

B. DEPARTMENT OF ENERGY

B.1. NATIONAL ELECTRIFICATION ADMINISTRATION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>( Obligation-Based )</u>		<u>( Cash-Based )</u>
	2017	2018	2019
New General Appropriations	1,824,100	2,036,939	1,527,944
General Fund	1,824,100	2,036,939	1,527,944
Budgetary Adjustment(s)	773,416		
Transfer(s) from: National Disaster Risk Reduction and Management Fund (Calamity Fund)	773,416		
<b>TOTAL OBLIGATIONS</b>	<b>2,597,516</b>	<b>2,036,939</b>	<b>1,527,944</b>

**EXPENDITURE PROGRAM  
(in pesos)**

PURPOSE	<u>( Obligation-Based )</u>		<u>( Cash-Based )</u>
	2017 Actual	2018 Current	2019 Proposed
Operations		2,036,939,000	1,527,944,000
Projects / Purpose		2,036,939,000	1,527,944,000
MOOE		2,036,939,000	1,527,944,000
Projects / Purpose	2,597,516,000		
MOOE	2,597,516,000		
<b>TOTAL AGENCY BUDGET</b>	<b>2,597,516,000</b>	<b>2,036,939,000</b>	<b>1,527,944,000</b>
Projects / Purpose	2,597,516,000	2,036,939,000	1,527,944,000
MOOE	2,597,516,000	2,036,939,000	1,527,944,000

**STAFFING SUMMARY**

	2017	2018	2019
<b>TOTAL STAFFING</b>			
Total Number of Authorized Positions	416	416	416
Total Number of Filled Positions	286	350	340

Proposed New Appropriations Language

For subsidy requirements in accordance with the program(s) and project(s) as indicated hereunder.....P 1,527,944,000  
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OPERATIONS BY PROGRAM	PROPOSED 2019 ( Cash-Based )			
	PS	MOOE	CO	TOTAL
NATIONAL RURAL ELECTRIFICATION PROGRAM		1,527,944,000		1,527,944,000

REGION	EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 ( Cash-Based ) (in pesos)			
	PS	MOOE	CO	TOTAL
Regional Allocation		1,527,944,000		1,527,944,000
National Capital Region (NCR)		1,527,944,000		1,527,944,000
TOTAL AGENCY BUDGET		1,527,944,000		1,527,944,000

SPECIAL PROVISION(S)

- Subsidy to the National Electrification Administration. The amount of One Billion Three Hundred Twenty Seven Million Nine Hundred Forty Four Thousand Pesos (P1,327,944,000) 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 two percent (2%) 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 Sitio Electrification Projects, the NEA shall observe the following:

- 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;
- 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; and
- Prohibition on the use of subsidy for the payment of salaries, allowances, incentives, separation or retirement benefits.

Release of funds for Sitio Electrification Projects shall be subject to the 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.

- Subsidy for the Quick Response Fund. The amount of Two Hundred Million Pesos (P200,000,000) appropriated herein as subsidy for the Quick Response Fund (QRF) shall serve as a stand-by fund to be used for the replacement, reconstruction, rehabilitation or repair of distribution facilities in order that the situation and living conditions of people living in communities or areas affected by natural or human-induced calamities, epidemics, crises, and catastrophes, which occurred in the last quarter of the immediately preceding year and those occurring during the current year may be normalized as quickly as possible. In no case shall the QRF be used for pre-disaster activities, such as conduct of training, insurance of assets, and public information and information initiatives, or any other purpose not authorized in this Act.
- Prior Years' Subsidy Releases from the National Government. The NEA is hereby authorized to use subsidy released for programs and projects in 2017 and prior years to cover the funding requirements of activities or projects covered by the programs or sub-programs indicated herein. Accordingly, the NEA shall prepare a work program and financial plan covering the projects or activities to be funded from prior years' subsidies which shall be subject to the approval of the NEA's Board of Administrators, to be submitted to the DBM for further approval.
- 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.



ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2018 GAA Targets	Baseline	2019 Targets
Access to electrification expanded			
NATIONAL RURAL ELECTRIFICATION PROGRAM			
Outcome indicator			
1. Percentage increase of connections/identified potential consumers	90% by 2018 up to 100% in 2022	88% potential connections	90% by 2019 up to 100% in 2022
Output indicator			
1. No. of sitios completed and energized	1,817 sitios		775 sitios

## B.2. NATIONAL POWER CORPORATION

Appropriations/Obligations

(In Thousand Pesos)

Description	( Obligation-Based )		( Cash-Based )
	2017	2018	2019
New General Appropriations	2,798,245	2,080,702	1,228,986
General Fund	2,798,245	2,080,702	1,228,986
TOTAL OBLIGATIONS	2,798,245	2,080,702	1,228,986

EXPENDITURE PROGRAM  
(in pesos)

