



Electrification projects get P700M more in 2020

The National Electrification Administration (NEA) has welcomed an increase in budget for the continued implementation of electrification projects under this year's General Appropriations Act (GAA).

Administrator Edgardo Masongsong said the national government subsidy for rural electrification was augmented by P768 million from P1.531 billion in the National Expenditure Program (NEP) to P2.299 billion in 2020 GAA.

A bigger portion of the amount, or P1.398 billion, was appropriated for the implementation of the second phase of the Sitio Electrification Program (SEP). The figure was slightly higher from the NEP's P1.162 billion for SEP.

The funding of P500 million has also been provided to implement Republic Act No. 11039, also known as the Electric Cooperatives Emergency and Resiliency Fund (ECERF) Act.

The amount, however, is lower than the P750 million promised for the initial implementation of the ECERF, which will be taken from the National Disaster Risk Reduction and Management Fund (NDRRMF).

The ECERF Law, enacted in June 2018, seeks an orderly and continuing means of financial assistance to electric cooperatives (ECs) in the form of grants for the immediate restoration or rehabilitation of damaged infrastructures after a fortuitous event or force majeure.

Calamity loans extended to typhoon-hit power co-ops

In its assistance to electric cooperatives affected by calamities --- as it has done in the past years--- NEA extends calamity loans to help in their immediate recovery and rehabilitation.

Last December, Typhoon "Tisoy" wreaked havoc in the country and caused significant damages to the distribution system facilities and infrastructures of electric cooperatives in Bicol and Mimaropa regions.

Administrator Masongsong said the agency released P31.246-million worth of financial assistance to four ECs in Bicol Region and Mimaropa for the rehabilitation of the power distribution facilities damaged by the typhoon.

"The NEA will continue to assist the electric cooperatives affected by the recent calamity---as we have done in the past years---in their recovery and rehabilitation efforts through the provision of loans," Masongsong said.

Data from the Accounts Management and Guarantee Department (AMGD) as of January 31 showed the Oriental Mindoro Electric Cooperative, Inc. (ORMECO) received P14.223 million, while Masbate Electric Cooperative, Inc. (MASELCO) got P7.555 million.



Apart from this, P100-million was allocated for the Quick Response Fund, which shall serve as a stand-by fund for replacement, reconstruction, rehabilitation or repair of distribution facilities in the aftermath of calamities.

"The additional funding and the provision of emergency fund for electric cooperatives in the aftermath of calamities are a recognition of the key role that rural electrification plays in

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NEA extends P700M loans to power co-ops in 2019

NEA through its Enhanced Lending Program has extended over P700-million worth of loans to electric cooperatives (ECs) in 2019, surpassing the full-year target of P450 million.

Data from the NEA Accounts Management and Guarantee Department (AMGD) showed the agency released a total of P705 million to 31 ECs, bulk of the amount or P658.090 million went to bankroll their capital expenditure projects (CapEx).

These projects include construction of sub-transmission and distribution lines, substations, office buildings, rehabilitation and upgrading of distribution system and mini-hydro power plant, replacement of dilapidated poles and defective meters, and acquisition of vehicles and other tools and equipment.

Topping the list of the ECs that availed loans was Zamboanga del Norte Electric Cooperative, Inc. (Zaneco) with P104.950 million, followed by Camarines Sur I Electric Cooperative, Inc. (Casureco I) with P60.963 million, Central Pangasinan Electric Cooperative, Inc. (Cenpelco) with P45.651 million, Dinagat Island Electric Cooperative, Inc. (Dielco) with P45.298 million, and Sorsogon I Electric Cooperative, Inc. (Soreco I) with P42.463 million.

The NEA also granted stand-by credit loan to Casureco I and Camarines Sur III Electric Cooperative, Inc. (Casureco III) for power accounts totaling P25-million to strengthen their creditworthiness with generation companies.



Meanwhile, the Sultan Kudarat Electric Cooperative, Inc. (Sukelco) secured P21.934 million for the procurement of modular generator sets.

A P10-million calamity loan was also availed by the Abra Electric Cooperative (Abreco). The amount was used to rehabilitate the EC's distribution facilities damaged by Typhoon Ompong (Mangkhut).

