

**B. DEPARTMENT OF ENERGY****B.1. NATIONAL ELECTRIFICATION ADMINISTRATION****STRATEGIC OBJECTIVES**

**MANDATE** : Total electrification on an area coverage basis and competence enhancement of electric distribution utilities in a deregulated environment.

**VISION** : Total electrification on an area coverage basis by 2020.

**MISSION** : To pursue the mandate of rural electrification and provide financial, institutional and technical assistance to Electric Distribution Utilities to make them highly competitive in delivering quality service.

**KEY RESULT AREAS** : Rapid, Inclusive and Sustained Economic Growth

**SECTOR OUTCOME** : Filipino households that have access to electricity increased

**ORGANIZATIONAL OUTCOME** : 1. Access to electrification expanded

**SECTION 1 : EXPENDITURE PROGRAM  
(in pesos)**

No./ Code	PURPOSE	2014	2015	2016
		Actual	Current	Proposed
	Projects	7,745,000,000	2,000,000,000	3,494,600,000
	MOOE	7,745,000,000	2,000,000,000	3,494,600,000
<b>TOTAL AGENCY BUDGET</b>		<b>7,745,000,000</b>	<b>2,000,000,000</b>	<b>3,494,600,000</b>
	MOOE	7,745,000,000	2,000,000,000	3,494,600,000

**STAFFING SUMMARY**

	2014	2015	2016
<b>TOTAL STAFFING</b>			
Total Number of Authorized Positions	416	416	416
Total Number of Filled Positions	297	396	396

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016  
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):		3,494,600,000		3,494,600,000
National Capital Region (NCR)		3,494,600,000		3,494,600,000
<b>TOTAL AGENCY BUDGET</b>		<b>3,494,600,000</b>		<b>3,494,600,000</b>

**SECTION 3 : SPECIAL PROVISION(S)**

- Subsidy to the National Electrification Administration. The amount of Three Billion Four Hundred Ninety Four Million Six Hundred Thousand Pesos (P3,494,600,000) appropriated herein as subsidy for the NEA shall be used in support of the following projects:

Sitio Electrification Projects	P 2,835,000,000
Electrification of the NHA Yolanda Permanent Housing Sites	659,600,000

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 above Projects, the NEA shall observe the following:

- For Sitio Electrification Projects, 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-NSCB 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; and

(c) Prohibition on the use of subsidy for the payment of salaries, allowances, incentives, separation or retirement benefits.

Release of funds shall be subject to the submission of: (i) for Sitio Electrification Projects, 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; and (ii) for Electrification of the NHA Yolanda Permanent Housing Sites, the targeted number of housing units to be energized.

The NEA shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the utilization of funds. The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said reports are likewise posted on the NEA website.

2. Bottom-Up Budgeting Projects. The amount of Twenty Seven Million Two Hundred Eighty Two Thousand Eight Hundred Fifty Three Pesos (P27,282,853) appropriated herein under the Sitio Electrification Projects shall be used for the Bottom-Up Budgeting (BuB) Projects. LGUs that will implement BuB Projects shall be limited to those that have complied with the requirements of Good Financial Housekeeping under the Seal of Good Local Governance and LGU Public Financial Management Improvement Program pursuant to DBM-DILG-DSWD-NAPC JMC No. 5 dated October 1, 2014 and such other criteria as may be provided in the guidelines.

The NEA shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments of BuB projects. The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said reports are likewise posted through the OpenBuB Portal.

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 NEA.

#### SECTION 4 : PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	Baseline		2016 Targets
<b>Access to electrification expanded</b>			
Percentage of 32,441 target sitios energized	2014 - 63%		100%
Percentage of sitios completed and energized within 120 calendar days from release of funds to ECs	2014 - 80%		Greater than 80%
<b>Appropriations/Obligations</b>			
(In Thousand Pesos)			
<u>Description</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
New General Appropriations	7,675,800	2,000,000	3,494,600
General Fund		2,000,000	3,494,600
R.A. No. 10633	7,675,800		
Continuing Appropriations		32,552	
Unreleased Appropriation for MOOE		32,552	
R.A. No. 10652		32,552	
Supplemental Appropriations	32,552		
General Fund			
R.A. No. 10652	32,552		
Budgetary Adjustment(s)	69,200		
Transfer(s) from:			
Contingent Fund	69,200		
Total Available Appropriations	7,777,552	2,032,552	3,494,600
Unused Appropriations	( 32,552)	( 32,552)	
Unreleased Appropriation	( 32,552)	( 32,552)	
<b>TOTAL OBLIGATIONS</b>	<b>7,745,000</b>	<b>2,000,000</b>	<b>3,494,600</b>
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Proposed New Appropriations Language  
 For subsidy requirements in accordance with the projects as indicated hereunder.....P 3,494,600,000  
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New Appropriations, by Programs/Activities/Projects