PURPOSE	( Obligation-Based )		( Cash-Based )
	2017 Actual	2018 Current	2019 Proposed
Operations	949,534,000	2,080,702,000	1,228,986,000
Regular	949,534,000	1,262,282,000	733,004,000
MOOE	949,534,000	1,262,282,000	733,004,000
Projects / Purpose		818,420,000	495,982,000
MOOE		818,420,000	495,982,000
Projects / Purpose	1,848,711,000		
MOOE	1,848,711,000		
TOTAL AGENCY BUDGET	2,798,245,000	2,080,702,000	1,228,986,000
Regular	949,534,000	1,262,282,000	733,004,000
MOOE	949,534,000	1,262,282,000	733,004,000
Projects / Purpose	1,848,711,000	818,420,000	495,982,000
MOOE	1,848,711,000	818,420,000	495,982,000

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Total Number of Authorized Positions	2,183	2,183	2,183
Total Number of Filled Positions	1,890	1,887	1,890

Proposed New Appropriations Language

For subsidy requirements in accordance with the program(s) and project(s), as indicated hereunder.....P 1,228,986,000  
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OPERATIONS BY PROGRAM

PROPOSED 2019 ( Cash-Based )

	PS	MOOE	CO	TOTAL
MISSIONARY ELECTRIFICATION PROGRAM		1,228,986,000		1,228,986,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 ( Cash-Based )  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation		1,228,986,000		1,228,986,000
National Capital Region (NCR)		1,228,986,000		1,228,986,000
TOTAL AGENCY BUDGET		1,228,986,000		1,228,986,000

SPECIAL PROVISION(S)

- Subsidy to the National Power Corporation. The amount of One Billion Two Hundred Twenty Eight Million Nine Hundred Eighty Six Thousand Pesos (P1,228,986,000) appropriated herein under the subsidy to NPC shall be used for the capital 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.
- Prior Years' Subsidy Releases from the National Government. The NPC is hereby authorized to use subsidy released for programs and projects in 2017 and prior years to cover the funding requirements of activities or projects covered by the programs or sub-programs indicated herein. Accordingly, the NPC shall prepare a work program and financial plan covering the projects or activities to be funded from prior years' subsidies which shall be subject to the approval of the NPC's Board of Directors, to be submitted to the DBM for further approval.
- 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 ( Cash-Based )

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
3000000000000000 Operations	P 1,228,986,000			P 1,228,986,000
3100000000000000 00 : Access to electrification expanded		1,228,986,000		1,228,986,000
3101000000000000 MISSIONARY ELECTRIFICATION PROGRAM		1,228,986,000		1,228,986,000
Sub-total, Operations		1,228,986,000		1,228,986,000
TOTAL NEW APPROPRIATIONS	P 1,228,986,000			P 1,228,986,000

Obligations, by Object of Expenditures

CYs 2017-2019  
(In Thousand Pesos)

	<u>( Obligation-Based )</u>		<u>( Cash-Based )</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Financial Assistance/Subsidy	2,798,245	2,080,702	1,228,986
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	2,798,245	2,080,702	1,228,986
GRAND TOTAL	2,798,245	2,080,702	1,228,986

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Infrastructure development accelerated and operations sustained

ORGANIZATIONAL  
OUTCOME : Access to electrification expanded

## PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2017 GAA Targets	2017 Actual
Access to electrification expanded		
Percentage of readiness of existing plants (Equivalent Availability Factor) improved by 2.32% by 2017	69.074%	74.034%
Percentage of Unexpected Power Interruption (Forced Outage Rate) improved by 0.020% by 2017	0.274%	0.063%

MFO / Performance Indicators	2017 GAA Targets	2017 Actual
MFO 1: SUPPLY OF ELECTRICITY IN MISSIONARY AREAS		
Operation of Existing Power Plants		
Percentage of unexpected power interruption (in terms of % of forced outage rate)	0.274%	0.063%
Percentage of readiness of existing plants (in terms of equivalent % availability)	69.074%	74.034%
Plant operational efficiency (in terms of net heat rates in Btu/kwh)	10,953	10,561
Capacity Additions and Transmission		
Total megawatts leased (in MW)	37	40.50
Total megawatts commissioned (in MW)	29.297	30.67
Transmission Line/Substation Expansions		
Completed transmission lines	161	22.55

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2018 GAA Targets	Baseline	2019 Targets
Access to electrification expanded			
MISSIONARY ELECTRIFICATION PROGRAM			
Outcome Indicators			
1. Percentage increase in SPUG dependable capacity	10.88%	10.88%	1.68%
2. Percentage increase in transmission line length over the previous year	35.95%	5.22%	14.34%
3. Percentage increase in substation capacity over the previous year	11.11%	5.88%	15.00%
Output Indicators			
1. Commissioned capacity additions completed (MW)	30.65	30.65	52.89
2. Transmission Lines (ckt-kms) completed	296.35	296.35	157.00
3. Substation Facilities (MVA) completed	20	20	30