The calamity loan being offered by the NEA has a 10-year repayment term with maximum grace period of one year and an interest rate of 3.25 percent per annum. The average processing time is seven days. ###

NEA designates project supervisor, acting general managers

PD 269, as amended by RA 10531 allows the NEA to intervene or exercise its step-in rights over operationally-challenged or ailing ECs by assigning a Project Supervisor and/or Acting General Manager (PS/AGM) to help improve their operations.



Atty. Rossan Rosero-Lee



Mr. Romeo Acuesta

On February 24, 2020, one of its deputy administrators was assigned to supervise the management and operations of the Masbate Electric Cooperative, Inc. (Maselco) as provided in Office Order No. 2020-044 designating Deputy Administrator Rossan Rosero-Lee as Project Supervisor to Maselco. She is also tasked to perform the functions of a regular board in the absence of a Board of Directors.

Meanwhile, Romeo Acuesta continues his role as

Acting General Manager (AGM) of Maselco. As AGM, Acuesta leads the day-to-day operations of Maselco and ensure the efficient delivery of electric service to consumers.

He is also tasked to review financial, institutional and technical reports including action plans for operational improvement, and is authorized to exercise powers to hire, transfer, discipline and terminate personnel of the EC.

In related news, NEA names Atty. Ricardo Orias, Jr. as Project Supervisor/Acting General Manager (PS/AGM) for South Cotabato power co-op. NEA has temporarily installed a PS/AGM at the South Cotabato I Electric Cooperative, Inc. (Socoteco I) pending the appointment of a regular general manager to manage the day-to-day operations of Socoteco I and ensure the efficient delivery of electric service to its consumers.###



Atty. Ricardo Orias, Jr.

2019 electricity consumer connections target exceeded

NEA surpassed its electrification target for 2019 with over 500,000 new consumer connections, bringing its overall energization level under the franchise areas of different electric cooperatives (ECs) nationwide at 95 percent.

Data from the NEA Information Technology and Communication Services Department (ITCSD) showed that from January to December last year, the ECs reached 586,144 additional consumer connections.

NEA Administrator Edgardo Masongsong said this number is 27-percent higher than the corporate target of 460,000 additional consumer connections for 2019.

Overall, the level of energization within the coverage areas of non-profit distribution utilities nationwide is at 95 percent or 13,625,857 connections out of the 14,335,784 potential consumers based on the 2015 census.

Forty-seven percent of these consumer connections, or 6.429 million, are located in Luzon; 27 percent or 3.641 million are found in Visayas; and 26 percent or 3.556 million are in Mindanao.

The top five provinces with the highest number of consumer connections are Negros Occidental (616,041); Pangasinan (561,052); Batangas (512,242); Cebu (506,580); and Leyte (452,531), according to the NEA-ITCSD.

This helps keep the state-run electrification agency, together with its 121 partner ECs across the country, on pace towards achieving the 100-percent energization target by 2022.

"For this year to 2022, the challenge is

the energization of the remaining 1,874,709 unserved consumers within the coverage areas of 121 electric cooperatives across the country," Masongsong noted.

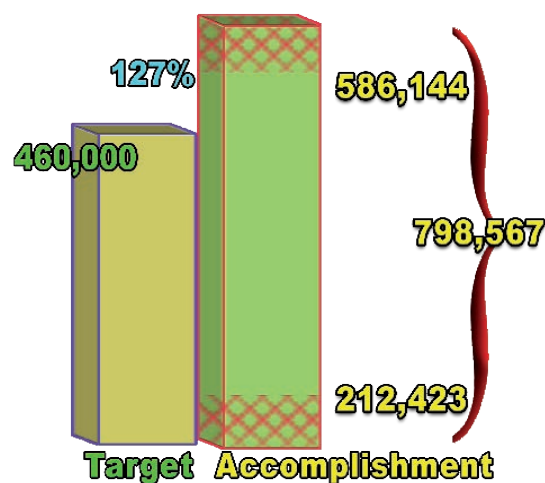
The NEA earlier said its national government subsidy allocation will prioritize ECs with low electrification rates—particularly those at 74 percent and below—that have good project fund liquidation performance.

Power co-ops in areas with problems on peace and order, financial liquidity, and those classified as "medium" and below will also be considered for specific electrification related projects.

"Electric cooperatives with energization levels ranging 95 percent and above, based on the 2015 census without growth rate, shall be the least priority for allocation," Masongsong said.

