



# NATIONAL ELECTRIFICATION ADMINISTRATION

"The 1<sup>st</sup> Performance Governance System-Institutionalized National Government Agency"  
57 NIA Road, Government Center, Diliman, Quezon City 1100



Management  
System  
ISO 9001:2015

www.tuv.com  
ID 11105032030



FEB 16 2024

MEMORANDUM NO. 2024-07

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : ENHANCED POLICY GUIDELINES ON THE IMPLEMENTATION  
OF STRATEGIZED RURAL ELECTRIFICATION AND  
OPERATIONAL RELIABILITY FOR ELECTRIC COOPERATIVES

This is to inform the Electric Cooperatives of the "Enhanced Policy Guidelines on the Implementation of Strategized Rural Electrification and Operational Reliability for Electric Cooperatives" as approved by the NEA Board of Administrators on 12 January 2024.

The policy shall take effect immediately upon filing with the UP Law Center pursuant to the Presidential Memorandum Circular No. 11 dated 09 October 1992. (Please see attached)

For inquiries, you may coordinate with the Total Electrification and Renewable Energy Development Department (TEREDD) through these e-mail address [nealuzonsitios@yahoo.com](mailto:nealuzonsitios@yahoo.com) (Luzon ECs), [neavisayassitios@yahoo.com](mailto:neavisayassitios@yahoo.com) (Visayas ECs), and [neamindanaositios@yahoo.com](mailto:neamindanaositios@yahoo.com) (Mindanao ECs), or through trunk line number at (02) 8929-1909 loc. 170 and 171.

For your information and guidance.

  
**ANTONIO MARIANO C. ALMEDA**  
Administrator





# NATIONAL ELECTRIFICATION ADMINISTRATION

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(0105082030)

1 February 2024

## THE DIRECTOR

Office of the National Administrative Register  
University of the Philippines Law Center  
U.P. Law Center, Diliman  
Quezon City

Sir:

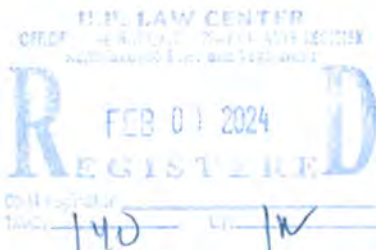
Greetings of peace and good health!

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines, we are respectfully submitting to the U.P. Law Center, for filing, publication and recording the attached certified true copies of the **ENHANCED POLICY GUIDELINES ON THE IMPLEMENTATION OF STRATEGIZED RURAL ELECTRIFICATION AND OPERATIONAL RELIABILITY FOR ELECTRIC COOPERATIVES** promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P. Law Center.

Very truly yours,

**ATTY. GWEN P. ENCISO-KYAMKO**  
Acting Corporate Board Secretary V



(02)8-929-1909  
www.nea.gov.ph

*"Energizing the Countryside. Electrifying the Future"*





## ENHANCED POLICY GUIDELINES ON THE IMPLEMENTATION OF STRATEGIZED RURAL ELECTRIFICATION AND OPERATIONAL RELIABILITY FOR ELECTRIC COOPERATIVES

### I. RATIONALE

Section 2 of RA 10531 (NEA Reform Act of 2013), mandates NEA to promote sustainable development in rural areas through rural electrification, and to pursue the electrification program and bring electricity, through the Electric Cooperatives (ECs) as its implementing arm, to the countryside even in missionary or economically unviable areas.

The Special Provisions on subsidy releases for electrification as indicated in the General Appropriations Act (GAA) of the National Electrification Administration (NEA).

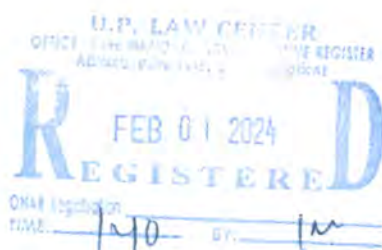
### II. BACKGROUND

President Ferdinand R. Marcos, Jr. in his second State of the Nation Address (SONA) vowed to pursue total household electrification of the country by 2028. Further, promoting renewable energy development as a viable option for more sustainable and inclusive economic growth in the rural areas.

NEA in accordance with the said directives is harmonizing its current programs into a comprehensive **"Strategized Rural Electrification and Operational Reliability for Electric Cooperatives"** in order to integrate the various electrification programs/activities/projects (PAPs), namely:

1. Barangay/Sitio Electrification Program (BEP/SEP);
2. Barangay Line Enhancement Program (BLEP);
3. Photo-voltaic Mainstreaming/Solar Home System (PVM/SHS);
4. Microgrid Systems; and
5. Other related electrification and operational reliability PAPs

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### III. OBJECTIVES

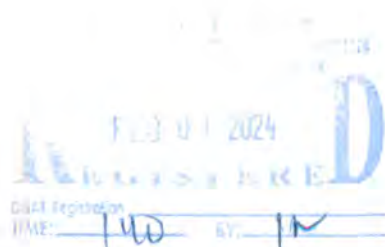
1. To accelerate the attainment of 100% household electrification.
2. To define implementation strategies and sources of funds.
3. To align ECs in achieving the Total Household Electrification mandate as their priority agenda.

### IV. POLICY STATEMENT

It shall be the policy of NEA to prescribe the Enhanced Policy Guidelines on the Implementation of Strategized Rural Electrification and Operational Reliability for Electric Cooperatives covering the PAPs with the following criteria on the selection of beneficiaries:

Tier/Priority	Energization Level	Poverty Incidence	Liquidation	Peace and Order	Electrification Masterplan
Tier 1	84% and Below	Level 1, (80% & up) Level 2, (60-80%) & Level 3 (40-60%)	Liquidated	With Peace and Order problem	LTER
Tier 2	85% - 94%	Level 4 (20-40%) & Level 5 (0-20%)	Liquidated	-	LTER
Tier 3	95% and Above	Levels 1-5	Liquidated	-	LTER

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This covers the following PAPs:

**A. Distribution Line**

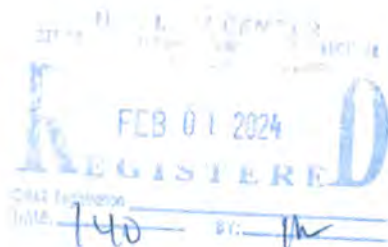
**1. Barangay/Sitio Electrification Program (BEP/SEP)**

- a. Prioritize barangay/sitio where the absolute number of indigents and the incidence of poverty are high as identified by the latest official poverty statistics of the Philippine Statistics Authority (PSA), as well as those with high probability of being energized.
- b. Construction of distribution lines for unenergized barangay/sitio with at least 10 potential household connections.
- c. Potential household connections per barangay/sitio for a maximum of 60 or the actual number based on the Barangay Certification, whichever is lower.

