



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



**2nd
Semester
2022**

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**
Second Semester 2022

I. INTRODUCTION

Pursuant to Section 3 of the Republic Act No. 10531, otherwise known as the National Electrification Administration Reform 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, Section 29 of the Implementing Rules and Regulations (IRR) of RA 10531 provides that to enhance the effectiveness of the Joint Congressional Energy Commission (JCEC), in the exercise of its oversight function over the implementation of the Act, the Board of Administrators shall submit to the JCEC a semi-annual report on the initiatives and activities of rural electrification, including the supervision of the NEA over the electric cooperatives (ECs) in the performance of their franchise obligations.

This report summarizes the status of the NEA's initiatives and activities on rural electrification, and interventions extended to the electric cooperatives in the exercise of its supervisory functions. The data contained herein were approved by the NEA Board of Administrators on **March 22, 2023** under **Resolution No. 2023-61**.

II. EXECUTIVE SUMMARY

National Electrification Administration has been at the forefront of the Rural Electrification Program since its creation in 1969. Electrification of the country down to the barangay level has been achieved through the Agency's implementing arm, the Electric Cooperatives. To further expand coverage of electrification, the national government provided subsidy funds for the Sitio Electrification Program which has been implemented since 2011.

For 2022, NEA has continuously pursued the electrification program despite the challenges and risks besetting the country with the continuous threat of the Covid-19, natural calamities and the Ukrain-Russia conflict in Europe.

The following are the highlights of the NEA's initiatives and interventions on rural electrification for the Second Semester of 2022.

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

As of December 31, 2022, the NEA, in partnership with the electric cooperatives, energized and completed 950 sitios. This accomplishment redounds to the provision of electric service to additional 554,584 consumers in the EC franchise areas.

A cumulative total of 127,169 sitios was energized or 86% of the total 148,385 potential and 15.42 million connected consumers or 108% of the 14.34 million. Potential consumers are based on the 2015 census of population, the latest official report of the Philippine Statistics Authority. The 145.11 million connected consumers include additional connections in cities/municipalities with 100% energization.

2. Release of Subsidy Fund for SEP and natural calamities

NEA was able to process and release a total of PhP 2,518.838 million subsidy fund for 90 ECs as of second semester of 2022. This is broken down into PhP 1,661.267 million for Sitio Electrification Program and PhP 857,571 million for calamity.

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

The NEA approved and released a total of PhP1,818.217 million for 35 ECs as of second semester of 2022 broken down into PhP1,312.461 million for CAPEX requirements and PhP505.756 million for Calamity loans.

4. Capacity Building Programs for NEA and ECs

The Agency offered seventy-seven (77) trainings and scholarship programs on management, leadership and operational skills for both the NEA and the ECs for 2022. They were participated by 2,988 officials and staff nationwide.

- a. For NEA management and associates, the Agency conducted 33 trainings and scholarship programs with 479 participants
- b. In line with the NEA's seven (7) point agenda on the "Intensification of Capacity Building Programs for ECs, the Agency trained 2,509 EC officials and staff in 44 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 six (6) policy guidelines from July to December 2022 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 ongoing activities for the following undertakings:

- a. Subsidized Renewable Energy Projects which include Expanded Household Electrification Program (Expanded HEP) and Expanded Sitio Electrification Program (Expanded SEP)

- b. 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)
- c. Installation of Solar Facility including Net Metering Application and Equipment for the ten (10) Public Schools in the coverage area of BATELEC II
- d. Installation of Small Wind Turbines in the Municipality of Concepcion, Romblon to be operated by Romblon Electric Cooperative, Inc. (ROMELCO)

7. Status Ailing ECs and NEA Interventions

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 and Management Teams
3. Appointment of NEA representatives to the EC Board of Directors (BODs) and installation of Executive Officer
4. Formulation and issuance of new and relevant policies and guidelines
5. Round Table Assessment and Dialogue
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. Management and Financial Audit
11. Annual and Quarterly EC Performance Assessment
12. Service facilities
 - a. Loan and Guarantee Service
 - b. Institutional Strengthening and Technical Assistance

III. DETAILS OF THE INITIATIVES AND ACTIVITIES ON RURAL ELECTRIFICATION

1. STATUS OF RURAL ELECTRIFICATION PROGRAM

The expansion of the reach of electricity supply to rural areas would not be economically viable for commercial providers of electricity. Thus, the NEA, together with its implementing arm, the ECs has been mandated to provide for such services under the Rural Electrification Program by virtue of 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.

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 achievement of 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 HEP) for on-grid and off-grid areas.

SITIO ELECTRIFICATION PROGRAM (SEP)

The approved target for Sitio Electrification Program in 2022 is the energization of 1,085 sitios. This target was laid out in consideration of the continuing threat of the COVID-19 pandemic and other calamities and force majeure. The challenges encountered by NEA and the Electric Cooperatives for 2022 continue to hamper the delivery of service to the Member-Consumer-Owners particularly those in the far-flung areas of the country. Despite these risks and challenges, NEA still commits to achieve its target of sitio electrification to realize the vision of sustainable rural development.

Undeterred by these risks and challenges, the NEA through the ECs, was still able to energize 950 sitios. ECs in Luzon implemented 241 sitios, 234 were energized in the Visayas and Mindanao ECs which has the remaining highest potential unenergized sitios, completed and energized the highest with 475. This brought to a cumulative total of 127,169 energized sitios.

Table 1. Status of Sitio Electrification per Island/per Region

LUZON		VISAYAS		MINDANAO	
I	33	VI	85	IX	56
CAR	61	VII	120	X	90
III	29	VIII	29	XI	51
IV-A	8			XII	83
IV-B	57			CARAGA	151
V	53			ARMM	44
TOTAL	241	TOTAL	234	TOTAL	475
NATIONAL					950

CONSUMER CONNECTIONS

As a result of the Agency's electrification program, the connection of 400,000 potential consumers is targeted to be achieved for 2022. This includes connections through expansion and add-ons. Expansion refers to those connected consumers as an effect of the Sitio Electrification Program while add-ons mean connected consumers in areas already energized.

As of December 2022, the total connected consumers are 554,584 which exceeded the annual target of 400,000 by 39%. Among the major islands, Luzon implemented the highest with 240,543 connections, followed by Mindanao with 170,925 and the Visayas with a total of 143,116 energized consumers. The total cumulative consumer connections are 15.428 million.

Table 2. Status of Consumer Connection per Island, per Region

LUZON		VISAYAS		MINDANAO	
I	41,078	VI	63,822	IX	31,872
II	27,607	VII	39,733	X	33,412
CAR	7,549	VIII	39,561	XI	26,667
III	65,613			XII	49,927
IV-A	34,825			BARMM	4,546
MIMAROPA	20,900			CARAGA	24,501
V	42,971				
TOTAL	240,543	TOTAL	143,116	TOTAL	170,925
NATIONAL					554,584

2. STATUS OF SUBSIDY FUNDS RELEASED

The budget for Rural Electrification Program forms part of the General Appropriation Act passed by both Houses of Congress. Following the area coverage scheme in Presidential Decree 269 of 1973, electrification now extends from the economic centers to the thinly settled areas including the missionary and economically unviable areas by virtue of Republic Act 10531. In 2011, the government has instituted the implementation of the Sitio Electrification Program through the NEA and ECs and subsidy fund was provided to pursue 100% electrification of the country. For 2022, the approved subsidy fund for Sitio Electrification Program is PhP 1,627 million with an additional fund of PhP 79 million for the line enhancement and improvement of distribution lines for ALECO, CASURECO IV and SULECO.