Better-performing ECs will be required to utilize their internally generated funds; scout potential private investors for joint ventures; tap international and local grants and programs; and include in their capital expenditure project application to the Energy Regulatory Commission other necessary programs for development.

For this year, the NEA has been given P2.3-billion national government subsidy



for rural electrification projects based on the 2020 General Appropriations Act. Bulk of the amount or P1.399-billion was allocated for the continuing implementation of the Sitio Electrification Program. ###

Electrification projects ... *from page 1*

spurring social and economic growth, creating employment, and improving the living conditions of Filipinos in the countryside," Masongsong said.

The NEA also welcomed the provision of P45 million for the establishment of Customer Management and Quick Response System for selected ECs at P15-million subsidy each.

Also included is the allocation of P145 million for the cost counterpart of the Philippine government on the Japan International Cooperation Agency (JICA) donation for ECs in the Bangsamoro Autonomous Region in Muslim Mindanao.

The budget, on the other hand, for the electrification of local government unit/non-government organizations (LGU/NGOs) resettlement sites was decreased from P122.92 million to P109.96 million. ###

Calamity loans extended ... *from page 1*

Meanwhile, the Camarines Sur III Electric Cooperative, Inc. (CASURECO III) and Marinduque Electric Cooperative, Inc. (MARELCO) availed calamity loans amounting to P7.220 million and P2.249 million, respectively.

Loan availment by the ECs is included in the fast-track lane being implemented by the NEA. The calamity loan has a 10-year repayment term and one-year grace period with an interest rate of 3.25 percent per annum.

Earlier, the NEA through its Disaster Risk Reduction and Management Department (DRRMD) reported that the EC sector recorded an estimated P911.668-million worth of losses and damages due to the effects of the typhoon.

Typhoon "Tisoy" (international name: "Kammuri") made landfall in Gubat, Sorsogon, on December 2, 2019, and caused serious damage to the power distribution facilities of 27 ECs operating in Luzon and Visayas. ###

***** NEWSBITS *** NEWSBITS *** NEWSBITS *****



DOE Usec and Alternate NEA Board Chair Emmanuel Juaneza (center) together with Asec Redentor Desola (2nd from left) and Director Mario Marasigan (3rd from left) with NEA Deputy Administrator Rossan Rosero-Lee (center-right) with Atty. Alma Alli, Acting Director Ruth Ramirez and Head Executive Assistant Patrick Sean Barnedo

In the effort to ensure the efficient conduct of Competitive Selection Process for the Procurement of Power Supply of Electric Cooperatives, the Department of Energy (DOE) and NEA met to discuss relevant concerns of ECs particularly that of revisiting the policies on CSP.

Usec and Alternate NEA Board Chair Emmanuel Juaneza together with Asec Redentor Desola and Director Mario Marasigan conferred with NEA officials led by Deputy Administrator Rossan Rosero-Lee with Atty. Alma Alli, Acting Director Ruth Ramirez and Head Executive Assistant Patrick Sean Barnedo on February 11, 2020 at the DOE Headquarters in Taguig City.

The body specifically tackled the need to establish the different processes; including determining accountabilities and future initiatives such as capability building for responsible units, process outsourcing, among others, to make the CSP process more effective and efficient. ###



NEA officers namely Engineers Exequiel Evale, Jr. and Mark Exequiel Ablen in a coordination meeting with DPWH Region 4-B on the compensation for the relocation of obstructing distribution facilities of ECs with DPWH officials led by Regional Director Yolanda Tango.

On February 27, 2020, NEA officers attended a coordination meeting held at DPWH Region IV-B office to discuss the requirements needed on the disbursement of funds for the relocation of distribution facilities affected by the DPWH road improvement projects. The meeting was presided by DPWH Region IV-B Asst. Regional Director Yolanda L. Tango. Four ECs namely Paleco, Omeco, Romelco, and Marelco participated in the said activity with the DPWH District Engineering Office.

The total funds for release amounting to Php121M was intended to compensate the transfer or relocation of facilities of the four ECs at P89.4M for Paleco, P22.7M for Omeco, P5.4M for Romelco, and P3.7M for Marelco.###



NEA Deputy Administrator and Paleco PS Artis Nikki L. Tortola leads in taking proactive steps in transforming Paleco into a more efficient, and dependable electric distribution utility through various initiatives like the adoption of the prescribed Revised Model Structure for ECs.