**2. Barangay Line Enhancement Program (BLEP)**

- a. Enhancement/Construction of distribution lines to barangays previously powered by generator sets, solar home systems and other renewable energy technologies
- b. Improvement of tapping points
- c. Underground cable systems
- d. Submarine cable systems
- e. National Power Corporation-Small Power Utilities Group (NPC-SPUG) unserved/underserved areas

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### **3. Photo-voltaic Mainstreaming/Solar Home System (PVM/SHS)**

- a. Electricity service connection to all unserved households situated in areas where distribution lines are either physically or technically unviable for extension.
- b. Solar Home Systems (SHS) that target dispersed households with no access to the grid.
- c. This is an expansion and an innovation, which has the intention to use Renewable Energy technologies to energize isolated communities with dispersed households which electric cooperatives deem not feasible for grid connection within the next 5 years or so.

### **4. Microgrid Systems**

- a. Self-contained power systems, confined to small off-grid geographic areas, powering up distant clusters of houses or villages.
- b. This is an expansion and an innovation, which has the intention to use Renewable Energy technologies or Hybrid Systems to energize isolated communities with clustered houses which electric cooperatives deem not feasible for grid connection within the next 5 years or so. The systems are typically designed to be grid-connected ready, in anticipation of the coming of the grid.
- c. A hybrid energy system, or hybrid power, usually consists of two or more renewable or conventional energy sources used together to provide increased system efficiency as well as greater balance in energy supply.

### **5. Other related electrification and operational reliability PAPs**

Related projects may include Resettlement Site; Schools and Public Buildings Electrification; Office of Presidential Adviser on Peace, Reconciliation, Unity (OPAPRU); Reliability Improvement (sub-transmission and distribution); Smart-Grid System; Household Electrical Connection; and other related electrification PAPs.

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## B. House Wiring

To further support electric service for unserved households, prioritizing marginalized consumers, the EC is authorized to include the cost of house wiring materials and labor in the submission of its funding request for target barangay/sitio. The amount allowed per household connection to cover the inside assemblies, outside assemblies and labor shall in no case exceed Php 4,900.00, subject to any future amendments (*detailed breakdown attached as "Annex A"*).

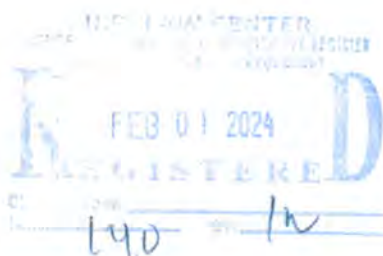
## V. FUND SOURCES

The electrification projects are being funded by the following:

1. Subsidy Appropriation from the National Government;
2. Energy Regulations No. 1-94 (ER 1-94);
3. Local Government Unit (LGU);
4. RFSC Regular CAPEX;
5. RFSC Additional/Indicative CAPEX (Authority to Secure Loan (ASL));
6. Internally Generated Funds of EC;
7. EC partnership/Joint Venture with private sector;
8. Private Sector Participation (PPP/MGSP); and
9. Grants/Donations

Irrespective of fund source, all projects should be included as applicable in the Local Total Electrification Roadmap (LTER), EC Workplan, Capital Expenditure (CAPEX) Plan and Cash Operating Budget (COB). The EC may apply for rate adjustment with the Energy Regulation Commission (ERC) to recover its investment, where applicable.






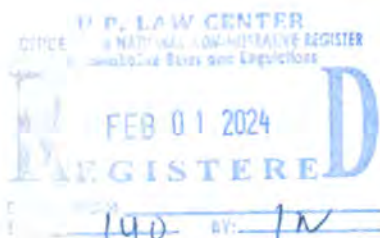
## VI. IMPLEMENTATION SCHEME FOR SUBSIDY-FUNDED PROJECTS

### A. Coverage

1. Projects included in the approved Local Total Electrification Roadmap (LTER) and/or priority requests with funding allocations from the National Government are eligible for evaluation and release of funds subject to the approval of the Administrator.
2. Additional projects that have no funding allocation shall also be eligible for evaluation and release of funds upon approval of the Administrator and availability of funds/generated savings approved by the NEA Board of Administrators.
3. EC shall submit a letter supported by Board Resolution indicating the list of priority projects for the replacement of barangay/sitio projects previously submitted/targeted to be implemented, provided that the said projects are included in the LTER.

### B. Schedule of Fund Release

1. Initial release of fifty percent (50%) of the total evaluated project cost.
2. Second release of twenty percent (20%) as a progress billing.
3. Third release of twenty percent (20%) as a progress billing.
4. Final release of ten percent (10%) retention upon completion of the projects.
5. Availment of final release shall be within one (1) month from liquidation of in the NEA's book of accounts of the 90% budget released to the EC with complete submission of the required documents and evaluation of NEA Technical Services. Noncompliance will automatically forfeit the 10% retention.
6. Projects funded by private sector such as Joint Venture, PPP/MGSP and Grants/Donations shall be based on the agreement between parties. 







c. *Photo-voltaic Mainstreaming/Solar Home System (PVM/SHS)*

- c.1. Barangay Certification that the barangay/sitio is unenergized with the number of potential households and population (*format attached as "Annex B"*)
- c.2. Location Map
- c.3. List of sitio/barangay
- c.4. As plan bill of materials
- c.5. List of names of proposed consumers per sitio/barangay
- c.6. Board Resolution (Adoption of the Project and Creation of Solar Business Unit (SBU))
- c.7. Letter of Commitment to Complete the Project (*format attached as "Annex C"*)
- c.8. Execution Plan (*format attached as "Annex D"*)

d. *Microgrid Systems*

For Feasibility Study

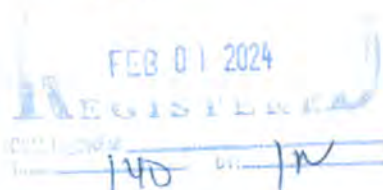
- d.1. Barangay Certification that the barangay/sitio is unenergized with the number of potential households and population (*format attached as "Annex B"*)
- d.2. Location Map
- d.3. List of sitio/barangay
- d.4. List of names of proposed consumers per sitio/barangay
- d.5. Board Resolution (Adoption of the Project Feasibility Study)
- d.6. Letter of Commitment to Complete the Project (*format attached as "Annex C"*)
- d.7. Execution Plan (*format attached as "Annex D"*)

For Implementation

- d.8. Detailed Engineering Design (DED)
- d.9. Engineering, Procurement, and Construction (EPC)
- d.10. Feasibility Study

Unutilized subsidy funds shall be returned to NEA or will be deducted to the 10% retention upon project evaluation of submitted documentary requirements.