Likewise, subsidy fund for EC Emergency Resiliency (ECERF) was also provided in the amount of PhP 224.350 million so that ECs are assured of the availability of funds in times of fortuitous event or force majeure.

Compared with the subsidy released for the 2021 amounting to PhP 1,856.754 million, there is a 26% increase or PhP 662.084 million as against the release of PhP 2,518.838 million for 2022. Funding source for the releases to ECs in 2022 are from the previous subsidy grants provided to NEA by the national government.

Below is the comparative status of subsidy releases for 2022 versus 2021.

TABLE 3. Comparative Status of Subsidy Releases (PhP Million)

Major Islands	2022	2021	Difference	Percent Change
LUZON	729.677	594.746	134.931	18
VISAYAS	651.430	622.664	28.766	4
MINDANAO	1,137.730	639.344	498.386	44
NATIONAL	2,518.838	1,856.754	662.084	26

As of December 2022, PhP 2,518.838 million subsidy funds have been released to 90 ECs. Out of these funds, PhP 1,661.267 million was released for electrification purposes and PhP 857,571 million was released as calamity subsidy for the rehabilitation of typhoon - damaged electric distribution system and restoration of electric service. Of these, the highest allocation of forty-five (45) percent or a total of PhP 1,137.730 million was released to ECs in Mindanao, likewise twenty-six (26) percent in Visayas and twenty-nine (29) percent were released to Luzon ECs with the amount of PhP 651.430 and PhP 729.677 respectively.

TABLE 4. Distribution of subsidy funds (PhP Million) in three major island groups

Major Islands	Electrification	Calamity	Total	% to Total
LUZON	308.721	420.956	729.677	29
VISAYAS	309.492	341.939	651.430	26
MINDANAO	1,043.054	94.676	1,137.730	45
NATIONAL	1,661.267	857.571	2,518.838	100

3. 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.

As of December 2022, NEA was able to facilitate the financial requirements of thirty-five (35) ECs relating to a total of PhP 1,818.217 million for capital projects, calamity loans and working capital.

Compared with 2021, there was a 63% increase on loan releases to ECs with the amount of PhP 676.795 million for second semester of 2021 as against PhP 1,818.217 million for second semester of 2022. The table below shows the comparison of loans released broken down into three major island groups.

Table 5. Comparative Status of Loan Releases

Major Islands	Second Semester 2022	Second Semester 2021	Difference	Percent Change
LUZON	446.083	380.739	65.344	15
VISAYAS	517.381	49.894	467.487	90
MINDANAO	854.753	246.162	608.591	71
NATIONAL	1,818.217	676.795	1,141.422	63

The highest availment of loan for 2022 were the Mindanao ECs with PhP 854.753 million or 47%. The second are the ECs in Visayas with PhP 517.381 million or 28% and the remaining 25% or PhP 446.083 million were released to Luzon ECs.

The top five (5) regions that availed loans are Region VII (PhP 339.190M), Region X (PhP 299.999M), Region V (PhP 176.138M), CARAGA (PhP 121.618M) and CAR (PhP 39.367M).

Regional status is presented in the following table:

Table 6. Status of Loan Releases per Region (PhP Million)

LUZON		VISAYAS		MINDANAO	
I	7.979	VI	42.559	IX	34.484
II	10.00	VII	271.605		
CAR	39.367	VIII	203.217	X	623.788
III	4.241			XI	10.215
IV-A	150.619			BARMM	33.432
IV-B	134.989			CARAGA	152.834
V	98.887				
TOTAL	446.082	TOTAL	517.381	TOTAL	854.753
NATIONAL					1,818.216

4. CAPACITY BUILDING PROGRAMS FOR NEA AND ECs

NEA continues to be a learning institution as it carries out the statutory obligations for structural reforms stated in Republic Act 9136 (EPIRA) and RA 10531 (NEA Reform Act). Capacity building programs such as competency seminars, trainings and local scholarship services are still being conducted for NEA and EC personnel.

For 2022, there were seventy-seven (77) trainings and scholarship programs conducted and facilitated for both the NEA and ECs with a total of 2,989 personnel capacitated (Table 7).

TABLE 7. 2022 Summary of Capacity Building Programs

Particulars	NEA	ECs	GRAND TOTAL
Number of Training and Local Scholarship Programs	33	44	77
Number of Staff Capacitated	479	2,509	2,988

For the second semester, there were 37 programs conducted and out of these, fourteen (14) were facilitated for NEA associates and was attended by 216 participants. Twenty - three (23) were conducted for EC management and staff and 1,599 were capacitated in different disciplines.

The following are the trainings and scholarship programs conducted and facilitated for NEA associates for during the Second Semester of 2022:

PROGRAM	NUMBER OF PARTICIPANTS	Date conducted	
		Start	End
Government Procurement Reform Act (RA 9184) and its Revised IRR and Updates (LS)	9	11-Jul-22	13-Jul-22
Best Practices in Corporate Housekeeping (LS)	1	5-Jul-22	7-Jul-22
Seminar on ISO 1911:2018 – Internal Audit on Guidelines Course	25	30-Aug-22	31-Aug-22
Capacity Development on Regulatory Impact Assessment (RIA) for Additional Priority Agencies (LS)	5	30-Aug-22	29-Sep-22
Leading and Managing Change Workshop	18	6-Sep-22	9-Sep-22
Seminar on Utility Accounting and Information System Audit (LS)	2	20-Sep-22	23-Sep-22
Leading and Managing Change Workshop	19	27-Sep-22	30-Sep-22
Leading Managing Change Workshop	28	4-Oct-22	7-Oct-22
High Impact Presentation Skills Workshop	25	11-Oct-22	13-Oct-22
Personality Development Program	36	18-Nov-22	19-Nov-22
Managing the Learning and Development Function (LS)	1	27-Oct-22	28-Oct-22
HR Analytics Seminar	3	21-Oct-22	1-Dec-22
Automotive Electrical Technician Path – Advance Electrical Diagnosis Seminar	1	28-Nov-22	1-Dec-22
Gender Sensitivity Training	36	13-Dec-22	14-Dec-22

For the EC management and staff, the following trainings had been facilitated for the Second semester of 2022:

PROGRAM	NUMBER OF PARTICIPANTS	Date conducted	
		Start	End
Gender Sensitivity Training	39	28-Jun—22	1-Jul-22
Seminar – Workshop on the Integration of Balanced Scorecard with Performance Evaluation System (PES)	89	5-Jul-22	6-Jul-22
Revised Procurement Guidelines & Simplified Bidding Procedures (RA10531)	44	6-Jul-22	7-Jul-22
Seminar – Workshop on the Integration of Balanced Scorecard with Performance Evaluation System	87	7-Jul-22	8-Jul-22
Seminar Workshop on Work Order Procedures	50	12-Jul-22	14-Jul-22
Leadership Development Program	108	27-Jul-22	28-Jul-22
Seminar Workshop on Computer Assisted Auditing Techniques & Data Analytics using Excel for Region 3 ECs	52	7-Sep-22	9-Sep-22
Utility Accounting and Information System Audit Seminar	85	6-Sep-22	9-Sep-22
Seminar on Capacity Building for EC HR Practitioners	179	14-Sep-22	15-Sep-22
Utility Accounting and Information System Audit Seminar	55	13-Sep-22	16-Sep-22
Cooperative Management Course I & III	116	20-Sep-22	22-Sep-22
Utility Accounting and Information System Audit Seminar	63	20-Sep-22	23-Sep-22
Seminar Workshop on Paliamentary Procedures and Policy Formulation for Mindanao ECs	82	26-Sep-22	27-Sep-22
Meter Reading, Billing, Collection and Disconnection Enhancement Seminar – Workshop	75	4-Oct-22	7-Oct-22
Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 10531)	22	18-Oct-22	20-Oct-22
Power 101 with Atty. Josefina Patricia M. Asirit	82	24-Oct-22	26-Oct-22
Seminar – Workshop on Quality Customer Relation (Batch 1)	56	24-Oct-22	27-Oct-22
Seminar – Workshop on Quality Customer Relation (Batch 2)	46	26-Oct-22	27-Oct-22

Seminar – Workshop on Quality Customer Relation (Batch 3)	48	28-Oct-22	29-Oct-22
Seminar on Revised Procurement Guidelines and Simplified Bidding Procedures for ECs (IRR – RA 101531)	64	23-Nov-22	25-Nov-22
Seminar – Workshop on Distribution Impact Study (DIS)	22	21-Nov-22	25-Nov-22
Power 101 with Atty Josefina Patricia M. Asirit	88	6-Dec-22	7-Jun-22

5. 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 eight (8) policies and guidelines approved by the NEA BOA for 2022, 2 for the first semester and 6 from the second semester. 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.

Below is the list of Policy Guidelines approved for the second semester of 2022.

Date Approved	Particulars
August 25, 2022	Prescriptive Period of Adverse NEA Audit Findings in the Salary Upgrading of General Managers of Electric Cooperatives pursuant to NEA Memorandum No. 2019-008, Revised Salary Scale for EC General Managers
September 28, 2022	Advisory and Guidelines on the Attendance of Electric Cooperative Officials to the Informa Markets Malaysia’s Asean M&E 2022 Conference and Seminar
September 28,2022	Approval of the Revised Guidelines on the Selection and Appointment of a NEA Representative to the Electric Cooperative (EC) Board of Directors(2 nd Revision)
October 27,2022	Amendment to the Policy on the Qualification/s of General Manager who would be Assigned as Acting General Manager to a Neighboring Cooperative
October 27,2022	Approval of the Proposed Revocation of NEA Memorandum No. 2017-036, “Guidelines in Allowing for Another Term of Office for EC Board of Directors”

December 9,2022	Approval of the Amendment of the Proposed Revocation of NEA Memorandum 2022-16 “Policy on the Qualifications of Non-NEA Personnel or Non-EC Personnel to be Assigned as Project Supervisor and-or Acting General Manager of an Electric Cooperative”
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6. RENEWABLE ENERGY DEVELOPMENT

The Philippines has set a goal to harness renewable energy (RE) as an essential part of the country’s low emission development strategy and address challenges of energy sustainability, security, and equity. In support of this strategy and the government’s Green Energy Option Program (GEOP), the NEA continuous to promote the development of renewable energy. This initiative also aims to accelerate rural electrification program and obtain sustainable socioeconomic development in the far-flung areas of the country where on-grid access to electricity is not feasible. Relative to this, the following are the NEA’s activities to achieve these goals:

I. NEA’s Subsidized Renewable Energy Projects

A. Expanded House Hold Electrification Program (Expanded HHEP)

The NEA has allotted P153M for the Expanded House Hold Electrification Program (Expanded HHEP). Through the Solar PV Mainstreaming Program (PVM), the NEA shall electrify at least 5000 HH using 50 Wp Solar Home System (SHS) units.

The PVM program is an off-grid electrification scheme that aims to bring electricity to the most dispersed and isolated households that are deemed unviable for grid connection in the next five years.

The EC beneficiaries namely ILECO III (931), BISELCO (1,200 HH), COTELCO (1,063 HH), CASURECO IV (878 HH) and ZANECO (967 HH) conducted the bidding for the Supply, Delivery and Installation of the Solar Home System Units. The results of the biddings are then forwarded to the National Electrification Administration for the releasing of subsidy.

The Final Inspection of the project commenced in 2021 and as of December 2022, the SHEP projects of the five (5) Electric Cooperatives are completed and fully liquidated.

B. Expanded Sitio Electrification Program (Expanded SEP)

The Expanded Sitio Electrification Program (Expanded SEP) has an allocated budget amounting to P12M for the Conduct of Feasibility Study on Establishing a Mini-Grid System with Renewable Energy Source.

The feasibility study is directed at the use of renewable energy to provide electricity in six off-grid areas in the franchise area of EC beneficiaries namely SOCOTECO II, ZANECO and QUEZELCO II.

The Memorandum of Agreement between NEA and EC for the project was reviewed by Office of the Government Corporate Counsel (OGCC). QUEZELCO II and ZANECO has already completed their feasibility studies while SOCOTECO II is scheduled for re-bidding.

Electric Cooperative	No. of Sites	Remarks
QUEZELCO II	3	Completed with CFIA Date inspected: July 25-29, 2022
SOCOTECO II	2	Failed Bidding. On-going rebidding.
ZANECO	1	Completed with CFIA Date inspected: October 25-26, 2022

II. Installation of Solar Facility including Net Metering Application and Equipment for Public Schools

The Project aims to install a Solar Power Facility in rooftop of Public Schools to source a portion of their demands through the use of Solar facility. A Net Metering Connection shall also be installed to maximize the power generated by such Facility. The excess power will be delivered to the grid and will be offset on the consumed electricity from the grid. The project will help in generating savings and at the same time mitigate climate change.

The details of the projects are specified below.

Electric Cooperative	No. of Public Schools	Remarks
BATELEC II – Batch 1	10	Completed and Fully Liquidated
BATELEC II – Batch 2	32	Ongoing Bidding
INEC – Batch 1	8	Ongoing installation
INEC – Batch 2	10 Hospitals & 15 Schools	Ongoing preparation of documentary requirements
NEECO II Area 1	1	Ongoing Bidding
CEBECO I	1	Ongoing preparation of documentary requirements
CEBECO II	1	Ongoing preparation of documentary requirements

III. Assisted Projects Under The “European Union - Access to Sustainable Energy Programme (EU-ASEP)”

A. Integration of Productive Uses of Renewable Energy for Sustainable and Inclusive Energization in Mindanao (I-PURE Mindanao)

The I-PURE Mindanao is a project funded by the EU-ASEP 4.5 Million Euro Top-up Grant. NEA is working closely with the Mindanao Development Authority (MinDA) and some Mindanao ECs for the implementation of the project. The main objective 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.

The I-PURE Mindanao is composed of three components, 1. Productive Use of Renewable Energy (PURE); 2. Household Electrification; 3. Project Management and Cross Cutting Activities.