To be able to help ECs especially those that are operationally-challenged, NEA conducts activities which will improve the operations of these ECs. From February 4 to 8, 2020, a team from NEA assisted Paleco to come up with a revised management tools for reorganization.

Select Paleco employees attended the five-day activity primarily to comply with the requirements pursuant to NEA Memorandum on Revised Model Structure that are aligned and responsive to the new standards in the industry.

Further, NEA and the Paleco management wanted to take proactive steps to confront the impending challenges like the possibility of dividing the Palawan Island to three provinces and the eventual dissolution of Paleco through legislative franchise.

From the results of the Paleco scorecard, evaluation of coop's needs, a number of initiatives has been undertaken such as the creation of the Technical Working Group (TWG) tasked to design or develop the management tools for reorganization.###

***** NEWSBITS *** NEWSBITS *** NEWSBITS *****

To elevate the level of data gathering and info dissemination, NEA recently acquired two units of DJI Mavic Zoom drone cameras which will be used by the Disaster Risk Reduction and Management Department (DRRMD) and Corporate Communications and Social Marketing Office (CCSMO).

These equipment cost P75,000.00 each .

On February 6, 2020, six personnel underwent a half-day training on Drone Operation held at the supplier’s Demo Shop in Quezon City to capacitate the personnel who will be involved in its operation.

The participants learned about the different features of the said equipment and how it can be effectively used to derive the desired output.###



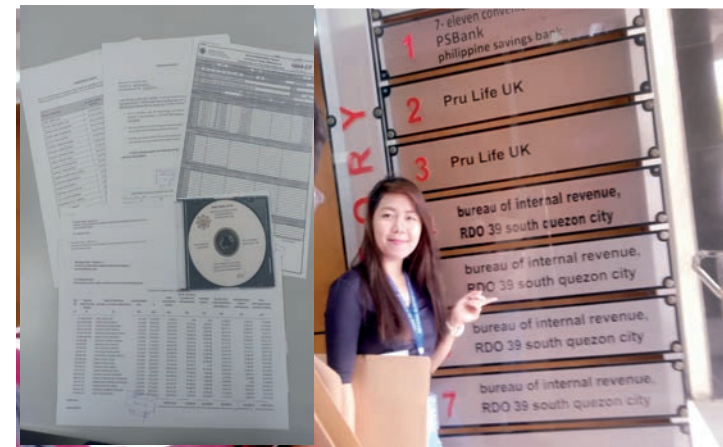
DRRMD and CCSMO personnel look and listen intently during the demonstration on how to operate the newly-purchased drone camera to be used during disaster damage assessment and video production.

As a responsible corporate citizenship, the agency always adheres to government regulations by ensuring accurate and timely submission of required documents.

On February 28, 2020, NEA prepared and submitted monthly, quarterly and annual Tax Reports in compliance with the requirements of the Bureau of Internal Revenue.(BIR) that include the Annual Income Tax Withheld (1604CF) together with its attachments, BIR Form 2316 for 308 employees, 7.1, 7.3 and 7.4 Alphalist Schedules, Certification of Substituted Filing and Sworn Declaration for Calendar Year 2019.

On the same day, the 2019 Annual Creditable Tax Withheld (1604E) was also submitted via the E-submission facility of BIR, a web based portal that receives reports on-line. The submission was validated on February 29, 2020 thru an email sent by BIR to FSAD.

Both Annual Reports together with their attachments were due on March 31, 2020 as stated in BIR RMC No. 17-2020 dated February 26, 2020.###



NEA’s Financial Services and Accounting Division (FSAD) personnel ensures the timely submission of required documents to the Bureau of Internal Revenue (BIR).

On February 6, 2020, the Administrator has approved the 2020 Records Disposal Program. The Program is part of the ongoing 6S initiatives of the agency and in pursuance of R.A. 9470 or National Archives of the Philippines Act of 2007 and other related issuances.

The Program involves a series of activities such as identification of valueless records, preparation of required listings using the prescribed forms, initial review and consolidation of listings, endorsement to the NAP for approval, and actual disposal of valueless records.

The Records Management Unit (RMU) which led all other NEA units in this undertaking has initially reviewed, validated and consolidated the departmental listings of valueless records for submission to NAP.

This activity aims to effect continuing improvement on processes to safeguard the integrity of data, information and reports generated/ issued for the management and stakeholders ###



The 6S principle which was derived from the Japanese technology.