Likewise, freight and handling costs shall not exceed 15% for isolated EC and 10% for mainland EC of the total material cost (TMC), unless otherwise requested in actual costing and approved by NEA as reasonable and applicable per EC.





## 2. Fund Release

The EC shall submit the applicable documentary requirements.

### a. Initial Release (50%)

- a.1. Disbursement Voucher of NEA's Project Evaluation with attached required documents
- a.2. Notarized Memorandum of Agreement (MOA)
- a.3. Copy of Notice of Award (NOA)
- a.4. NEA's Clearance Slip to Release

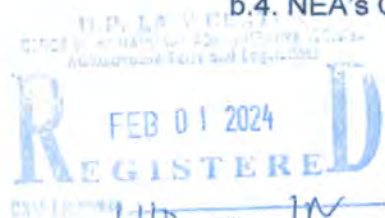
### b. Second Release (20%)

- b.1. Disbursement Voucher of NEA's Project Evaluation with attached required documents
- b.2. Duly accomplished and signed Checklist of Documentary Requirements (CDR) under RA 9184 documentary requirements
- b.3. Accounting of Funds (AOF) and original copy of supporting documents with attached Schedule of Supporting Documents for the Materials, Labor and Overhead on the disbursement of 50% fund release

By Contract	By Administration
Contractor's Accomplishment Report	EC Accomplishment Report ( <i>format attached as "Annex E"</i> )
Progress Billing Statement	Material Charges Tickets (MCTs), Check Vouchers (CVs) and Journal Vouchers (JVs)
Inspection Report by the EC Authorized Engineer	Inspection Report by the EC Authorized Engineer
EC's Certificate of Percentage of Completion	EC's Certificate of Percentage of Completion
Contractor's Affidavit on payment of laborers and materials	Proof of payment of laborers and purchase of materials
Pictures/Geotagged Photos, before, during and after construction of items of work especially the embedded items, optional	Pictures/Geotagged Photos, before, during and after construction of items of work especially the embedded items, optional

*In reference to the COA Circular No. 2023-004 dated June 14, 2023*

### b.4. NEA's Clearance Slip to Release



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c. Third Release (20%)

- c.1. Disbursement Voucher of NEA's Project Evaluation with attached requirement documents
- c.2. Updated duly accomplished and signed CDR
- c.3. Updated AOF and original copy of supporting documents with attached Schedule of Supporting Documents for the Materials, Labor and Overhead on the disbursements of 70% releases

By Contract	By Administration
Contractor's Accomplishment Report	EC Accomplishment Report ( <i>format attached as "Annex E"</i> )
Progress Billing Statement	Material Charges Tickets (MCTs), Check Vouchers (CVs) and Journal Vouchers (JVs)
Inspection Report by the EC Authorized Engineer	Inspection Report by the EC Authorized Engineer
EC's Certificate of Percentage of Completion	EC's Certificate of Percentage of Completion
Contractor's Affidavit on payment of laborers and materials	Proof of payment of laborers and purchase of materials
Pictures/Geotagged Photos, before, during and after construction of items of work especially the embedded items, optional	Pictures/Geotagged Photos, before, during and after construction of items of work especially the embedded items, optional

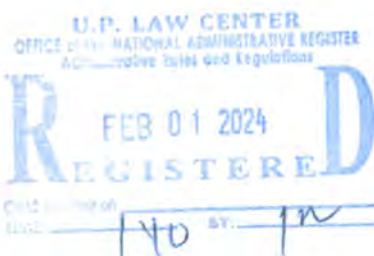
*In reference to the COA Circular No. 2023-004 dated June 14, 2023*

c.4. NEA's Clearance Slip to Release

d. Final Release (10%)

- d.1. Full liquidation of the 90% release
- d.2. Updated duly accomplished and signed CDR
- d.3. Disbursement Voucher of NEA's Project Evaluation with the following required documents:
  - Final Accounting of Funds (AOF)
  - Certificate of Final Inspection and Acceptance (CFIA)
  - Certificate of Completion (Distribution lines) and Certificate of Energization (Housewiring)
  - As-Built Bill of Materials
  - As-Built Staking Sheets
  - Project Implementation Report

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- Status Report of Accomplishment
- d.4. NEA's Clearance Slip to Release

Subject to final inspection, subsidy funds received for the construction of distribution lines of a barangay/sitio without actual household connections shall be returned to NEA. Subsidy-funded projects are subject to the usual accounting and auditing rules and regulations.

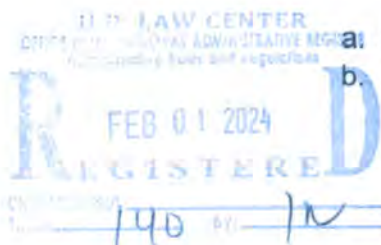
Reallocation/augmentation of subsidy funds within the list of projects under the same Memorandum of Agreement (MOA) is allowed, subject to applicable requirements.

The EC shall abide by all the provisions of the MOA covering the release of subsidy funds for the purpose.

#### **D. Implementation, Monitoring and Inspection**

The project implementation, monitoring, inspection, acceptance, close-out and liquidation of fund should follow the applicable policies, guidelines, rules and regulations issued by the implementing agencies and partners and the provisions indicated in the Memorandum of Agreement (MOA) between parties, such as NEA, EC, DOE, LGU, GENCOs, Business Partners and Donors/Grantee.

1. Inspection shall be conducted by NEA for the following purposes:
  - a. Ensure that the funds released are properly utilized;
  - b. Determine that the projects are undertaken in accordance with the approved plans and specifications;
  - c. Determine the progress of work; and
  - d. Recommend remedial actions for any problem that may arise.
2. EC accomplishment report and Certificate of Completion signed by the EC General Manager shall be submitted as the basis for NEA's final inspection and acceptance.
3. The Certificate of Final Inspection and Acceptance (CFIA) for household connection shall be issued upon validation of the following using random sampling:
  - a. 20 projects and below (50% of actual household connections)
  - b. Above 20 projects (20% of actual household connections)





## **E. Liquidation of Subsidy Funds Released**

Liquidation of Subsidy Funds shall be subject to the Guidelines in the Preparation of Accounting of Funds and Identification of Allowable Charges Against Contingency Funds under NEA Memoranda Nos. 2015-036 and 2019-042 and submission of Documentary Requirements as enumerated in the NEA Memorandum No. 2021-012 and/or any future amendments and/or issuances.

