

B. DEPARTMENT OF ENERGY

B.1. NATIONAL ELECTRIFICATION ADMINISTRATION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	2,476,984	1,824,100	1,866,590
General Fund	2,476,984	1,824,100	1,866,590
TOTAL OBLIGATIONS	2,476,984	1,824,100	1,866,590

EXPENDITURE PROGRAM
(in pesos)

<u>PURPOSE</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
Operations			1,866,590,000
Projects / Purpose			1,866,590,000
MOOE			1,866,590,000
Projects / Purpose	2,476,984,000	1,824,100,000	
MOOE	2,476,984,000	1,824,100,000	
TOTAL AGENCY BUDGET	2,476,984,000	1,824,100,000	1,866,590,000
Projects / Purpose	2,476,984,000	1,824,100,000	1,866,590,000
MOOE	2,476,984,000	1,824,100,000	1,866,590,000

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Total Number of Authorized Positions	416	416	416
Total Number of Filled Positions	289	335	350

Proposed New Appropriations Language
For subsidy requirements in accordance with the project(s) as indicated hereunder.....P 1,866,590,000
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<u>OPERATIONS BY PROGRAM</u>	<u>PROPOSED 2018</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
NATIONAL RURAL ELECTRIFICATION PROGRAM		1,866,590,000		1,866,590,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation		1,866,590,000		1,866,590,000
National Capital Region (NCR)		1,866,590,000		1,866,590,000
TOTAL AGENCY BUDGET		1,866,590,000		1,866,590,000

SPECIAL PROVISION(S)

1. Subsidy to the National Electrification Administration. The amount of One Billion Eight Hundred Sixty Six Million Five Hundred Ninety Thousand Pesos (P1,866,590,000) appropriated herein as subsidy for the NEA shall be used in support of the following projects:

(a) Sitio Electrification Projects - P1,817,100,000

(b) Construction of Distribution Lines in Barangays Kasanyangan and Rio Hondo Zamboanga City under the Zamboanga City Roadmap to Recovery and Reconstruction (Z3R) - P49,490,000

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 Sitio Electrification 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; and

(c) 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.

The NEA shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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. 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 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>
PROGRAMS					
3000000000000000	Operations	P	<u>1,866,590,000</u>		P <u>1,866,590,000</u>
3100000000000000	00 : Access to electrification expanded		<u>1,866,590,000</u>		<u>1,866,590,000</u>
3101000000000000	NATIONAL RURAL ELECTRIFICATION PROGRAM		<u>1,866,590,000</u>		<u>1,866,590,000</u>
3101010000000000	Sitio Electrification Sub-program		<u>1,866,590,000</u>		<u>1,866,590,000</u>
	Project(s)				
	Locally-Funded Project(s)		<u>1,866,590,000</u>		<u>1,866,590,000</u>
310101200001000	Sitio Electrification Project		<u>1,817,100,000</u>		<u>1,817,100,000</u>
310101200003000	Construction of Power Distribution Lines in Barangays Kasanyangan and Rio Hondo, Zamboanga City under the Zamboanga City Roadmap to Recovery and Reconstruction (Z3R)		<u>49,490,000</u>		<u>49,490,000</u>
Sub-total, Operations			1,866,590,000		1,866,590,000
TOTAL NEW APPROPRIATIONS		P	<u>1,866,590,000</u>		P <u>1,866,590,000</u>
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Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Financial Assistance/Subsidy	2,476,984	1,824,100	1,866,590
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>2,476,984</u>	<u>1,824,100</u>	<u>1,866,590</u>
GRAND TOTAL	<u>2,476,984</u>	<u>1,824,100</u>	<u>1,866,590</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Infrastructure development accelerated and operations sustained

ORGANIZATIONAL
OUTCOME : Access to electrification expanded

PERFORMANCE INFORMATION

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

B.2. NATIONAL POWER CORPORATION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	2016	2017	2018
New General Appropriations	2,063,341	2,798,245	2,080,702
General Fund	2,063,341	2,798,245	2,080,702
TOTAL OBLIGATIONS	2,063,341	2,798,245	2,080,702

EXPENDITURE PROGRAM
(in pesos)

PURPOSE	2016 Actual	2017 Current	2018 Proposed
Operations	1,757,341,000	949,534,000	2,080,702,000
Regular	1,757,341,000	949,534,000	1,262,282,000
MOOE	1,757,341,000	949,534,000	1,262,282,000
Projects / Purpose			818,420,000
MOOE			818,420,000
Projects / Purpose	306,000,000	1,848,711,000	
MOOE	306,000,000	1,848,711,000	
TOTAL AGENCY BUDGET	2,063,341,000	2,798,245,000	2,080,702,000
Regular	1,757,341,000	949,534,000	1,262,282,000
MOOE	1,757,341,000	949,534,000	1,262,282,000
Projects / Purpose	306,000,000	1,848,711,000	818,420,000
MOOE	306,000,000	1,848,711,000	818,420,000

STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Total Number of Authorized Positions	2,183	2,183	2,183
Total Number of Filled Positions	1,798	1,887	1,887