NEWS AROUND THE ECS

Solar energy tapped to meet Romblon's power demand



photo credits: Romblon Electric Cooperative, Inc.

In anticipation of higher electricity demand this dry season, the Romblon Electric Cooperative, Inc. (Romelco) installed a 200-kilowatt (kW) disaster-ready solar photovoltaic system distributed in various villages under its franchise area.

Romelco reported to the NEA the initial installation of its "Grid-Tied Solar Roof Mounted Project," which aims to provide clean, sustainable, and reliable energy to its consumers.

Built at a cost of P12-million, the distributed solar power plants were composed of 528 high-efficiency solar panels installed on the rooftops of the four covered courts in Barangays Lunas, Macalas, Mapula, and Ilauran.

The grid-connected installations were all located in the Municipality of Romblon, Romblon. Each distributed solar power plant has a capacity of 50 kW, or a total installed capacity of 200 kW, which already generates electricity for the consumers.

"This [system] is more efficient than a single big installation. Since this is distributed, the installation is fast. It only took us less than a week (to set up the panels) for each rooftop," Romelco general manager Rene Fajilagutan said.

Romelco plans to expand the project throughout its entire coverage area. *"This is our test-bed for the bigger distributed solar power plant. This year, our target installation is a two-megawatt solar energy system,"* he said.

The solar energy project was conceived in partnership with the local governments of Romblon. Fajilagutan said the power co-op will pay the cost of the lease to four barangays for the use of rooftop spaces for a period of 20 years.

The project is also part of Romelco's commitment to generate 90 percent of its electricity supply from renewable energy (RE) sources, such as solar, wind, hydro, and biomass, by the end of 2020.

Among its other RE projects include 900-kW wind turbines located

on the hills of Barangays Agnay, Bagacay, and Lonos; 1,350-kW mini hydro power plant in Cantingas, San Fernando, Sibuyan Island; 30-kW solar diesel hybrid generation system in Cobrador Island; and 18-kW biomass gasifier in Barangay Alad, Romblon.

In other development, more ECs are now venturing into renewable energy projects, according to the NEA Office of Renewable Energy Development (ORED).

Data from the NEA-ORED showed a feasibility study on the development of hybrid mini-grid system using renewable energy and battery system

for four ECs is currently underway subsidized by the agency.

A separate feasibility study on hybridization of existing diesel power plants with renewable energy and battery system for three ECs in Eastern Visayas is also ongoing, funded through subsidy from the National Economic and Development Authority (NEDA).

Meanwhile, 10 ECs are also planning to develop microgrid projects in their respective franchise areas. The Association of Isolated Electric Cooperatives, Inc. (AIEC), however, clarified that these planned projects have no funding yet. ###



photo credits: Romblon Electric Cooperative, Inc.

NEWS AROUND THE ECS

Forced power outage imposed in Batangas towns due to Taal eruption

Electric cooperatives in Batangas faced a drastic decline in power demand as thousands of residential customers were forced to evacuate and businesses closed due to the Taal Volcano eruption.



On January 14, the Batangas I Electric Cooperative, Inc. (Batelec I) has imposed forced power shutdown to the municipalities of Agoncillo, Lemery, and San Nicolas as a safety measure due to the effects of the volcanic activity of Taal Volcano, said Batelec I general manager Alvin Velasco.

These towns with a total combined households of 32,392 were placed on total lockdown by the authorities to prevent residents from going back to their homes.

Batelec I also reported that Sta. Teresita and portions of Calaca and San Luis were without power caused by tripping of circuit feeder due to the heavy ashfall.

Meanwhile, the Batangas II Electric Cooperative, Inc. (Batelec II) said some 43,786 households in Tanauan City were affected by the outages due to the eruption.

Batelec II general manager Octavious Mendoza said it has also imposed a forced power shutdown in the municipalities of Talisay and Laurel.

The Lipa City-based power distribution

utility also enforced a mandatory shutdown of electricity to 21 barangays of Tanauan City that are within the 14-kilometer danger zone, noon of January 17.

Mendoza said this was in compliance to the memorandum issued by the local government of Tanauan and the City Disaster Risk Reduction and Management Office (CDRRMO). Tanauan City was placed under a state of calamity due to the phreatic eruption of Taal Volcano.