Accounting of Funds shall be presented per sitio/barangay in accordance with the issued Certificate of Final Inspection and Acceptance. Liquidation of projects will be subject to the final audit by the Commission on Audit (COA).

### **1. Liquidation Documentary Requirements**

- a. NEA's Technical Services Original Copy of Certificate of Final Inspection and Acceptance (CFIA);
- b. Updated Accounting of Funds (AOF) and Schedule of Supporting Documents for the Materials, Labor and Overhead on the disbursement of the 90% fund releases; and
- c. Updated Accomplished Checklist of Documentary Requirements with other documentary requirements under COA Circular 2012-001, NEA Memorandum No. 2021-012 and NEA Memorandum No. 2013-023 and/or any further amendments and/or issuances.

### **2. Final Release (10% Retention) Liquidation**

Final Accounting of Funds including supporting documents, if any.

## **VII. REWARDS SYSTEM**

Compliance by the ECs with their legal mandate and role as the governments' implementing arm in attaining total electrification shall be considered in the EC Overall Performance Assessment, granting of incentives, recognition and awards.

## **VIII. PENALTY**

Any person who willfully violates this policy or fails to liquidate the funds released for the purpose within three (3) months from issuance of Certificate of Final Inspection and Acceptance (CFIA) or from termination thereof due to non-completion, shall be held administratively, criminally, and civilly liable for crimes committed, and shall be ordered to return the unliquidated funds. Provided, that if the violation is committed by





a juridical person, the penalty shall be imposed upon the official and/or employee responsible for the crime committed.

Provided further, that the erring contractor for the said subsidy-funded projects shall be delisted from the roster of accredited contractors and be blacklisted in any and all biddings of the ECs within the Philippines and within the period provided under the "Uniform Guidelines for Blacklisting of Manufacturers, Supplier, Distributors, Contractors and Consultants", as amended by the Government Procurement Policy Board (GPPB) Resolution No. 40-2017, dated 21 December 2017 and/or any future amendments and/or issuances.

## IX. AMENDMENTS

The NEA may issue additional guidelines or introduce modification herein in order to amend or supplement specific provisions as the need arise.

## X. APPLICABILITY

This Enhanced Policy Guidelines shall be applicable to projects identified under the prior years' unutilized balances, 2024 GAA, 2024 TEP and onwards.

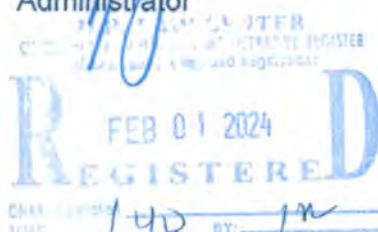
## XI. EFFECTIVITY

The Enhanced Policy Guidelines shall immediately take effect upon publication with the U.P. Law Center.

This supersedes all issuances, guidelines, memoranda previously issued inconsistent with this policy as follows: Memorandum No. 2011-024 issued on 26 December 2011 "*Housewiring Provision*", Memorandum No. 2019-001 issued on 9 January 2019 "*Policy Guidelines for Strategized Total Electrification Program (STEP)*", Memorandum No. 2019-54 issued on 13 November 2019 "*Amendment to STEP*", Memorandum No. 2022-35 issued 15 July 2022 "*Revised STEP*", and Memorandum No. 2023-18 issued 22 March 2023 "*Amendments to the Revised STEP*".

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**ANTONIO MARIANO C. ALMEDA**  
Administrator



"ANNEX A"

UPDATED HOUSEWIRING COST

Assembly Location	Particulars	Cost (Php)
A. Inside Assemblies	Materials	2,500.00
	Labor	800.00
	<b>Subtotal</b>	<b>3,300.00</b>
B. Outside Assemblies	Materials	1,200.00
	Labor	400.00
	<b>Subtotal</b>	<b>1,600.00</b>
	<b>Total</b>	<b>4,900.00</b>

A. INSIDE ASSEMBLIES

Materials	Project Req'ts	Unit	Unit Cost	Extended Cost (Php)
Circuit Breaker (15 Amps)	1	set	455.00	455.00
Receptacle	2	pieces	45.00	90.00
CFL Bulb (15 W)	2	pieces	131.00	262.00
Tumbler Switch	2	sets	55.00	110.00
Convenience Outlet (2 gang)	1	set	87.00	87.00
Junction Box (plastic with cover)	2	pieces	47.00	94.00
PDX Wire #10	5	meters	77.00	385.00
PDX Wire #12	10	meters	54.00	540.00
PDX Wire #14	10	meters	38.00	380.00
Electrical Tape	1	piece	47.00	47.00
Insulated, Staple Wire	30	pieces	2.00	60.00
Housewiring Labor (30% of TMC)	-	-	-	800.00
<b>TOTAL</b>				<b>3,300.00</b>

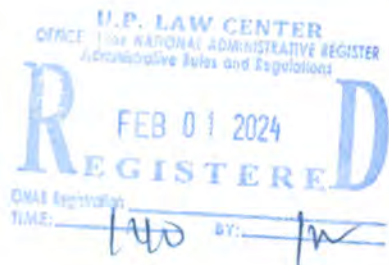
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 Administrative, Legal, and Regulatory  
 FEB 01 2024  
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 LINA T. DELA CRUZ  
 11/11/2023

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**B. OUTSIDE ASSEMBLIES**

Materials	Project Req'ts	Unit	Unit Cost	Extended Cost (Php)
EMT Entrance Cap, 3/4"	1	piece	45.00	45.00
EMT LB Conduit, 3/4"	1	piece	37.00	37.00
EMT Pipe, 3/4"	1	length	140.00	140.00
EMT Elbow, 3/4"	3	pieces	50.00	150.00
EMT Reducer, 1" X 3/4"	2	pieces	20.00	40.00
EMT Connector, 3/4"	5	pieces	15.00	75.00
EMT Coupling	4	pieces	30.00	120.00
PVC C-Clamp	6	pieces	3.00	18.00
Rod, Ground Steel, Galvanized, 5/8" X 10'	1	piece	510.00	510.00
Connector, Ground Rod (Clamp) for 5/8" Steel Rod	1	piece	25.00	25.00
Wire, Grounding, Aluminum Alloy, Stranded or Solid, #6 AWG	10	feet	5.00	50.00
Labor (30% of TMC)	-	-	-	400.00
<b>TOTAL</b>				<b>1,600.00</b>





"ANNEX B"

Republic of the Philippines  
Province of \_\_\_\_\_  
City/Municipality of \_\_\_\_\_

### CERTIFICATION

This is to certify that the following sitio / purok located at Barangay \_\_\_\_\_ of this City/Municipality has no electric service as of this date.