As of December 31, 2022, Work Package is ongoing for the 3 components of the project. For Component 2, the installation of PVM for COTELCO and SOCOTECO II are already completed by contractor, inspected and accepted by NEA while the materials for East Sibutu and Sitangkai, Tawi-tawi are awaiting delivery.

IV. Other Assisted Projects

A. ROMELCO SMALL WIND GRANT AID

The NEA has sought the assistance of Department of Finance (DOF) for a possible grant assistance from the Government of Japan for the installation of small wind turbines (*10 units of 6kW wind turbines*) in the Municipality of Concepcion, Romblon.

The project aims to provide sufficient and clean energy source for over 1200 households and residents in the said municipality. The grant will be outsourced and operated by Romblon Electric Cooperative Inc. (ROMELCO) to bring electric service to its franchise coverage area.

NEA and ROMELCO conducted resource assessment and Distribution Impact Study (DIS) on October 17-18, 2022 which shall be submitted to National Economic Development Authority (NEDA) for review and endorsement to the Government of Japan for the approval of the grant.

7. Status of ECs and Recommendation for Ailing Electric Cooperatives

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 under 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 issues and challenges being faced by the electric cooperatives that hinder the implementation of their plans and programs for the improvement of their operations or at worst scenario, may even cause the decline of their organization. These challenges include:

- 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 the Policy for Classification of ECs and Guidelines for the Declaration and Graduation of Ailing EC under Memorandum to ECs No. 2020-049.

The Policy Guideline includes seven (7) performance parameters and standards on financial, operational and technical status of ECs. The parameter on Status of Reliability, which was not included in the 2014 Guidelines for Classification of ECs, was introduced in the 2020 Policy to monitor the implementation and compliance of ECs in the set standard under Philippine Distribution Code (PDC) on SAIDI/SAIFI. The non-compliant ECs will be classified and declared as “ailing” and would require NEA’s full intervention and may be open for alternative options or partnership with qualified private sector investors, local government and other ECs.

As of December 31, 2022, there are seven (7) ailing ECs classified based on their financial and operational performance under the parameters identified by NEA. They are ABRECO, ALECO, and MASELCO in Luzon and BASELCO, TAWELCO, SULECO and LASURECO in Mindanao.

The current condition of these ECs necessitates NEA intervention to prevent further retrogression and improve their operational efficiency and standards of service. The following interventions were implemented:

- a. Creation of Task Force 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

Status of Ailing and/or underperforming ECs and the NEA extended interventions from January to December 2022.

1. APEC/ALECO

Year	Categorization	Classification - Color	Classification - Size
2021	D	R	ML
2020	Deferred	R	ML
2019	D	R	ML
2018	D	R	ML
2017	D	R	ML

For the fourth quarter of 2022, ALECO is non-compliant in all of the 7 performance parameters in EC Classification. The EC is not able to comply with the financial parameters set by NEA. As for the Technical Parameters, only its SAIDI was compliant with the result of 1,368.85 minutes in duration of sustained customer power interruptions.

ALECO is under a twenty-five (25) year Concession Agreement (CA) with SMC Global Power Holdings, Corp. (SMCGPHC) and its subsidiary Albay Electric Power Company (APEC) since October 2014.

Validation on the compliance of APEC to the provisions of the CA was conducted and it was determined that some of the terms and conditions in the Agreement were not followed. Likewise, the result of NEA audit conducted last March 2021, revealed that there are inefficiencies in the performance of APEC as a concessionaire of ALECO. The system loss remained well above the System Loss Cap set by the Energy Regulatory Commission (ERC) which resulted in huge subsidized costs thereby negatively affecting its financial viability. Also, the collection efficiency remained well below the standard set by NEA and the audit further reveals that with the financial status of APEC, it showed no sufficient cash to pay its maturing obligations. Lastly, the primary objectives of the CA to improve the delivery of services of ALECO; to stop the bleeding of debts of the cooperative; and the rehabilitation of ALECO were not achieved.

On September 3, 2022, ALECO conducted a Special General Membership Assembly wherein the MCOs unanimously voted to terminate the twenty-five (25) year Concession Agreement (CA) with SMC Global Power Holdings, Corp. (SMCGPHC) and its subsidiary Albay Electric Power Company (APEC) which was subsequently adopted by the ALECO Board of Directors. This paved the way for the operations and management of the cooperative to revert back to ALECO.

Pursuant to supervisory powers of NEA under Section 4-A of PD 269 as amended by RA 10531, the Agency designated Engr. Wilfredo O. Bucsit as Acting General Manager and Atty. Gwen P. Enciso-Kyamko as Project Supervisor to lead the Management Task Force in during the transition of operations from APEC to ALECO. The team together with the provincial government of Albay and the Bicol Electric Cooperatives Association (BECA) worked hand in hand to support ALECO in augmenting its resources towards normal operations.

2. ABRECO

Year	Categorization	Classification - Color	Classification - Size
2021	C	R	EL
2020	Deferred	R	EL
2019	C	R	EL
2018	D	R	EL
2017	D	R	EL

Based on the fourth quarter 2022 EC Classification, ABRECO was compliant in 2 of the 7 performance parameters, the collection efficiency and system reliability. It attained a 95.64% collection efficiency and retained a current status in its accounts payable to NEA. As for power reliability, both the SAIDI and SAIFI were compliant with the result of 14.56 and 854.20 minutes in duration of sustained customer power interruptions. However, the cooperative was not able to comply with the standards on Cash General Fund, Payment to GENCO, Financial Operations, Net Worth and System Loss. The cash general fund of Php13.595M is insufficient to finance its one (1) month working capital requirement of Php76.826M and both the Financial Operations and Net Worth are negative with Php - 63,624 and Php -79,668 respectively.

A Roundtable Assessment for ABRECO was conducted last November 8, 2022. The objectives of the activity are to discuss the urgent issues and concerns affecting the EC; to provide assistance in the preparation of 2023 EC's Strategic Development Plan (SPOD) and Operational Improvement Plan (OIP) to ensure that more aggressive strategies and activities will be implemented; and to review and assess the implementation and accomplishments of the 2022 SPD/OIP.

The 2022 SDP submitted by ABRECO was assessed by NEA and recommendations were presented to address the problems and challenges besetting the cooperative. Initiatives were also undertaken by the cooperative, with the assistance of NEA to improve collection efficiency and reduce system loss.

NEA, likewise, monitors and validates the implementation of identified plans and programs of the EC to determine the effectiveness of each measure to the EC operations and to ensure 100 % accomplishments of the set targets. ABRECO and the NEA Management are continuously working hand in hand to improve the operational and financial viability of the cooperative and devise measures and strategies to comply with the parameters and standards of NEA.

On November 14, 2022, Ms. Bienvenida Tongol was designated as Project Supervisor of ABRECO under Office Order No. 2022-241 who is tasked to perform the following functions:

- a) Supervise the management and operations of ABRECO to ensure the delivery of electric service to the member-consumers;
- b) In the absence of a Board of Directors of ABRECO, to act as Board of Directors, promulgate and pass upon policies for and on behalf of the electric cooperative;

- c) Sign/countersign checks, withdrawal slips, and other banking transactions for and on behalf of the EC with all banks, where ABRECO has an account; and
- d) Perform other tasks that may be assigned by the NEA for the purpose of operational efficiency.

