

B. DEPARTMENT OF ENERGY

B.1. NATIONAL ELECTRIFICATION ADMINISTRATION

For subsidy and equity requirements in accordance with the program and project(s), as indicated hereunder P 3,021,892,000

New Appropriations, by Programs/Projects

| | <u>Current Operating Expenditures</u> | | | |
|--|---------------------------------------|---|------------------------|----------------------|
| | <u>Personnel Services</u> | <u>Maintenance and Other Operating Expenses</u> | <u>Capital Outlays</u> | <u>Total</u> |
| A. REGULAR PROGRAMS | | | | |
| Operations | | | | |
| NATIONAL RURAL ELECTRIFICATION PROGRAM | P 2,046,892,000 | P 470,000,000 | P | <u>2,516,892,000</u> |
| Total, Regular Programs | <u>2,046,892,000</u> | <u>470,000,000</u> | | <u>2,516,892,000</u> |
| B. PROJECT(S) | | | | |
| Locally-Funded Project(s) | <u>505,000,000</u> | | | <u>505,000,000</u> |
| Total, Project(s) | <u>505,000,000</u> | | | <u>505,000,000</u> |
| TOTAL NEW APPROPRIATIONS | <u>P 2,551,892,000</u> | <u>P 470,000,000</u> | <u>P</u> | <u>3,021,892,000</u> |

Special Provision(s)

1. **Subsidy to the National Electrification Administration.** The amount of Two Billion Five Hundred Fifty One Million Eight Hundred Ninety Two Thousand Pesos (P2,551,892,000) appropriated herein under the subsidy to NEA shall be used for the implementation of the National Rural Electrification Program.

The NEA is authorized to deduct engineering and administrative overhead (EAO) expenses not exceeding three percent (3%) of the project cost. The authorized EAO expenses shall be limited to: (i) pre-construction activities after detailed engineering; (ii) construction project management; (iii) testing and quality control; (iv) acquisition, rehabilitation and repair of related equipment and parts; and (v) contingencies in relation to pre-construction activities. The EAO expenses shall be treated or booked-up as capitalized expenditures and form part of the project cost.

In the implementation of the Strategized Rural Electrification and Operational Reliability for Electric Cooperatives Projects, the NEA shall observe the following:

- (a) Prioritize sitios where the absolute number of indigents and the incidence of poverty are high as identified in the latest official poverty statistics of the PSA as well as those with the high probability of being energized;
- (b) Loans outlay to electric cooperatives shall be recorded as equity contribution of the National Government to NEA when its authorized capitalization is increased by law, while grants thereto remain to be treated as subsidy;
- (c) Release funds only to electric cooperatives which have fully liquidated funds from previous years' electrification projects: *Provided*, That non-delinquent electric cooperatives with on-going projects that are not yet due for liquidation are entitled to a release of subsidy upon a new memorandum of agreement with NEA subject to COA Circular No. 2012-001: *Provided, further*, That electric cooperatives must completely liquidate the subsidy within three (3) months from project completion: *Provided, finally*, That in cases where the electric cooperatives are not qualified to implement projects for barangay and sitio electrification, the NEA is authorized to download the subsidy to qualified electric cooperatives in strategically located neighboring areas consistent with the National Rural Electrification Program. The electric cooperative that implements the program shall liquidate the subsidy within three (3) months from project completion; and
- (d) Prohibition on the use of subsidy for the payment of salaries, allowances, incentives, separation or retirement benefits.

Release of funds for Strategized Rural Electrification and Operational Reliability for Electric Cooperatives Projects shall be subject to the following: (i) submission of National Total Electrification Roadmap as certified by the DOE; (ii) submission of parameters for the selection of beneficiary sitios as certified by the DOE; and (iii) submission of a certification from the Barangay Chairperson on the population and number of houses per sitio, map of the municipality or city indicating the sitios and barangays to be energized, and cost of energizing a sitio.

2. **Electric Cooperatives Emergency and Resiliency Fund.** The amount of Two Hundred Million Pesos (P200,000,000) appropriated herein shall be used exclusively for the Electric Cooperatives Emergency and Resiliency Fund pursuant to R.A. No. 11039.

3. **Prior Years' Subsidy Releases from the National Government.** The NEA is hereby authorized to use subsidy released for programs and projects in prior years to cover the additional funding requirements of activities or projects covered by the programs or sub-programs indicated herein. Accordingly, the NEA shall prepare a work and financial plan covering the projects or activities to be funded from prior years' subsidies subject to the endorsement of the NEA's Board of Administrators, to be submitted to the DBM for approval.

4. **Equity from National Government.** The amount of Four Hundred Seventy Million Pesos (P470,000,000) shall be used as loans outlay to electric cooperatives and shall be recorded as equity contribution of the National Government to NEA.

5. **Special Provisions Applicable to All Government Corporations.** In addition to the foregoing special provisions, the special provisions applicable to all government corporations enumerated under the Budgetary Support to Government Corporations-Others shall be observed by the NEA.