Name of Sitio/Purok	Population		Potential Households
	Male	Female	

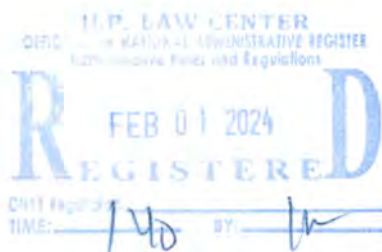
Whereas, they are all within the franchise area of \_\_\_\_\_ (\_\_\_\_\_).

Likewise, this certifies the absolute number of indigents and high incidence of poverty.

This certification is issued to formalize our willingness for energization, this \_\_\_\_\_ day of \_\_\_\_\_, 202\_ in the Office of the Punong Barangay.

P 9

\_\_\_\_\_  
Barangay Captain/Official



Republic of the Philippines  
Province of \_\_\_\_\_  
City/Municipality of \_\_\_\_\_

**CERTIFICATION**

This is to certify that the following sitio / purok located at Barangay \_\_\_\_\_ of this City/Municipality has no electric service as of this date.

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	Male	Female	

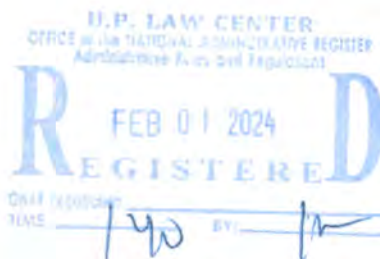
Whereas, they are all within the franchise area of \_\_\_\_\_ (\_\_\_\_\_).

Likewise, this certifies the absolute number of indigents and high incidence of poverty.

This certification is issued to formalize our willingness for energization, this \_\_\_\_\_ day of \_\_\_\_\_, 202\_ in the Office of the Punong Barangay.

DP 4

\_\_\_\_\_  
Barangay Captain/Official



"ANNEX C"

EC LOGO

LETTER OF COMMITMENT TO COMPLETE THE PROJECTS

\_\_\_\_\_, 202\_

**ANTONIO MARIANO C. ALMEDA**

Administrator

National Electrification Administration

57 NEA Building, NIA Road, Government Center


Diliman, Quezon City 1100

Dear Administrator Almeda:

The management of \_\_\_\_\_ Electric Cooperative, Inc. (\_\_\_\_) hereby express our commitment to complete the project/s (\_\_\_\_ sitios/puroks) within X months after the receipt of the subsidy funds.

Further, we commit to implement the projects in accordance with existing procedures, rules and regulations for subsidy funded projects.

Attached is the execution plan for your reference.

Signed this \_\_\_\_ day of \_\_\_\_\_ 202\_. 

Very truly yours,

\_\_\_\_\_  
EC General Manager/Authorized Representative

\_\_\_\_\_  
Board President





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\_\_\_\_\_ Electric Cooperative, Inc.  
 Execution Plan for Distribution Lines  
 Mode of Project Implementation:

"ANNEX D"

No.	Particular			Release of Funds	Mobilization	Construction			Finalization	Completion
	Sitio	Barangay	Municipality			Pole Installed	Stringing / Guying	Distribution Transformer Installed		
1	Manga	Santol	San Pedro	Day 1	Day 60	Day 150			Day 170	Day 180
2										
3										

Prepared by:

Checked & Reviewed by:

Noted by:

SEP/BLEP Focal Person

TSD Manager

General Manager

\_\_\_\_\_ Electric Cooperative, Inc.  
 Execution Plan for Housewiring  
 Mode of Project Implementation:

Count	Particular			Release of Funds	Mobilization	Electric Service Connection			Finalization	Energization
	Sitio	Barangay	Municipality			Received by Beneficiary	Installation	Connection / Service Dropping		
1	Manga	Santol	San Pedro	Day 1	Day 60	Day 150			Day 170	Day 180
2										
3										

Prepared by:

Checked & Reviewed by:

Noted by:

2

SEP/BLEP Focal Person

ISD Manager

General Manager

Name of Cooperative  
SEP or BLEP Accomplishment Report  
Distribution Lines  
Fund Source: \_\_\_\_\_ Subsidy  
As of \_\_\_\_\_

[illegible]

Approved by:

General Manager

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Name of Cooperative  
SEP or BLEP Accomplishment Report  
Housewiring  
Fund Source: \_\_\_\_\_ Subsidy  
As of \_\_\_\_\_

[illegible]

Approved by:

General Manager

NEA-ATE-DP-1.0-F4  
Rev. 02





# NATIONAL ELECTRIFICATION ADMINISTRATION

"The 1<sup>st</sup> Performance Governance System-Institutionalized National Government Agency"  
57 MIA Road, Government Center, Diliman, Quezon City 1100



JUL 15 2022

MEMORANDUM NO. 2022-35

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : REVISED POLICY GUIDELINES ON THE IMPLEMENTATION OF  
STRATEGIZED TOTAL ELECTRIFICATION PROGRAM (STEP)

This is to inform the Electric Cooperatives of the "Revised Policy Guidelines on the Implementation of Strategized Total Electrification Program (STEP)" which has been published with the University of the Philippines (UP) Law Center. (Please see attached)

The aforementioned memorandum shall take effect ~~fifteen (15) days~~ upon filing with the UP Law Center pursuant to the Presidential Memorandum Circular No. 11 dated 09 October 1992.

For inquiries, you may coordinate with the Total Electrification and Renewable Energy Development Department (TEREDD) through these e-mail address [nealuzonsitios@yahoo.com](mailto:nealuzonsitios@yahoo.com) (Luzon ECs), [neavisayassitios@yahoo.com](mailto:neavisayassitios@yahoo.com) (Visayas ECs), and [neamindanaositios@yahoo.com](mailto:neamindanaositios@yahoo.com) (Mindanao ECs), or through trunk line number at (02) 8929-1909 loc. 170 and 171.

For your information and guidance.