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
PROGRAMS				
0000040000000000 Locally-Funded Projects		P 3,494,600,000		P 3,494,600,000
0000040400000000 Power and Communication Infrastructure		3,494,600,000		3,494,600,000
0000040401000000 Electrification		3,494,600,000		3,494,600,000
1630040401000001 Sitio Electrification Project		2,835,000,000		2,835,000,000
2040040401000007 Electrification of the NHA Yolanda Permanent Housing Sites		659,600,000		659,600,000
Sub-total, Locally-Funded Project(s)		3,494,600,000		3,494,600,000
TOTAL PROJECTS		P 3,494,600,000 =====		P 3,494,600,000 =====
TOTAL NEW APPROPRIATIONS		P 3,494,600,000 =====		P 3,494,600,000 =====

Obligations, by Object of Expenditures

CYs 2014-2016  
 (In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Financial Assistance/Subsidy	7,745,000	2,000,000	3,494,600
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>7,745,000</u>	<u>2,000,000</u>	<u>3,494,600</u>
GRAND TOTAL	<u>7,745,000</u>	<u>2,000,000</u>	<u>3,494,600</u>

**B.2. NATIONAL POWER CORPORATION**

**STRATEGIC OBJECTIVES**

**MANDATE** : Perform missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing power generation and associated power delivery systems in areas that are not connected to the transmission system.

Operate and maintain undisposed generating assets, including Agus and Pulangui complexes.

Responsible for watershed rehabilitation and management.

**VISION** : To be a partner in nation building. To electrify the country to its farthest communities and manage their assets to ensure their sustainability. To continuously improve to better serve the public. All these for God and country.

**MISSION** : NPC plays a vital role in the electric power industry. With NPC's wealth of experience and technical expertise, NPC shall lead in uplifting the quality of life in the country and its islands.

To extend the same values of sustainability, reliability and safety to the management of power systems, dams and watershed areas.

KEY RESULT

AREAS : Rapid, Inclusive, and Sustained Economic Growth

SECTOR OUTCOME : Percentage of Filipino household in missionary areas served

- No. of missionary area energized
- Energy sale delivered in the main grid
- No. of main grid power customer
- Volume of water supplied for domestic, irrigation and electricity
- Percentage of water supplied for irrigation

ORGANIZATIONAL

OUTCOME : 1. Reliable Electricity Supply in Small Power Utilities Group (SPUG) Areas Achieved

**SECTION 1 : EXPENDITURE PROGRAM  
(in pesos)**

No./ Code	PURPOSE	2014 Actual	2015 Current	2016 Proposed
000003000000000	Operations	2,000,000,000	2,000,000,000	1,757,341,000
	MOOE	2,000,000,000	2,000,000,000	1,757,341,000
	Projects			306,000,000
	MOOE			306,000,000
TOTAL AGENCY BUDGET		2,000,000,000	2,000,000,000	2,063,341,000
	MOOE	2,000,000,000	2,000,000,000	2,063,341,000

STAFFING SUMMARY

	2014	2015	2016
TOTAL STAFFING			
Total Number of Authorized Positions	2,183	2,183	2,183
Total Number of Filled Positions	1,988	2,111	2,016

PROPOSED 2016

OPERATIONS BY MFO	PS	MOOE	CO	TOTAL
MFO 1: SUPPLY OF ELECTRICITY IN MISSIONARY AREAS		1,757,341,000		1,757,341,000

**SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016  
(in pesos)**

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):		2,063,341,000		2,063,341,000
National Capital Region (NCR)		2,063,341,000		2,063,341,000
TOTAL AGENCY BUDGET		2,063,341,000		2,063,341,000

**SECTION 3 : SPECIAL PROVISION(S)**

- Subsidy to the National Power Corporation. The amount of Two Billion Sixteen Million Nine Hundred Three Thousand Pesos (P2,016,903,000) appropriated herein shall be used for the capital requirements of the Small Power Utilities Group (SPUG).

