-FR        | Construction of 2-storey Consumer Assistance Office VI at Sta. Rosa del Norge, Pasacao, Cam. Sur (Final)  | 1,753,504.36  |
| CASURECO III          | E-CAPEX      | Installation of Protective Equipment & Steel Structures for Primary & Sec. Lines intended for 7.5 MVA, Bula substation (final rel)  | 14,416,850.00 |
| CASURECO III          | E-CAPEX      | Procurement & installation of Brand New 10MVA S/S at Inapatan, Nabua, Cam. Sur including S/S Site Development (2nd rel.)  | 22,671,375.00 |
| TISELCO               | RE LOAN      | Acquisition of ACSR #2 (insulated and bare)   | 402,694.32    |
| TISELCO               | RE LOAN      | Procurement of distribution network transformers  | 631,944.73    |

| <b>Electric Cooperatives</b> | <b>Loan Type</b> | <b>Project/s</b>   | <b>Amount</b>         |
|------------------------------|------------------|--|-----------------------|
| TISELCO                      | RE LOAN          | Installation & splitting of load dist. Transformers & reconducturing of loaded secondary lines for transformer | 2,189,433.09          |
| TISELCO                      | RE LOAN          | Conversion of 10.48 circuit km, single phase to three phase line   | 6,429,481.28          |
| SORECO I                     | RE-FR            | Construction of 10MVA substation at Load Center Brgy. Lajong, Bulan (bal)                                      | 20,535,800.00         |
| <b>REGION X</b>              |                  |  |                       |
| MORESCO I                    | RE-FR            | Construction of Line Enhancement Projects  | 21,337,736.20         |
| MORESCO I                    | GENSET           | For the supply, delivery, installation & commissioning of 3 units, 2MW Modular GenSets                         | 38,761,875.00         |
| <b>REGION XI</b>             |                  |  |                       |
| DANECO                       | RE-FR            | Purchase of test equipment   | 2,655,000.00          |
| DANECO                       | RE-FR            | Purchase of protection equipment   | 11,366,000.00         |
| DANECO                       | RE-FR            | Construction of 2-storey office building in Tipaz Dist., Brgy. Magugpo, East Tagum (2nd rel)                   | 24,478,865.97         |
| DANECO                       | RE-FR            | Construction of 2-storey office building in Tipaz Dist., Brgy. Magugpo, East Tagum (3 <sup>rd</sup> rel)       | 12,766,884.03         |
| <b>REGION ARMM</b>           |                  |  |                       |
| SULECO                       | CONCESS.-JICA    | Project Improvement of Equipment for Power Dist. in Bangsamoro Areas   | 6,569,715.48          |
| <b>REGION CARAGA</b>         |                  |  |                       |
| SURSECO I                    | RE-FR            | Uprating of San Fernando substation from 5MVA to 10MVA   | 2,115,000.00          |
| SURSECO I                    | RE-FR            | Construction of two storey (Main Office) Administrative Building (final rel.)                                  | 17,138,753.72         |
|                              |                  |  |                       |
| <b>Total</b>                 |                  |  | <b>311,903,083.76</b> |

## Annex D: 2020 Calamity Loans

| <b>Electric Cooperatives</b> | <b>Calamity</b> | <b>Amount</b>         | <b>Date Released</b> |
|------------------------------|-----------------|-----------------------|----------------------|
| <b>REGION IV-B</b>           |                 |                       |                      |
| ORMECO                       | Typh. Tisoy     | 14,223,114.00         | 2/10/20              |
| MARELCO                      | Typh. Tisoy     | 2,248,581.18          | 2/03/20              |
| LUBELCO                      | Typh. Tisoy     | 450,443.65            | 3/10/20              |
| TIELCO                       | Typh. Tisoy     | 426,936.00            | 3/05/20              |
| OMEKO                        | Typh. Tisoy     | 1,985,629.00          | 4/14/20              |
| OMEKO                        | Typh. Ursula    | 7,094,173.92          | 4/14/20              |
| <b>REGION V</b>              |                 |                       |                      |
| CASURECO III                 | Typh. Tisoy     | 7,220,177.61          | 1/16/20              |
| FICELCO                      | Typh. Rolly     | 24,161,000.00         | 12/07/20             |
| FICELCO                      | Typh. Quinta    | 839,000.00            | 12/28/20             |
| MASELCO                      | Typh. Tisoy     | 7,554,649.19          | 1/24/20              |
| MASELCO                      | Typh. Ursula    | 2,079,211.00          | 3/06/20              |
| TISELCO                      | Typh. Tisoy     | 5,982,192.00          | 2/14/20              |
| SORECO I                     | Typh. Tisoy     | 18,352,725.51         | 2/07/20              |
| SORECO II                    | Typh. Tisoy     | 5,878,251.05          | 3/04/20              |
| <b>REGION VI</b>             |                 |                       |                      |
| ILECO III                    | Typh. Ursula    | 9,078,148.00          | 5/05/20              |
| <b>REGION VIII</b>           |                 |                       |                      |
| NORSAMELCO                   | Typh. Tisoy     | 20,505,984.00         | 2/13/20              |
|                              |                 |                       |                      |
| <b>Total</b>                 |                 | <b>128,080,216.11</b> |                      |