  
EMMANUEL P. JUANEZA  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION  
Office of the Administrator



U.P. LAW CENTER  
OFFICE OF THE NATIONAL ADMINISTRATIVE REGISTER  
422 Tañon Drive, Quezon City

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# NATIONAL ELECTRIFICATION ADMINISTRATION

"The P Performance Governance System-Institutionalized National Government Agency"  
57 NIA Road, Government Center, Diliman, Quezon City 1109



29 June 2022

## THE DIRECTOR

Office of the national Administrative Register  
University of the Philippines Law Center  
U.P. Law Center, Diliman  
Quezon City

Sir:

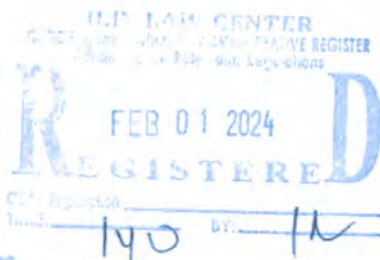
Greetings of peace and good health!

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines, we are respectfully submitting to the U.P. Law Center, for filing, publication and recording the attached certified true copies of the **REVISED POLICY GUIDELINES ON THE IMPLEMENTATION OF STRATEGIZED TOTAL ELECTRIFICATION PROGRAM (STEP)** promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P. Law Center.

Very truly yours,

**ATTY. GWEN B. ENCISO-KYAMKO**  
Acting Corporate Board Secretary V



## REVISED POLICY GUIDELINES ON THE IMPLEMENTATION OF STRATEGIZED TOTAL ELECTRIFICATION PROGRAM (STEP)

### I. RATIONALE

- Section 2 of RA 10531, or the NEA Reform Act of 2013, mandated NEA to promote the sustainable development in the rural areas through rural electrification, and to pursue the electrification program and bring electricity, through the Electric Cooperatives (ECs) as its implementing arm, to the countryside even in missionary or economically unviable areas.
- The Special Provisions on subsidy releases for electrification indicated in the General Appropriations Act (GAA) of the National Electrification Administration (NEA) on the selection criteria for the Electric Cooperative beneficiaries.
- The revision is in connection with the review and update of the issued policies, Memorandum No. 2011-024 issued on 26 December 2011, Memorandum No. 2019-001 issued on 9 January 2019 and Memorandum No. 2019-054 issued on 13 November 2019, relative to the Sitio Electrification Program (SEP) and on the cost of house wiring materials, as instructed and recommended by the NEA Board of Administrators.

### II. BACKGROUND

President Rodrigo R. Duterte issued a directive through the DOE Secretary to formulate plans and programs to accelerate the electrification of unviable, unserved and underserved areas in the country towards achieving 100% household electrification. As a kick off activity and in compliance with the directive, the DOE with the Energy Sector Agencies conducted a coordination meeting to discuss the Total Electrification Framework.

Accordingly, the NEA then established and revised its current programs into a comprehensive "**Strategized Total Electrification Program**" (STEP). It integrates the various electrification strategies, namely:

1. Expanded Sitio Electrification Program (Expanded SEP), for On-Grid and Off-Grid areas;
2. Barangay Line Enhancement Program (BLEP); and
3. Expanded Household Electrification Program (Expanded HEP), for On-Grid and Off-Grid Areas.

### III. OBJECTIVES

- a. To accelerate the attainment of 100% household electrification
- b. To define implementation scheme and sources of funds.

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- c. To motivate ECs to include the achievement of Total Electrification mandate as their priority agenda.

#### IV. POLICY STATEMENT

It shall be the policy of NEA to prescribe the Guidelines on the Implementation of Strategized Total Electrification Program (STEP) covering the following projects/categories:

##### A. Distribution Line

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

- a. Mechanics/Criteria on the selection of beneficiaries under the Sitio Electrification Program (SEP)

Tier/Priority	Energization Level	Poverty Incidence	Liquidation	Peace and Order	Electrification Masterplan
Tier 1	84% and Below	Level 1, (80% & up) Level 2, (60-80%) & Level 3 (40-60%)	Liquidated	With Peace and Order problem	Included in the CEMP/TEMP
Tier 2	85% - 94%	Levels 4 (20-40%) & Level 5 (0-20%)	Liquidated	-	Included in the CEMP/TEMP
Tier 3	95% and Above	Levels 1-5	Liquidated	-	Included in the CEMP/TEMP

- b. Prioritize sitios where the absolute number of indigents and the incidence of poverty are high as identified by the latest official poverty statistics of the PSA, as well as those with high probability of being energized.
- c. Construction of distribution lines of un-energized sitios which have at least 10 potential household connections
- d. Household connection for a maximum of 60 consumers per sitio or the actual number whichever is lower.
- e. Self-contained power systems, confined to small off-grid geographic areas, powering up distant clusters of houses or villages

This is an expansion and an innovation of the Sitio Electrification Program (SEP) which has the intention to use Renewable Energy technologies or Hybrid Systems to energize isolated communities with clustered houses which electric cooperatives deem not feasible for grid connection within the next 5 years or so. The systems are

typically designed to be grid connected ready, in anticipation of the coming of the grid.

A hybrid energy system, or hybrid power, usually consists of two or more renewable or conventional energy sources used together to provide increased system efficiency as well as greater balance in energy supply.

## 2. Barangay Line Enhancement Program (BLEP)

- a. Enhancement of distribution lines to barangays previously powered by gen-sets, solar home systems and other renewable energy technologies
- b. Improvement of tapping points
- c. Underground Cable Systems
- d. Submarine Cable Systems
- e. NPC SPUG unserved/underserved areas

## 3. Expanded Household Electrification Program (EHEP)

- a. Electricity service connection to all unserved households situated in areas where distribution lines are either physically or technically available for extension.
- b. Solar Home Systems (SHS) that target dispersed households with no access to the grid.

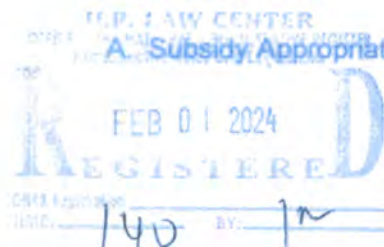
This is an expansion and an innovation of the Household Electrification Program (HEP) which has the intention to use Renewable Energy technologies to energize isolated communities with dispersed households which electric cooperatives deem not feasible for grid connection within the next 5 years or so.

## B. House Wiring

To further support connection of marginalized consumers, the EC is hereby authorized to include the cost of house wiring materials and labor in the submission of its funding request for target sitios from FY 2022 and onwards. The maximum amount of Php 4,900.00 shall be allowed per household connection to cover the inside assemblies, outside assemblies and labor (detailed breakdown attached as "Annex A").