Release of funds shall be subject to the submission of the program of work for each SPUG plant covered indicating the project description and implementation schedule.

The NPC shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the utilization of funds. The President of NPC and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the NPC website.

- Subsidy for the Bataan Nuclear Power Plant. The amount of Forty Six Million Four Hundred Thirty Eight Thousand Pesos (P46,438,000) appropriated herein shall be used by the NPC for the barest and most essential requirements of the Bataan Nuclear Power Plant.

The NPC shall submit to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the utilization of funds. The President of NPC and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the NPC website.

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

**SECTION 4 : PERFORMANCE INFORMATION**

KEY STRATEGIES :

Install generator sets totalling 56.82MW and its auxiliaries for additional power in a particular missionary area in 2016  
 Efficiently operate and maintain NPC's undisposed generating assets  
 Construction activities for transmission lines and substations for off-grid areas

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2016 Targets
<b>Reliable Electricity Supply in Small Power Utilities Group (SPUG) Areas Achieved</b>		
Percentage of readiness of existing plants (Equivalent Availability Factor) improved by 2.32% by 2016	2014 - 66.32%	68.64%
Percentage of unexpected power interruption (Forced Outage Rate) improved by 0.08% by 2016	2014 - 0.197%	0.274%

MFO / PIs	2016 Targets
<b>MFO 1: SUPPLY OF ELECTRICITY IN MISSIONARY AREAS</b>	
Operation of Existing Power Plants	
Percentage of unexpected power interruption (in terms of % of forced outage rate)	0.274%
Percentage of readiness of existing plants (in terms of equivalent % availability)	68.64%
Plant operational efficiency (in terms of net heat rates in Btu/kwh)	10,975
Capacity Additions and Transmission	
Total megawatts leased (in MW)	15.5
Total megawatts commissioned (in MW)	44.17
Transmission Line/Substation Expansions	
Completed transmission lines	257.10
EBITDAS Margin without UCME (in PBillions)	184,721

Appropriations/Obligations

(In Thousand Pesos)

Description	2014	2015	2016
New General Appropriations	2,000,000	2,000,000	2,063,341
General Fund		2,000,000	2,063,341
R.A. No. 10633	2,000,000		
<b>TOTAL OBLIGATIONS</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,063,341</b>

Proposed New Appropriations Language

For subsidy requirements in accordance with the programs, as indicated hereunder..... P 2,063,341,000

## New Appropriations by Programs/Activities/Projects

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
0000030000000000 Operations		P 1,757,341,000		P 1,757,341,000
106003010000000 MFO 1: SUPPLY OF ELECTRICITY IN MISSIONARY AREAS		1,757,341,000		1,757,341,000
Sub-total, Operations		1,757,341,000		1,757,341,000
TOTAL PROGRAMS AND ACTIVITIES		P 1,757,341,000		P 1,757,341,000
0000040000000000 Locally-Funded Projects		306,000,000		306,000,000
0000040400000000 Power and Communication Infrastructure		306,000,000		306,000,000
0000040403000000 Energy Efficiency and Conservation		306,000,000		306,000,000
1030040403000001 Construction of Transmission Lines and Substation Facilities		306,000,000		306,000,000
Sub-total, Locally-Funded Project(s)		306,000,000		306,000,000
TOTAL PROJECTS		P 306,000,000		P 306,000,000
TOTAL NEW APPROPRIATIONS		P 2,063,341,000		P 2,063,341,000

## Obligations, by Object of Expenditures

CYs 2014-2016  
(In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Financial Assistance/Subsidy	2,000,000	2,000,000	2,063,341
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	2,000,000	2,000,000	2,063,341
GRAND TOTAL	2,000,000	2,000,000	2,063,341

## B.3. POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION

## Appropriations/Obligations

(In Thousand Pesos)

Description	2014	2015	2016
Automatic Appropriations	7,282,050		
Customs Duties and Taxes, including Tax Expenditures	7,282,050		
TOTAL OBLIGATIONS	7,282,050		

Obligations, by Object of Expenditures

CYs 2014-2016  
(In Thousand Pesos)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Taxes, Insurance Premiums and Other Fees	7,282,050		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>7,282,050</u>		
GRAND TOTAL	<u>7,282,050</u>		