3. MASELCO

Year	Categorization	Classification - Color	Classification - Size
2021	C	R	ML
2020	Deferred	R	ML
2019	C	R	EL
2018	C	R	EL
2017	D	R	EL

MASELCO has been consistently rated as D from 2015 to 2017. However, there was a significant improvement in the EC performance rating in 2018 as it was rated as C after the successful implementation of its SDP from 01 January to 31 December 2018 with the support of NEA, EC officers, management and employees.

For 2022, NEA required MASELCO to prepare and implement another one (1) Year Strategic Development Plan (SDP) covering the period 01 January to 31 December 2022. The objective is to sustain operational improvement which will address the increased demands for power rate reduction, security of power supply, reliability of service, good governance and MCO empowerment.

Assessment of the MASELCO's 2022 fourth quarter performance showed that it was compliant in four (4) of the seven parameters set by NEA, the Cash General Fund, Collection Efficiency, Financial Operations and Net Worth.

MASELCO is continuing to pay PhP3M per month above its current bill as mandated in its 2022 SDP. However, MASELCO was able to pay only one (1) month in the 1st quarter, two (2) months in the 2nd quarter and one (1) month in the 3rd quarter of 2022 due to lack of funds brought about by increase in power cost and high system loss.

The EC has appealed to DMCI for the restructuring of its arrearages. The total restructured amount is PhP126M and NEA shall release PhP40M to MASELCO as loan once the proposed restructuring shall be approved by DMCI. The cooperative and NEA is still awaiting the reply of DMCI on the proposed restructuring of its arrearages.

On MASELCO's request for assistance on the Rehabilitation of Metering Facilities within Masbate City, the NEA organized a task force with volunteers from the Bicol Electric Cooperative Association (BECA). The first batch of BECA Task Force with ten (10) warriors of light - four (4) from Sorsogon I Electric Cooperative, Inc. (SORECO I), four (4) from Sorsogon II Electric Cooperative, Inc. (SORECO II) and two (2) from Ticao Island Electric Cooperative, Inc. (TISELCO) went to Masbate from September 19, 2022 to September 30, 2022. The second batch comprising First Catanduanes Electric Cooperative, Inc. (FICELCO), Camarines Sur I Electric Cooperative, Inc. (CASURECO I) and Camarines

Sur III Electric Cooperative, Inc. (CASURECO III) arrived on October 03, 2022, while the third batch which includes Camarines Norte Electric Cooperative, Inc. (CANORECO), Camarines Sur II Electric Cooperative, Inc. (CASURECO II) and Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV) arrived on October 17, 2022. The Task Force has under taken the massive replacement of kilowatt-hour meters, improvement of clustered metering as part of the System Loss Reduction Program (SLRP), consumers' voltage improvement and avoid hazardous secondary service assemblies among others.

With the supervision and assistance of NEA spearheaded by the designated Acting General Manager (AGM) Nelson A. Lalas, strategies and initiatives continue to be undertaken to mitigate the risks and challenges encountered in the attainment of plans and programs to improve organizational performance.

Electric Cooperatives under Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)

Republic Act No. 11054, the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), otherwise known as the Bangsamoro Organic Law (BOL), was approved on 27 July 2018.

With the passage of this Law, the four (4) ailing/underperforming ECs are now under the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), namely: Tawi-Tawi Electric Cooperative, Inc. (TAWELCO), Basilan Electric Cooperative, Inc. (BASELCO), Sulu Electric Cooperative, Inc. (SULECO), and Lanao del Sur Electric Cooperative, Inc. (LASURECO). The other three (3) electric cooperatives under BARMM are Maguindanao Electric Cooperative, Inc. (MAGELCO), Siasi Electric Cooperative, Inc. (SIASELCO), and Cagayan de Sulu Electric Cooperative, Inc. (CASELCO)

To facilitate the smooth operation and transition of the BARMM ECs pursuant to Article VI, XIII and other relevant provisions of the Bangsamoro Organic law, the Special Concerns Office (SCO) of NEA was tasked, among others, to collaborate and conduct networking activities with DOE, BARMM-MENRE and other national government agencies for electrification, development programs and operational concerns of these ECs. The SCO is also tasked to render technical assistance to the BARMM government in setting up the Electrification Agency similar to the NEA structure to ensure the transition is effected to the best interest of the BARMM ECs and its member-consumer-owners (MCOs).

For 2022, NEA has allocated electrification program funds for eighty (80) sitios in Bangsamoro Area in the total amount of Nine-six Million Two hundred-sixty Three Thousand Six Hundred and Eight Centavos (Php 96,263,600.08).

These eighty (80) sitios are within the franchise area of BASELCO, SIASELCO, SULECO and TAWELCO with the following allocation:

Electric Cooperative	Number of Sitios	Estimated Project Cost
BASELCO	26	Php28,491,475.91
SIASELCO	9	Php11,975,090.56

SULECO	38	Php46,264,939.89
TAWELCO	7	Php9,532,093.72

Performance Assessment of BARMM ECs

Most of the BARMM ECs, for years, have been assessed and evaluated under the NEA Overall Performance Assessment and Evaluation System as underperforming ECs.

They have not complied either with all or most of the parameter standards set by NEA under the Key Performance Standards (KPS) and EC Classification Standards, and are therefore tagged as either under the “Ailing” or “Red” or “Yellow-1” ECs.

The common challenges observed in BARMM ECs include high incidence of power pilferages coupled with unreliable distribution system due to obsolete, aged, or dilapidated distribution facilities. Also, high incidence of poverty in these places results in inability of customers to pay their electric bills on time.

Likewise, the adverse peace and order situation are seen to have a big contribution to the poor economic condition in these areas. All these circumstances lead to the BARMM ECs’ inability to pay their payables to power providers and creditors; and, financial difficulty to cover other administrative expenses.

For the BARMM ECs to be able to pay its mounting obligations and to recover from being an ailing electric cooperative, the whole nation approach in resolving the root causes of the problems is necessary.

1. TAWELCO

Year	Categorization	Classification - Color	Classification - Size
2021	D	R	M
2020	Deferred	R	M
2019	D	R	M
2018	D	R	M
2017	D	R	M

Latest assessment of their accomplishments showed that the EC was only compliant in one of the seven (7) performance parameters in EC Classification which is the Cash General Fund. From its Working Capital Fund of Php 49.357M, the cooperative is able to finance its one month working capital requirement of PhP 26.674M. However, the Collection Efficiency standard of 95% was not attained with only 34.21% collection performance and as a result, the cooperative sustained a negative Financial Operation and Net Worth. Despite the financial condition of the cooperative, it was still able to pay its financial obligation with NEA and other financing institutions. The System Loss of 19.96% is, likewise, not within the standard System Loss cap of 12%.

NEA has provided Management Assistance to TAWELCO by assigning Ms. Peraida T. Jalani as Project Supervisor/ Acting General Manager. Ms. Jalani is tasked to supervise and monitor the implementation of plans and programs set to address the financial, institutional and technical issues in the operations of the cooperative including the mandate to provide total electrification in the Province of Tawi-Tawi.

