

C. DEPARTMENT OF ENERGY

C.1. NATIONAL ELECTRIFICATION ADMINISTRATION

For subsidy and equity requirements in accordance with the program and project(s), as indicated hereunder P 10,134,200,000

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	P <u>9,104,200,000</u>	P <u>810,000,000</u>	P <u>9,914,200,000</u>	
NATIONAL RURAL ELECTRIFICATION PROGRAM	<u>9,104,200,000</u>	<u>810,000,000</u>	<u>9,914,200,000</u>	
Total, Regular Programs	<u>9,104,200,000</u>	<u>810,000,000</u>	<u>9,914,200,000</u>	
B. PROJECT(S)				
Locally-Funded Project(s)	<u>220,000,000</u>		<u>220,000,000</u>	
Total, Project(s)	<u>220,000,000</u>		<u>220,000,000</u>	
TOTAL NEW APPROPRIATIONS	P <u>9,324,200,000</u>	P <u>810,000,000</u>	P <u>10,134,200,000</u>	

Special Provision(s)

1. Subsidy to the National Electrification Administration. The amount of Nine Billion Three Hundred Twenty Four Million Two Hundred Thousand Pesos (P9,324,200,000) 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; (v) contingencies in relation to pre-construction activities; and (vi) administrative expenses in relation to the monitoring, supervision and evaluation of government subsidy-funded projects. 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 ongoing projects that are not yet due for liquidation are entitled to a release of subsidy upon a new MOA 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. This provision shall not apply to NEA releases for calamity grants and subsidies; and
- (d) Prohibition on the use of subsidy for the payment of salaries, allowances, incentives, separation, or retirement benefits.

(CONDITIONAL IMPLEMENTATION- President's Veto Message, January 5, 2026, Volume I-B, page 720, R.A. No.12314)

2. Electrification of DepEd Schools. The amount of One Billion Two Hundred Ninety Five Million Pesos (P1,295,000,000) appropriated herein under the National Rural Electrification Program shall be used exclusively for the electrification of unenergized schools or off-grid schools, and for the modernization and upgrading of electrical systems of on-grid schools. This shall include the upgrading of existing electrical power systems of existing buildings, purchase and installation of appropriate transformers, and/or purchase and installations of solar power systems, as may be necessary and appropriate in promoting the use of renewable energy. The NEA shall prioritize the use of solar energy sources in providing electricity to off-grid and on-grid public schools.

Implementation of this program shall be in consultation with the DepEd. The DepEd shall prepare and transmit to NEA the official list of priority schools to be electrified or upgraded, based on validated data from the DepEd masterplan, national school building inventory, and regional submissions.

Implementation of this provision shall be subject to the guidelines to be issued jointly by NEA and DepEd.

3. 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.

4. Equity from National Government. The amount of Eight Hundred Ten Million Pesos (P810,000,000) 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

	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
REGULAR PROGRAMS				
Operations				
NATIONAL RURAL ELECTRIFICATION PROGRAM	P 9,104,200,000	P 810,000,000	P 9,914,200,000	
Sub-total, Operations	9,104,200,000	810,000,000	9,914,200,000	
Total, Regular Programs	9,104,200,000	810,000,000	9,914,200,000	

PROJECT(S)

Locally-Funded Project(s)

Electric Cooperatives Emergency and Resiliency Fund	200,000,000	200,000,000
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Construction of Distribution Line for Bukidnon Airport	20,000,000	20,000,000
Sub-total, Locally-Funded Project(s)	220,000,000	220,000,000
Total, Project(s)	220,000,000	220,000,000
TOTAL NEW APPROPRIATIONS	P 9,324,200,000	P 810,000,000
		P 10,134,200,000

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

Current Operating Expenditures

Maintenance and Other Operating Expenses

Financial Assistance/Subsidy

9,324,200

Total Maintenance and Other Operating Expenses

9,324,200

Total Current Operating Expenditures

9,324,200

Capital Outlays

Investment Outlay

810,000

Total Capital Outlays

810,000

TOTAL NEW APPROPRIATIONS

10,134,200