



29 September 2020

MEMORANDUM NO. 2020 – 047

TO : ALL ELECTRIC COOPERATIVES

**SUBJECT : DOE ADVISORY ON PROVIDING GRACE PERIOD TO ALL
POWER SECTOR BILLS FALLING DUE DURING THE PERIOD
OF COMMUNITY QUARANTINE (CQ)**

This refers to the Department of Energy (DOE) Advisory on Providing Grace Period to all Power Sector Bills Falling Due during the Period of Community Quarantine (CQ) issued on September 23, 2020.

Pursuant to Proclamation No. 1021 issued by President Rodrigo R. Duterte extending the declaration of a state of calamity throughout the Philippines for one more year, from September 13, 2020 to September 12, 2021 due to the COVID-19 pandemic, all government agencies and LGUs are enjoined to cooperate and mobilize the necessary resources to undertake critical, urgent, and appropriate disaster response aid and measures in a timely manner to curtail and eliminate the threat of the dreaded illness.

Further, the passage of Republic Act No. 11494 entitled "Bayanihan to Recover as One Act" by the House of Representative, which reaffirmed the existence of a continuing national emergency, necessitates the formulation of measures to cushion the impact of this health crisis particularly to the electric power sector.

As part of the authorized COVID-19 response and recovery intervention, Bayanihan to Recover as One Act directed the implementation of a minimum of thirty (30) - day grace period and staggered payment without interests, penalties and other charges to all payments due within the period of Community Quarantine (CQ) in the entire electric power value chain to include generation companies, transmission and distribution utilities.

In this regard, all Electric Cooperatives (ECs) are enjoined to abide by the aforementioned directives specifically the implementation of the 30-day grace period and staggered payment for unpaid bills, particularly those that fall due within the CQ period.

Attached is the DOE Advisory for further details and guidance.

Thank you for your cooperation.


EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



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10/1/20



**Republic of the Philippines
DEPARTMENT OF ENERGY**

**TO : ALL PRIVATE AND PUBLIC CORPORATIONS IN THE
POWER SECTOR
ALL LOCAL GOVERNMENT UNITS
ALL ELECTRICITY CONSUMERS**

FROM : The SECRETARY OF ENERGY

DATE : 23 SEPTEMBER 2020

**SUBJECT : ADVISORY ON PROVIDING GRACE PERIOD TO ALL POWER
SECTOR BILLS FALLING DUE DURING THE PERIOD OF
COMMUNITY QUARANTINE (CQ)**

On 16 September 2020, President Rodrigo R. Duterte, through Proclamation No. 1021, has extended the declaration of a state of calamity throughout the Philippines for one more year, or from Sept. 13, 2020 to Sept. 12, 2021, due to the Covid-19 pandemic. Under the proclamation, all government agencies and LGUs are enjoined to cooperate and mobilize the necessary resources to undertake critical, urgent, and appropriate disaster response aid and measures in a timely manner to curtail and eliminate the threat of Covid-19.

Similarly, in view of the continued rise of confirmed Covid19 cases and the ensuing economic disruption therefrom, Congress passed Republic Act No. 11494 entitled as "Bayanihan to Recover as One Act" which reaffirmed the existence of a continuing national emergency. Particular to the electric power sector, as part of the authorized COVID19 response and recovery intervention, Bayanihan to Recover as One Act directed the implementation of a minimum of thirty (30) – day grace period and staggered payment without interests, penalties and other charges to all payments due within the period of Community Quarantine (CQ) in the entire electric power value chain to include generation companies, transmission utility and distribution utilities¹.

Guided by the foregoing, the DOE hereby issues this Advisory, directing the following entities to observe the grace period and staggered payment for unpaid bills provided under the law, to wit:

1. Fuel/Resource suppliers with respect to their Generation Company customers being supplied with fuel for the generation of electricity;
2. Generation Companies, whether public or private corporation, with respect to payment of electricity bills for the supply of electricity to Distribution Utilities, Retail Electricity Suppliers and Directly Connected Customers including the Independent

¹ Section 4(vv), RA 11494.

Market Operators with regard to spot quantity transactions in the wholesale electricity spot market;

3. Independent Power Producers (IPP) with respect to the payments of the Power Sector Assets and Liabilities Management Corporation (PSALM) of its obligations pursuant to their respective power supply agreements;
4. PSALM with respect to the payments of IPP Administrators (IPPA) pursuant to their IPPA Administration Agreements;
5. The National Grid Corporation of the Philippines with respect to the transmission services payable by Generation Companies, Distribution Utilities, Directly Connected Customers and other customers;
6. Payments due to the Independent Electricity Market Operator of the Philippines of total trading amounts and other charges payable by WESM Participants; and
7. Retail Electricity Suppliers relative to the bills of their Contestable Customers.

However, to lessen the impact and help manage the cash flow in the energy supply chain, we reiterate our earlier call for the immediate and proportionate remittance of payments received to the respective creditors and suppliers. Likewise, we continue to encourage electricity consumers who are capable to pay to continue paying their bills within the original due dates.

Also, we seek the continuous assistance of all local government units in allowing a similar grace period and other related mechanisms in the collections of applicable taxes, fees and dues from energy facilities in their respective jurisdictions, particularly those that fall due within the CQ period.

Finally, the Energy Regulatory Commission (ERC) is hereby requested to issue the necessary procedures and guidelines for the implementation of this Advisory in line with the policies and purpose of Bayanihan to Recover as One Act.

For the information and guidance of all concerned.


ALFONSO G. CUSI
Secretary



Republic of the Philippines
DEPARTMENT OF ENERGY
IN REPLYING PLS. CITE:

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