With the designation of PS/AGM Peraida T. Jalani, the Billing System has been repaired with the assistance of the members of the Management Team from SULECO and TAWELCO has also adopted the meter clustering program of SULECO to improve its system loss. The cooperative was able to generate a total of Php21,611,256.66 as of September 30, 2022.

On November 17, 2022, TAWELCO underwent the Round Table Assessment (RTA), a management tool to assist the cooperatives in the improvement of operations to become more competitive and viable electric distribution utilities. The objectives of the activity is to assess the present operational status of the ECs; determine the effectiveness and efficiency of the incumbent EC officials; and determine options that will be best for the ECs to improve the delivery of service to member-consumer-owners.

2. BASELCO

Year	Categorization	Classification - Color	Classification - Size
2021	D	R	L
2020	Deferred	R	L
2019	D	R	L
2018	D	R	L
2017	D	R	L

As of 4th quarter of 2022, BASELCO was compliant with only one parameter, the Cash General Fund. With its working capital fund of Php 49.769M, it is able to finance its one month working capital of Php 39.938M. The other remaining six (6) parameters were not complied by the EC which can be attributed to multiple internal and external factors such as dilapidated electric distribution system, socio-political interventions, governance, threat on safety and security, widespread irregularities, and fraudulent activities among others.

Collection efficiency is at 66.63% which is very low compared to the standard criteria of 95%. The cooperative has not been able to pay its financial obligation with its power suppliers. It was also not able to sustain a positive Financial Operation as well as its Net Worth. The System Loss is at 22.12% which is above the standard cap of 12%. System Reliability is also not within the standard with its 325.40 SAIFI and 25,914.34 SAIDI.

BASELCO underwent a Round Table Assessment of its operational performance on November 18, 2022. Highlights of accomplishment were discussed such as the full liquidation of the JICA-Funded Project and a retention of Php 5.6M was claimed for this aid. BASELCO was also able to implement the bidding procedure for the Php23M project out of the approved Php55M Concessional Loan released by NEA.

NEA continuous to monitor the submitted Operational Improvement Plan (OIP) by the cooperative wherein it details the priority plans and programs to address the issues that hinder the adherence of the coop to NEA parameters and standards on EC classification which would alleviate its current status as ailing EC.

3. SULECO

Year	Categorization	Classification - Color	Classification - Size
2021	C	R	L
2020	Deferred	R	L
2019	C	R	L
2018	C	R	L
2017	C	R	L

As of 4th quarter of 2022, SULECO was compliant with four (4) of the seven (7) parameters on EC classification namely Cash General Fund, Result of Financial operation, System loss and System Reliability. The cooperative is able to finance its one month working capital requirement of Php32.202M with its capital fund of Php196.059M. It also has a positive result of Financial Operation in the total amount of Php 20.712. The System Loss of 9.35% is within the 12% cap. System Reliability is also within the standard with 5.06 SAIFI and 251.91 SAIDI.

With the low collection performance of the cooperative at 38.04%, it is positive to note that it is still able to finance its one month working capital requirement. SULECO also has a negative Net Worth of Php -694.299 and it is also in arrears with its payment to power suppliers.

SULECO is a recipient of Php 6.57M concessional loan for JICA Project and donation of equipment and materials, such as poles, conductors, distribution transformers and grounding wire, intended for the rehabilitation of backbone lines within the EC coverage area. For 2022, the JICA project has been completed and NEA has issued a Certificate of Final Inspection and Acceptance of said project with the reimbursement of the additional cost of Php3,243,480.69.

4. LASURECO

Year	Categorization	Classification - Color	Classification - Size
2021	D	R	EL
2020	Deferred	R	EL
2019	D	R	EL
2018	D	R	EL
2017	D	R	EL

NEA assigned Engr. Eric Floyd Bautista as Project Supervisor of LASURECO whose main task is to supervise the management and operation of the cooperative with the end goal of improving the overall performance of the cooperative.

LASURECO Negotiated with the Power Sector Assets and Liabilities Management (PSALM) for the Special Payment Arrangement and Contract for Supply of Electrical Energy (CSEE) last July 2022. A payment scheme was agreed upon; twenty percent (20%) of the monthly collection from July to December 2022 shall be remitted to PSALM and shall be increased to 30% starting January 2023 until the end of December 2023.

The cooperative has also undertaken the liquidation of the 2011 to 2016 BLEP covering the Sixty (60) Sitios and the 2014 BLEP covering the Coastal Project the Energization of Six (6) Coastal Towns. Required documents were already submitted to NEA to fully close the project.

To increase its collection efficiency and reduction of System Loss, LASURECO conducted of six (6) Municipal Power Forums. This is a continuing activity of the cooperative to reinforce the program in its payment of financial obligations to PSALM and NGCP. The Local Leaders are made aware of the threat of power disconnection in the whole province of Lanao del Sur.

As part of its technical efforts to improve its distribution lines, LASURECO has undertaken the construction of 3-Phase 69KV Sub-Transmission Line from Brgy. Matampay to Maliwanag Compound with 100% completion. This project will supply the 20 MVA substation in Gadongan which will improve the voltage in District 1 of the province and supply the Most Affected Area (MAA).

During the Round Table Assessment held last November 18, 2022, urgent issues and concerns were discussed and as part of the action plan of the cooperative, specific projects were identified with corresponding timeline, estimated project cost and possible funding source for each project.

Annex A: Status of 2022 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region I	33	41,078
INEC		5,323
ISECO		6,756
LUELCO		6,045
PANELCO I	21	2,454
CENPELCO	11	10,320
PANELCO III	1	10,180
Region II	16	27,607
BATANELCO		210
CAGELCO I		5,235
CAGELCO II		4,399
ISELCO I		5,925
ISELCO II		5,247
NUVELCO	16	4,909
QUIRELCO		1,682
CAR	61	7,549
ABRECO		2,465
BENECO	38	-
IFELCO		1,474
KAELCO		1,698
MOPRECO	23	1,912
Region III	13	65,613
AURELCO		2,902
TARELCO I	2	7,545
TARELCO II		4,997
NEECO I		3,295
NEECO II – Area 1	11	6,216
NEECO II – Area 2		4,663
SAJELCO		1,551
PRESCO		1,696
PELCO I		6,565
PELCO II		9,160
PELCO III		2,281
PENELCO		7,580
ZAMECO I		3,413
ZAMECO II		3,749

Annex A: Status of 2022 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region IV-A	8	34,825
FLECO		1,979
BATELEC I		8,612
BATELEC II	2	14,687
QUEZELCO I	6	7,824
QUEZELCO II		1,723
Region IV-B	57	20,900
LUBELCO		291
OMECO	13	2,281
ORMECO		8,077
MARELCO	5	3,195
TIELCO	5	1,750
ROMELCO	20	589
BISELCO		588
PALECO	14	4,129
Region V	53	42,971
CANORECO		4,183
CASURECO I		2,977
CASURECO II	17	4,674
CASURECO III	16	2,379
CASURECO IV	16	9,050
ALECO		6,633
SORECO I		2,529
SORECO II	4	3,785
FICELCO		2,129
MASELCO		3,815
TISELCO		817
Luzon	241	240,543

