



08 October 2013

MEMORANDUM No. 2013-021

TO : **ALL ELECTRIC COOPERATIVES (ECs)**

ATTENTION : **GENERAL MANAGERS**

SUBJECT : **Utilization of the National Rural Electric Cooperative Association (NRECA) Services**

Since the 1960's, NRECA has been a major partner of our government through NEA in the implementation of the rural electrification program in the country. With a grant from the U.S. Agency for International Development (USAID), it has assisted NEA in the successful establishment, operation, training and development of ECs nationwide all these years.

At present, NRECA under its USAID-sponsored Regional Power Supply Project (June 2013 - September 2014), continues to support our program with a wide range of services which all ECs can avail of, with free professional fees. These are the following:

1. **Power Supply Workshops** - to be scheduled, one in Visayas and two in Luzon, will include a presentation of the NRECA Regional Power Supply Project and the Services offered to ECs, together with discussions of the detailed contents of a Power Supply Plan;
2. **A Power Contract Check List** - which contains key terms and conditions which should be considered in the development and drafting of any wholesale power contract;
3. **A wholesale Power Contract "Clearing House"** - which provides any interested EC an electronic-based facility for a detailed review and comments on its power supply contract(s), to be performed by an NRECA wholesale power contract specialist;
4. **A "staff extension" for contract negotiations** - An on-site NRECA expert/specialist in power supply contract negotiations to work with the EC, and if necessary, participate as an extension of the EC's staff during "across the table negotiations" with the IPPs, also if coordinated when U.S. member/s of the NRECA staff are in the country; and
5. **Review and Report on Formation of Aggregation** - NRECA to evaluate the efforts and to report on the formational progress of the aggregation organizations (formal and informal) while providing assistance that is readily made available through the NRECA membership aggregation experience.

Through the NRECA services, the requesting ECs are expected to gain these benefits:

- a. A power contract checklist or measuring stick to be used in the evaluation of basic contract terms and conditions being offered by an IPP;
- b. Review of the EC's power contract(s) already executed, will provide the EC with a detailed critique of the contract terms and conditions as viewed from the perspective of typical contracts in the U.S. The results of this review will provide information that will serve as basis in the promotion of capacity building within the EC for future power supply negotiations;
- c. Review of the EC's draft wholesale power contract(s) being negotiated to be performed by an NRECA wholesale power contract specialist. The results of which will help in negotiating for fair and reciprocal terms and conditions in the power supply contract and will build technical capacity pertaining to power contract drafting within the EC; and
- d. Finally, the "staff extension" services will provide the EC with an on-site NRECA expert in power contract negotiations who will work and participate during "across the table negotiations" with the IPPs. This service can help ensure a successful negotiation process, while at the same time provide the EC staff with "on the job" experience under the guidance of the NRECA power contract specialist.

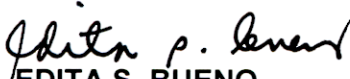
It is expected that ECs will cover in-country travel and accommodation requirements of NRECA for the duration of these services.

PHILRECA strongly endorses this offer by NRECA due to the various benefits to ECs.

All are encouraged to take this opportunity because the proposed services are tailor-made for the current needs of the ECs.

For more information, please contact Mr. Chuck Dawsey, NRECA Consultant at cdawsey@nreca-intl.org or Mr. Ray Goco, NRECA In-Country Specialist at raygoco@yahoo.com.

More power to our continuing partnership!


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21
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