The eruption affected some 16,286 households in the municipalities of Talisay and Laurel as the Batangas substation of the National Grid Corporation of the Philippines (NGCP) was also unavailable.

Demand for electricity in Batangas plummets

NEA Administrator Edgardo Masongsong visited the offices of Batelec I and Batelec II to check on the state of their power distribution operations.

Batelec I reported a 7-megawatt (MW) drop, while Batelec II pegged a 12-MW to 15-MW decline, which impacted their operations both financial and technical including system loss rates and collection efficiency.

Batelec I GM Velasco also informed the Administrator Masongsong of the different activities that include a massive clean-up of their power distribution facilities, such as substations and feeder lines, which were covered by a thick layer of volcanic ash.

During his visit to the Batangas power co-ops on January 16, Masongsong extended his sympathy to the residents greatly affected by the calamity, including rural electrification workers. Batelec I has 157 internally displaced employees while Batelec II reported 91.

“Let us not lose hope. We are doing everything as a movement para makabangon tayo,” the NEA chief said. He assured the electric cooperatives that the leaderships of their regional and national organizations will support them through said calamity.

The Philippine Rural Electrification Association (PHILRECA) through its One EC Network Foundation, which the NEA chief inspired to create, has extended financial assistance amounting to P1.585-million for the calamity-stricken employees of Batelec I and Batelec II.###

Task Force Kapatid tapped to restore power restoration in typhoon-hit areas



Task Force Kapatid (TFK), a time-tested compact of cooperation among electric cooperatives, was once again mobilized to help ECs affected by the onslaught of Typhoons Ursula and Tisoy which hit the country in December last year.

It is a special unit of electrification workers strategically deployed by the NEA in coordination with the Philippine Rural Electric Cooperatives Association, Inc. (Philreca) to help out in the continuing power line rehabilitation efforts.

Around 25,300 households in areas devastated by Typhoon “Ursula,” struggled with prolonged outages in the wake of these storms. These areas were served by the Iloilo III Electric Cooperative, Inc. (Ileco III), Aklan Electric Cooperative, Inc. (Akelco), and Occidental Mindoro Electric Cooperative, Inc. (Omeco).

The NEA-Disaster Risk Reduction and Management Department (DRRMD) said the TFK operation was manned by 357 engineers and line workers, equipped with 39 boom trucks and 15 utility vehicles from 45 ECs aiding Akelco, Ileco III, and Omeco in their post-‘Ursula’ recovery activities.

In Albay, some 57 line workers from nine ECs assisted Aleco, while a 21-man crew from Camarines Sur IV Electric Cooperative, Inc. (Casureco IV) and First Catanduanes Electric Cooperative, Inc. (Ficelco) participated to help Sorsogon I Electric Cooperative, Inc. (Soreco I) in Sorsogon.

With respect to Typhoon “Tisoy,” it affected the areas served by Aleco, Northern Samar Electric Cooperative, Inc. (Norsamelco), Soreco I, and Ticao Island Electric Cooperative, Inc. (Tiselco).

The NEA Administrator visits typhoon-ravaged ECs in Western Visayas

As a show of support, Administrator Masongsong visited the typhoon-ravaged ECs particularly Akelco on January 6. In his message, he thanked the different regional and national EC organizations that responded to the call of the agency for help. The commitment and dedication of all participating line workers have quickened the pace of power restoration.

“The restoration is actually fast given the extent of damage from the recent typhoons, the limited resources available both materials and manpower, and the challenges in the restoration such as the terrain and

distance, among others,” Masongsong said.

Before proceeding to Akelco, Masongsong paid a visit first to Ileco III and Capiz Electric Cooperative, Inc. (Capelco) to check on the power restoration activities by Task Force Kapatid “Ursula.”

The NEA chief appealed to the member-consumers of the ECs for understanding and patience as to the pace of the restoration works, noting that the line crews in the field had been working round-the-clock and doing everything to restore the power as soon as possible.

He also asked the local communities to support the ECs and their line workers and personnel in carrying out basic tasks, such as collecting rocks to reinforce utility poles in their areas or clearing the vegetation, which caused the falling of the poles during the typhoon.

The NEA-DRRMD, meanwhile, estimated the total cost of damage to EC facilities by these typhoons at P1.491 billion; P911.668-million was incurred from ‘Tisoy’ and P579.464-million from ‘Ursula.’ ###

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