Annex A: Status of 2022 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region VI	85	63,822
AKELCO	8	6,945
ANTECO	4	3,979
CAPELCO		6,862
ILECO I	22	7,160
ILECO II	11	10,843
ILECO III		5,900
GUIMELCO	25	1,728
NONECO	13	6,366
CENECO		7,848
NOCECO	2	6,191
Region VII	120	39,733
NORECO I	24	3,265
NORECO II	14	5,390
BANELCO		2,295
CEBECO I	33	6,544
CEBECO II		7,434
CEBECO III	25	4,794
PROSIELCO		854
CELCO	7	1,116
BOHECO I		3,608
BOHECO II	17	4,433
Region VIII	29	39,561
DORELCO		3,868
LEYECO II		3,002
LEYECO III	16	3,581
LEYECO IV		1,956
LEYECO V		4,862
SOLECO	6	2,802
BILECO		2,073
NORSAMELCO		4,320
SAMELCO I	3	4,302
SAMELCO II	4	3,948
ESAMELCO		4,847
Visayas	234	143,116

Annex A: Status of 2022 Rural Electrification Program

Electric Cooperatives	Sitios	Consumer Connections
Region IX	56	31,872
ZANECO	16	11,416
ZAMSURECO I	3	8,714
ZAMSURECO II	32	6,230
ZAMCELCO	5	5,512
Region X	90	33,412
MOELCI I		2,521
MOELCI II	7	2,790
MORESCO I	22	4,794
MORESCO II	10	3,404
FIBECO	19	6,963
BUSECO	32	9,555
CAMELCO		343
LANECO		3,042
Region XI	51	26,667
DORECO		3,835
DANECO	24	11,989
DASURECO	27	10,843
Region XII	83	49,927
COTELCO	40	14,671
COTELCO-PPALMA		6,511
SOCOTECO I		4,705
SOCOTECO II	12	19,994
SUKELCO	31	4,046
BARM	44	4,546
TAWELCO		-
SIASELCO		-
SULECO	38	777
BASELCO		-
CASELCO		24
LASURECO	6	3,191
MAGELCO		554
CARAGA	151	24,501
ANECO	17	7,662
ASELCO	81	6,018
SURNECO	13	1,876
SIARELCO	7	3,094
DIELCO	15	1,128
SURSECO I	18	1,704
SURSECO II		3,019
Mindanao	475	170,925
Total	950	554,584

Annex B: 2022 Subsidy Releases

Electric Cooperatives	Amount
REGION I	22,656,358.46
LUELCO	2,410,290.61
PANELCO I	20,246,067.85
REGION II	91,835,736.27
BATANELCO	25,125,209.39
CAGELCO I	16,783,162.12
CAGELCO II	259,422.21
ISELCO I	903,631.04
NUVELCO	28,887,415.19
QUIRELCO	19,876,896.32
CAR	60,746,162.46
ABRECO	2,025,656.14
IFELCO	26,678,164.82
MOPRECO	32,042,341.50
REGION III	47,953,546.21
AURELCO	4,073,871.67
NEECO I	2,713,216.63
NEECO II A1	16,589,308.54
NEECO II A2	13,909,244.83
PELCO III	392,806.16
TARELCO I	352,314.66
TARELCO II	8,673,703.81
ZAMECO I	1,249,079.91
REGION IV-A	175,759,321.23
BATELEC I	4,822,998.26
BATELEC II	11,568,954.44
FLECO	25,248,103.03
QUEZELCO I	117,596,242.15
QUEZELCO II	16,523,023.35
REGION IV-B	125,682,337.18
BISELCO	13,129,296.58
MARELCO	21,116,259.62
OMEKO	16,918,452.42
ORMECO	48,171,582.16
PALECO	25,126,313.10
TIELCO	1,220,433.30

Annex B: 2022 Subsidy Releases

Electric Cooperatives	Amount
REGION V	205,043,719.51
ALECO	15,583,604.63
CANORECO	4,745,797.33
CASURECO I	730,653.80
CASURECO II	7,122,550.47
CASURECO IV	36,042,108.27
FICELCO	111,372,767.44
MASELCO	3,548,350.33
SORECO I	2,242,682.48
SORECO II	23,655,086.75
TISELCO	118.01
REGION VI	149,526,515.27
AKELCO	12,864,980.88
ANTECO	19,277,095.03
CAPELCO	2,101,981.08
CENECO	1,615,249.69
GUIMELCO	470,846.34
ILECO I	19,322,855.00
ILECO II	2,515,520.56
ILECO III	45,473,085.67
NONECO	45,884,901.02
REGION VII	209,283,795.32
BANELCO	11,667,799.34
BOHECO I	13,653,696.71
BOHECO II	44,567,128.13
CEBECO I	26,880,707.32
CEBECO II	15,003,371.79
CEBECO III	25,390,170.40
CELCO	7,732,944.22
NORECO I	64,169,830.13
PROSIELCO	218,147.28
REGION VIII	292,620,054.82
BILECO	857,564.58
ESAMELCO	67,974,584.79
LEYECO V	62,886,541.13
NORSAMELCO	77,146,373.84
SAMELCO II	32,677,022.82
SOLECO	51,077,967.66

Annex B: 2022 Subsidy Releases

Electric Cooperatives	Amount
REGION IX	123,061,620.51
ZAMCELCO	52,152,831.12
ZAMSURECO II	52,937,260.04
ZANECO	17,971,529.35
REGION X	176,645,409.74
BUSECO	780,362.82
FIBECO	66,418,446.02
LANECO	71,376,187.20
MOELCI I	310,356.96
MOELCI II	7,160,891.09
MORESCO I	404,646.06
MORESCO II	30,194,519.59
REGION XI	145,719,342.09
NORDECO	125,841,467.62
DORECO	19,877,874.47
REGION XII	297,823,528.44
COTELCO	56,392,469.46
COTELCO-PPALMA	58,216,274.59
SOCOTECO II	27,054,383.55
SUKELCO	156,160,400.84
CARAGA	344,235,929.39
ANECO	33,285,065.26
ASELCO	141,497,041.96
DIELCO	18,647,391.73
SIARELCO	24,847,111.31
SURNECO	41,824,257.09
SURSECO I	29,345,544.67
SURSECO II	54,789,517.37
BARMM	50,244,218.16
BASELCO	6,309,475.36
SULECO	43,756,151.12
TAWELCO	178,591.68
TOTAL	2,518,837,595.05