Proposed New Appropriations Language
 For subsidy requirements in accordance with the program(s) and project(s), as indicated hereunder.....P 2,080,702,000
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OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
MISSIONARY ELECTRIFICATION PROGRAM		2,080,702,000		2,080,702,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation		2,080,702,000		2,080,702,000
National Capital Region (NCR)		2,080,702,000		2,080,702,000
TOTAL AGENCY BUDGET		2,080,702,000		2,080,702,000
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SPECIAL PROVISION(S)

- Subsidy to the National Power Corporation. The amount of One Billion Two Hundred Sixty Two Million Two Hundred Eighty Two Thousand Pesos (P1,262,282,000) appropriated herein as subsidy for NPC shall be used for the capital requirements of the Small Power Utilities Group (SPUG).

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

The NPC shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the NPC website.

- Subsidy to the National Power Corporation for Implementation of Transmission Lines. The following amounts appropriated herein as subsidy for NPC shall be used exclusively for the purposes specified:
 - Palawan-Taytay 69KV Substation Project - P52,497,000
 - Construction of Mindoro-Mansalay-San Jose 69KV Transmission Line Project - P415,709,000
 - Marinduque-Boac 10MCA Substation Project - P44,643,000
 - Rehabilitation of Boac-Torrijos 69KV Transmission Line Project - P305,571,000

In no case shall said amounts be used for any other purpose.

The NPC shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, 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 Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the NPC website.

3. 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.

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>
PROGRAMS					
3000000000000000	Operations	P	<u>2,080,702,000</u>		P <u>2,080,702,000</u>
3100000000000000	00 : Access to electrification expanded		<u>2,080,702,000</u>		<u>2,080,702,000</u>
3101000000000000	MISSIONARY ELECTRIFICATION PROGRAM		<u>2,080,702,000</u>		<u>2,080,702,000</u>
310100100001000	Commissioning of additional generating capacity		<u>1,262,282,000</u>		<u>1,262,282,000</u>
	Project(s)				
	Locally-Funded Project(s)		<u>818,420,000</u>		<u>818,420,000</u>
310100200001000	Construction of Transmission Lines and Substation Facilities		<u>818,420,000</u>		<u>818,420,000</u>
Sub-total, Operations			2,080,702,000		2,080,702,000
TOTAL NEW APPROPRIATIONS		P	<u>2,080,702,000</u> =====		P <u>2,080,702,000</u> =====

Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Financial Assistance/Subsidy	2,063,341	2,798,245	2,080,702
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>2,063,341</u>	<u>2,798,245</u>	<u>2,080,702</u>
GRAND TOTAL	<u>2,063,341</u>	<u>2,798,245</u>	<u>2,080,702</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Infrastructure development accelerated and operations sustained

ORGANIZATIONAL
OUTCOME : Access to electrification expanded

PERFORMANCE INFORMATION

<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
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)	0.20%	0.128%	0.274%
Percentage of readiness of existing plants (in terms of equivalent % availability)	68.64%	72.503%	69.074%
Plant operational efficiency (in terms of net heat rates in Btu/kwh)	10, 975	10,578	10,953
Capacity Additions and Transmission			
Total megawatts leased (in MW)	15.5	55.65	37
Total megawatts commissioned (in MW)	44.17	13.66	29.297
Transmission Line/Substation Expansions			
Completed transmission lines	257.10		161
EBITDAS Margin without UCME (in PThousand)	0		

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2018 Targets</u>
Access to electrification expanded		
MISSIONARY ELECTRIFICATION PROGRAM		
Outcome Indicators		
1. Percentage increase in SPUG dependable capacity		10.88%
2. Percentage increase in transmission line length over the previous year	5.22%	35.95%
3. Percentage Increase in Substation Capacity over the previous year	5.88%	11.11%
Output Indicators		
1. Commissioned capacity additions completed		30.65
2. Transmission Lines (ckt-kms) completed		296.35
3. Substation Facilities (MVA) completed		20.00

B.3. POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Automatic Appropriations	<u>1,827,776</u>		
Customs Duties and Taxes, including Tax Expenditures	1,827,776		
Budgetary Adjustment(s)	<u>3,360,582</u>		
Transfer(s) from:			
Budgetary Support to Government Corporations			
National Irrigation Administration	<u>3,360,582</u>		
TOTAL OBLIGATIONS	<u>5,188,358</u>		
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EXPENDITURE PROGRAM
(in pesos)

<u>PURPOSE</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	<u>5,188,358,000</u>		
Regular	<u>5,188,358,000</u>		
MOOE	5,188,358,000		
TOTAL AGENCY BUDGET	<u>5,188,358,000</u>		
Regular	<u>5,188,358,000</u>		
MOOE	5,188,358,000		

Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Maintenance and Other Operating Expenses			
Financial Assistance/Subsidy	3,360,582		
Taxes, Insurance Premiums and Other Fees	1,827,776		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>5,188,358</u>		
GRAND TOTAL	<u>5,188,358</u>		