## V. FUND SOURCES

### A. Subsidy Appropriation from the National Government to NEA



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- B. Energy Regulation 1-94 (ER 1-94)
- C. Local Government Unit (LGU)
- D. RFSC Regular CAPEX
- E. RFSC Additional/Indicative CAPEX (Authority to Secure Loan (ASL))
- F. Saving from General Fund
- G. EC partnership/Joint Venture with private sector
- H. Private Sector (QTP/PPP)
- I. Grants/Donations

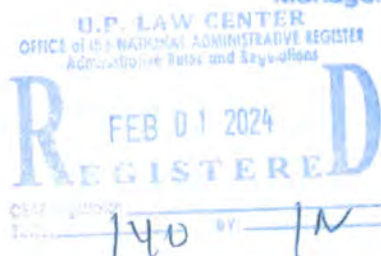
The project implementation, monitoring, inspection, acceptance, close-out and liquidation of fund should follow the policies, guidelines, rules and regulations issued by the implementing agencies and partners and the provisions indicated in the Memorandum of Agreement (MOA) between parties, such as NEA, EC, DOE, LGU, Gencos, Business Partners and Donors/Grantee.

All projects irrespective of fund source should be included as applicable in the Comprehensive Electrification MasterPlan (CEMP) /Total Electrification Masterplan, EC WorkPlan, CAPEX plan and Cash Operating Budget (COB). The EC may apply for rate adjustment with the Energy Regulation Commission (ERC) to recover its investment, where applicable.

## VI. IMPLEMENTATION SCHEME FOR NEA SUBSIDY FUNDED PROJECTS

### A. Coverage

- a. Projects included in the approved Comprehensive Electrification Masterplan (CEMP)/Total Electrification Masterplan (TEMP) and/or priority requests with funding allocations from the National Government are eligible for evaluation and release of funds subject to the approval of the Administrator.
- b. Additional projects which have no funding allocation shall also be eligible for evaluation and release of funds upon approval of the Administrator and availability of funds/generated savings approved by the NEA Board of Administrators.
- c. EC shall submit letter indicating the list of priority projects for the replacement of sitio/purok projects previously submitted/targeted to be implemented as approved by the Department of Budget and Management (DBM).





## B. Schedule of Fund Release

1. The EC shall submit to NEA the Request for the Release of Construction Funds (RRCF/Budget Request) using the NEA Standard Form for its proposed/programmed electrification projects duly signed by its General Manager and Board President. The following supporting documents shall be attached in the RRCF:

- a. Barangay Certification that the sitio is un-energized with the number of potential households and population (format attached as "Annex B")
- b. Location Map
- c. As plan staking sheets
- d. As plan bill of materials
- e. Certification on Right of Way Easement
- f. Board Resolution
- g. Execution Plan
- h. Letter of Commitment to finish the project based on timeline
- i. Feasibility Study for Underground Cable, Submarine Cable and
- j. Mini-grid projects, as applicable
- k. Other requirements for off-grid electrification projects

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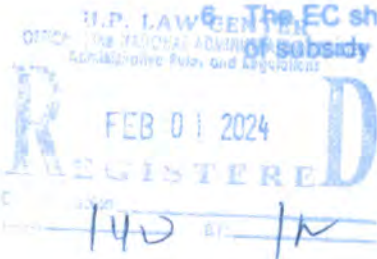
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2. Funds shall be released as follows:

- a. Initial release of ninety percent (90%) of the total evaluated project cost upon submission of copy of Notice of Award or Notice to Proceed issued to the winning bidder.
- b. Final release of ten (10%) upon submission of Certificate of Completion, Certificate of Energization, Certificate of Final Inspection and Acceptance, final Accounting of Funds of the project with supporting documents, As Built Staking Sheets and Bill of Materials, Project Implementation Report, Summary of Household Connections including list of beneficiaries per sitio and Budget Request.

3. Subject to final inspection, subsidy fund received for the construction of distribution lines of a sitio without actual household connections shall be returned to NEA. Subsidy funded projects are subject to the usual accounting and auditing rules and regulations.
4. The RRCF for succeeding projects shall be processed only if the previous projects funded by subsidy were completed and a Certificate of Final Inspection and Acceptance was issued by a NEA Representative.
5. Reallocation/augmentation of subsidy funds within the list of projects under the same Memorandum of Agreement (MOA) is allowed.

6. The EC shall abide with all the provisions of the MOA covering the release of subsidy funds for the purpose.



7. Freight and handling should not exceed 15% for isolated EC and 10% for mainland EC of the total material cost (TMC), unless otherwise requested in actual costing and approved by NEA.

### C. Implementation, Monitoring and Inspection

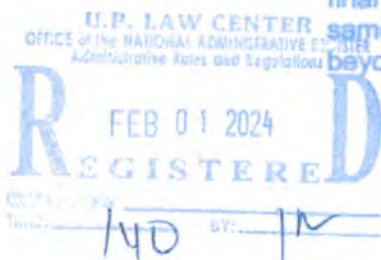
1. Periodic inspection shall be conducted by NEA for the following purposes:
  - a. Ensure that the funds released are properly utilized,
  - b. Determine that the projects are undertaken in accordance with the approved plans and specifications,
  - c. Determine the progress of work, and
  - d. Recommend remedial actions for any problem that may arise.
2. Accomplishment report and Certificate of Completion signed by the EC General Manager shall be submitted as basis for NEA's final inspection and acceptance.
3. The Certificate of Final Inspection and Acceptance (CFIA) for household connection shall be issued upon validation of the following using random sampling:
  - a. 20 sitios and below (50% of actual household connections)
  - b. Above 20 sitios (20% of actual household connections)
  - c. For realigned household connections, required random inspection is 50% of the completed actual connections.

### D. Re-alignment for Unutilized and/or Excess Subsidy Fund

The EC should secure NEA's approval for realignment of unutilized and/or excess funds before implementation. The realigned projects shall be implemented and completed within six (6) months after the NEA's approval. Likewise, NEA shall continuously monitor the completion of the realigned projects for timely issuance of Certificate of Final Inspection and Acceptance.

#### For distribution line facilities;

1. Excess balances amounting to Php 100,000 and above can be requested for realignment to same project/purpose thru a Board Resolution including supporting documents within one (1) month after final inspection and acceptance, otherwise return to NEA within the same period. Request for realignment will no longer be accepted beyond this period.