Annex C: January to December 2022 CAPEX Loans

Electric Cooperatives	Loan Type	Project/s	Amount
Region I			
LUELCO	RE-FR	Supply, delivery, construction and commissioning of 15MVA Sison Substation (2 nd release)	7,979,350.00
CAR			
ABRECO	WC	Special Retirement Package	39,367,107.96
Region III			
TARELCO	RE-FR	Buy-out Privately funded Electrical Facilities (Construction and Extension of Distribution Connection Asset)	4,241,328.70
Region IV			
FLECO	EUCPDRP	Uprating of 10 MVA to 20 MVA Power Transformer located at Famy Substation (Final release)	16,915,354.66
QUEZELCO I	EUCPDRP	Replenishment of materials used for Typhoon Tisoy, Quinta, Rolly and Ulysses damaged distribution lines	15,000,000.00
	EUCPDRP	Cost of replenishment of materials used for Typhoon Tisoy, Quinta, Rolly and Ulysses damaged distribution lines	35,000,000.00
	EUCPDRP	Emergency CAPEX – Installation of 15MVA Agdangan Substation	46,521,000.00
	SDSL	Replacement of Distribution Transformers (105 units)	12,000,000.00
QUEZELCO II	RE-FR	Procurement of 1 unit Brand New Boom Truck with 2 Man basket	3,600,000.00
		Procurement of 2 Units Maintenance Utility Vehicle	3,360,000.00
		Procurement of lot for general Nakar Area Office	1,250,000.00
		Construction of Real Sub-Office	4,972,786.05
		Construction of Polillo Sub-Office	12,000,036.08
OMECCO	EUCDRP	10/12.5MV Power Transformer with complete accessories and complete Protection Equipment including Naujan Substation Improvements	33,690,300.00
	RE-FR	Supply, Construction, Installation and Commissioning of 10MVA Substation Labangan	18,790,523.65

Annex C: January to December 2022 CAPEX Loans

Electric Cooperatives	Loan Type	Project/s	Amount
OMEKO	RE-FR	Uprating of Underbuilt in SAMARICA Area	917,980.00
	Working Capital	Emergency procurement of fuel requirement of OMPC (Chargeable to RE-FR Loan Balance)	50,000,000.00
BISELCO	WC	To finance BISELCO's cash shortfall for the settlement of power account with Calamian Island Power Corporation CIPC	13,000,000.00
Region V			
CASURECO I	RE-FR	Replacement of poles and equipment and restoration of guying caused by tropical Cyclone "Rolly and Ulysses"	3,480,514.18
		Emergency CAPEX Purchase, installation and Commissioning of New 20 MVA Substation in Sipocot, Camarines Sur	24,792,000.00
CASURECO III	WC	Settlement of its power accounts with SMEC (Chargeable to RE-FR Loan Balance)	37,994,410.75
CANORECO	RE-FR	Uprating of existing 5MVA Tawig Substation	4,773,004.20
	RE	Uprating of existing 5MVA Tawig Substation (Balance)	27,847,024.20
Region VI			
ILECO III	RE-FR	Construction of 15MVA Banate Substation and 13.2k V Double Circuit for BF1 and BF2	7,559,277.41
	RE-FR	Construction of 15MVA Banate Substation and 13.2k V Double Circuit for BF1 and BF2 (Balance)	15,000,000.00
	RE-FR	Construction of 15MVA Banate Substation and 13.2k V Double Circuit for BF1 and BF2 (3 rd Release)	20,000,000.00
Region VII			
CELCO	WC	Timely payment to power supplier – CAMPC DR	11,000,000.00
BOHECO I	RE-FR	Rehabilitation of distribution system and facilities damaged by Typhoon Odette	3,088,824.17
BOHECO II	RE-FR	Construction of Main Office Building in Brgy. Cantagay, Jagna Bohol	22,088,017.74

Annex C: January to December 2022 CAPEX Loans

Electric Cooperatives	Loan Type	Project/s	Amount
Region VIII			
LEYECO IV	EUCDRP	Construction of 10MVA Bato Substation	6,400,000.00
	EUCDRP	Construction of 10MVA Bato Substation	25,600,000.00
NORSAMELCO	EUCDRP	Acquisition of Brand New 15MVA power transformer and its primary and secondary protections	19,845,000.00
Region IX			
ZANECO	RE-FR	Acquisition of Kwh Meters, distribution transformers, Poles and Service Drop Wires (15% initial release)	7,538,400.00
ZAMSURECO II	RE-FR	Reconductoring of Ipil-Titay Distribution Line and Purchase of Kwhr Meters in Replacement of Meter in Service Over 15 years	8,431,166.00
	RE-FR	Uprating of Pangi Substation Power Transformer from 10MVA to 20MVA and Feeder Reconfiguration	18,514,248.00
Region X			
LANECO	STCF	To finance monthly shortfall on the settlement of power bills with FDC Misamis Power Corporation (FDCMPC) and GN Power Kauswagan Ltd. Co. (GNPK)	599,999,996.00
BUSECO	RE-FR	Replacement of defective KwHr meter	4,590,584.57
MORESCO I	RE-FR	Construction of Administration Building in Poblacion Laguindingan	16,483,971.79
Region XI			
DORECO	RE-FR	Purchase of Maintenance Truck, Maintenance Vehicle, Motorcycle, 4-Wheel maintenance and Service Vehicle	10,214,924.67
BARMM			
BASELCO	Concessional	Construction of Feeder 3 from Substation to Malawi Island	13,432,272.94
	Concessional	Construction of Feeder 3 from Substation to Malawi Island	10,000,000.00

Annex C: January to December 2022 CAPEX Loans

Electric Cooperatives	Loan Type	Project/s	Amount
BARMM			
TAWELCO	Concessional	Rehab and Upgrading Project: Replacement of rotten poles clustering and replacement of stuck-up KwHr meters in Brgy. Poblacion, Lamion I, II, III, Bongao, Tawi – tawi	10,000,000.00
CARAGA			
SURSECO I	RE-FR	Supply and Delivery of Materials and Labor for the Relocation of Barobo Substation, Uprating and Installation of Barobo Substation from 5 MVA to 10 MVA	13,573,652.75
	RE-FR	Supply and Delivery of Materials and Labor for the Relocation of Barobo Substation, Uprating and Installation of Barobo Substation from 5 MVA to 10 MVA	5,817,279.75
SIARELCO	RE-FR	Acquisition of New Transformers, 34.5kV	11,121,000.00
		Buffer Stocks for Contingencies/Emergency/Calamities	4,502,104.39
		Supply, installation and Commissioning of New 5 MVA 34.5kV/13.8kV Substation at Roxas, San Isidro, Surigao del Norte	26,883,000.00
		Procurement of Logistics Vehicles	3,284,411.81
TOTAL			1,312,460,852.42

Annex D: January to December 2022 Calamity Loans

Electric Cooperatives	Calamity	Amount	Date Released
REGION II			
BATANELCO	Typhoon Kiko	10,000,000.00	2/18/22
REGION IV			
PALECO	Typhoon Odette	18,590,490.59	6/24/22
REGION VII			
NORECO I	Typhoon Odette	28,220,802.87	6/22/22
CEBECO I	Typhoon Odette	7,625,027.74	3/18/22
BOHECO I	Typhoon Odette	81,249,402.52	6/30/22
BOHECO II	Typhoon Odette	73,981,455.22	3/30/22
BOHECO I	Typhoon Odette	13,885,020.75	7/1/22
CEBECO I	Typhoon Odette	30,466,130.81	7/13/22
REGION VIII			
LEYECO IV	Typhoon Odette	17,361,711.90	4/19/22
LEYECO IV	Typhoon Odette	3,258,488.62	8/8/22
SOLECO	Typhoon Odette	130,751,469.60	6/27/22
REGION X			
MORESCO II	Typhoon Odette	2,713,285.54	7/11/22
CARAGA			
SURNECO	Typhoon Odette	70,010,117.83	3/30/22
SURNECO	Typhoon Odette	17,642,540.30	7/18/22
TOTAL		505,755,944.29	