New Appropriations, by Programs/Activities/Projects

| | <u>Current Operating Expenditures</u> | | | |
|---|---------------------------------------|---|------------------------|-----------------------------|
| | <u>Personnel Services</u> | <u>Maintenance and Other Operating Expenses</u> | <u>Capital Outlays</u> | <u>Total</u> |
| REGULAR PROGRAMS | | | | |
| Operations | | | | |
| NATIONAL RURAL ELECTRIFICATION PROGRAM | P 2,046,892,000 | P 470,000,000 | P | 2,516,892,000 |
| Sub-total, Operations | <u>2,046,892,000</u> | <u>470,000,000</u> | | <u>2,516,892,000</u> |
| Total, Regular Programs | <u>2,046,892,000</u> | <u>470,000,000</u> | | <u>2,516,892,000</u> |
| PROJECT(S) | | | | |
| Locally-Funded Project(s) | | | | |
| Electric Cooperatives Emergency and Resiliency Fund | | 200,000,000 | | 200,000,000 |
| Construction of Underground Powerlines Phase 3, Brgy. Esteves, Casiguran, Aurora | | 105,000,000 | | 105,000,000 |
| Construction of Underground Powerlines Phase 4, Brgy. Esteves, Casiguran, Aurora | | 185,000,000 | | 185,000,000 |
| Installation of Solar Power System at the Sangguniang Panlungsod Building, Zamboanga City, Zamboanga del Sur | | <u>15,000,000</u> | | <u>15,000,000</u> |
| Sub-total, Locally-Funded Project(s) | | <u>505,000,000</u> | | <u>505,000,000</u> |
| Total, Project(s) | | <u>505,000,000</u> | | <u>505,000,000</u> |
| TOTAL NEW APPROPRIATIONS | <u><u>P 2,551,892,000</u></u> | <u><u>P 470,000,000</u></u> | <u><u>P</u></u> | <u><u>3,021,892,000</u></u> |

New Appropriations, by Object of Expenditures
(In Thousand Pesos)

Current Operating Expenditures

Maintenance and Other Operating Expenses

| | |
|------------------------------|-----------|
| Financial Assistance/Subsidy | 2,551,892 |
|------------------------------|-----------|

| | |
|--|-----------|
| Total Maintenance and Other Operating Expenses | 2,551,892 |
|--|-----------|

| | |
|--------------------------------------|-----------|
| Total Current Operating Expenditures | 2,551,892 |
|--------------------------------------|-----------|

Capital Outlays

| | |
|-------------------|---------|
| Investment Outlay | 470,000 |
|-------------------|---------|

| | |
|-----------------------|---------|
| Total Capital Outlays | 470,000 |
|-----------------------|---------|

| | |
|---------------------------------|------------------|
| TOTAL NEW APPROPRIATIONS | 3,021,892 |
|---------------------------------|------------------|

B.2. NATIONAL POWER CORPORATION

For subsidy requirements in accordance with the program, as indicated hereunder P 1,316,421,000

New Appropriations, by Programs/Projects

| | Current Operating Expenditures | | | |
|------------------------------------|--------------------------------|--|-----------------|-----------------|
| | Personnel Services | Maintenance and Other Operating Expenses | Capital Outlays | Total |
| A. REGULAR PROGRAMS | | | | |
| Operations | P | 1,316,421,000 | | P 1,316,421,000 |
| MISSIONARY ELECTRIFICATION PROGRAM | | 1,316,421,000 | | 1,316,421,000 |
| TOTAL NEW APPROPRIATIONS | P | 1,316,421,000 | | P 1,316,421,000 |

Special Provision(s)

1. **Subsidy to the National Power Corporation.** The amount of One Billion Three Hundred Sixteen Million Four Hundred Twenty One Thousand Pesos (P1,316,421,000) appropriated herein under the subsidy to NPC shall be used for the requirements of the Missionary Electrification Program.

Release of funds shall be subject to the submission of: (i) program of work for each Small Power Utilities Group plant covered indicating the project description and implementation schedule; and (ii) originating letter request from electric cooperatives which shall contain the description of work.

2. **Prior Years' Subsidy Releases from the National Government.** The NPC is hereby authorized to use subsidy released for programs and projects in prior years to cover the additional funding requirements of activities or projects covered by the programs or sub-programs indicated herein. Accordingly, the NPC shall prepare a work and financial plan covering the projects or activities to be funded from prior years' subsidies subject to the endorsement of the NPC's Board of Directors, to be submitted to the DBM for approval.

3. **Special Provisions Applicable to All Government Corporations.** In addition to the foregoing special provisions, the special provisions applicable to all government corporations enumerated under the Budgetary Support to Government Corporations-Others shall be observed by the NPC.

New Appropriations, by Programs/Activities/Projects

| | <u>Current Operating Expenditures</u> | | | |
|------------------------------------|---------------------------------------|---|------------------------|-------------------------------|
| | <u>Personnel Services</u> | <u>Maintenance and Other Operating Expenses</u> | <u>Capital Outlays</u> | <u>Total</u> |
| REGULAR PROGRAMS | | | | |
| Operations | | | | |
| MISSIONARY ELECTRIFICATION PROGRAM | P | <u>1,316,421,000</u> | | P <u>1,316,421,000</u> |
| Sub-total, Operations | | <u>1,316,421,000</u> | | <u>1,316,421,000</u> |
| TOTAL NEW APPROPRIATIONS | P | <u><u>1,316,421,000</u></u> | | P <u><u>1,316,421,000</u></u> |

New Appropriations, by Object of Expenditures

(In Thousand Pesos)

Current Operating Expenditures

Maintenance and Other Operating Expenses

Financial Assistance/Subsidy

1,316,421

Total Maintenance and Other Operating Expenses

1,316,421

Total Current Operating Expenditures

1,316,421**TOTAL NEW APPROPRIATIONS**1,316,421