2. Excess balances below Php 100,000 shall be returned to NEA within one (1) month after final inspection and acceptance.

**For household connection;**

1. The EC can only request for realignment within one (1) month after completion of at least 50% of the intended household beneficiaries and within the same barangays in the same MOA.
2. Only one request for realignment per batch of funded projects is allowed.

The realigned projects shall be implemented and completed within six (6) months after the NEA's approval. Likewise, NEA shall continuously monitor the completion of the realigned projects for timely issuance of Certificate of Final Inspection and Acceptance.

ECs are required to liquidate subsidy funds for realigned projects by submitting the original copies of the following documents within three (3) months after the conduct of final inspection and acceptance:

1. Accounting of Funds (AOF) per project basis
2. Supporting documents for all transactions in the implementation of the realigned projects with COA prescribed checklist
3. Certificate of Final Inspection and Acceptance (CFIA).

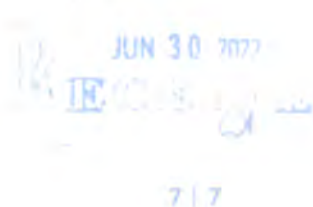
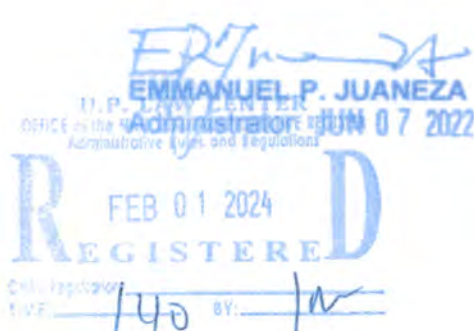
## VII. REWARDS SYSTEM

Compliance by the ECs with their legal mandate and role as the government's implementing arm in attaining total electrification shall be considered in the EC Overall Performance Assessment, granting of incentives, recognition and awards.

## VIII. EFFECTIVITY

The Revised Policy shall immediately take effect fifteen (15) days after publication at the U.P. Law Center pursuant to Presidential Memorandum Circular No. 11 dated October 9, 1992.

This supersedes all the other issuances, guidelines, memoranda previously issued inconsistent with this policy.





## 2022 UPDATES ON HOUSEWIRING COST

Assembly Location	Particulars	Cost (Php)
A. Inside Assemblies	Materials	2,510.00
	Labor (30% Total Material Cost)	753.00
	Subtotal	3,263.00
	Say	3,300.00
Outside Assemblies	Materials	1,210.00
	Labor (30% Total Material Cost)	363.00
	Subtotal	1,573.00
	Say	1,600.00
	<b>Total</b>	<b>4,900.00</b>

## A. INSIDE ASSEMBLIES

Materials	Project Requirements	Units	Unit Price	Total Price (Php)
Circuit Breaker (15 Amps)	1	set	455.00	455.00
Receptacle	2	pieces	45.00	90.00
CFL Bulb (15 W)	2	pieces	131.00	262.00
Tumbler Switch	2	sets	55.00	110.00
Convenience Outlet (2 gang)	1	set	87.00	87.00
Junction Box (plastic with cover)	2	pieces	47.00	94.00
PDX Wire #10	5	meters	77.00	385.00
PDX Wire #12	10	meters	54.00	540.00
PDX Wire #14	10	meters	38.00	380.00
Electrical Tape	1	piece	47.00	47.00
Insulated, Staple Wire	30	pieces	2.00	60.00
Housewiring Labor (30% TMC)	-	-	-	753.00
<b>TOTAL</b>				<b>3,263.00</b>

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## B. OUTSIDE ASSEMBLIES

Materials	Project Requirements	Units	Unit Price	Total Price (Php)
EMT Entrance Cap, 3/4"	1	piece	45.00	45.00
EMT LB Conduit, 3/4"	1	piece	37.00	37.00
EMT Pipe, 3/4"	1	length	140.00	140.00
EMT Elbow, 3/4"	3	pieces	50.00	150.00
EMT Reducer, 1" X 3/4"	2	pieces	20.00	40.00
EMT Connector, 3/4"	5	pieces	15.00	75.00
EMT Coupling	4	pieces	30.00	120.00
PVC C-Clamp	6	pieces	3.00	18.00
Rod, Ground Steel, Galvanized, 5/8" X 10'	1	piece	510.00	510.00
Connector, Ground Rod (Clamp) for 5/8" Steel Rod	1	piece	25.00	25.00
Wire, Grounding, Aluminum Alloy, Stranded or Solid, #6 AWG	10	feet	5.00	50.00
Labor (30% TMC)				363.00
TOTAL				1,573.00

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*[Signature]*

Republic of the Philippines  
Province of \_\_\_\_\_  
Municipality of \_\_\_\_\_

### CERTIFICATION

This is to certify that the following sitio / purok located at Barangay \_\_\_\_\_ of this Municipality has no electric service as of this date.

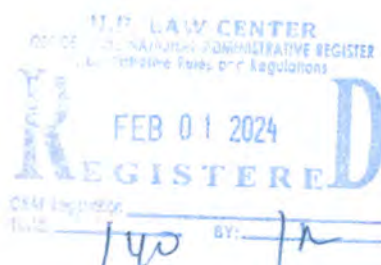
Name of Sitio/Purok	Population		Potential Households
	Male	Female	

Whereas, they are all within the franchise area of \_\_\_\_\_

Likewise, this certifies the absolute number of indigents and high incidence of poverty

This certification is issued to formalize our willingness for energization, this \_\_\_\_\_ day of \_\_\_\_\_, 2021 in the Office of the Punong Barangay.

\_\_\_\_\_  
Barangay Captain/Official





Republic of the Philippines  
Province of \_\_\_\_\_  
Municipality of \_\_\_\_\_

### CERTIFICATION

This is to certify that the following sitio / purok located at Barangay \_\_\_\_\_ of this Municipality has no electric service as of this date.

Name of Sitio/Purok	Population		Potential Households
	Male	Female	

Whereas, they are all within the franchise area of \_\_\_\_\_.

Likewise, to certify that the following sitio / purok project(s) for the Sitio Electrification Program (SEP) to be funded by subsidy are free from Right of Way (ROW) problem attested by the concern Barangay Captain/Official.

Furthermore, this certifies of the absolute number of indigents and high incidence of poverty.

This certification is issued to formalize our willingness for energization, this \_\_\_\_\_ day of \_\_\_\_\_, 2021 in the Office of the Punong Barangay.

\_\_\_\_\_  
Barangay Captain/Official

