A RESOLUTION
URGING THE NATIONAL ELECTRIFICATION ADMINISTRATION (NEA) TO REVISIT NEA MEMORANDUM 2019-045, ALSO KNOWN AS THE AMENDED ENHANCED POLICY/GUIDELINES ON ELECTRIC COOPERATIVES (ECs) OVERALL PERFORMANCE ASSESSMENT

WHEREAS, under paragraph B, Section 32 of Presidential Decree No. 269, as amended, the NEA shall have the authority over all Electric Cooperatives to require the submission of reportorial requirements such as “barangay and sitio electrification report for electric cooperatives on grid and isolated area/s served by NPC-SPUG”;

WHEREAS, under Section 2 of P.D. 269, because of their non-profit nature, cooperative character and the heavy financial burdens that they must sustain to become effectively established and operationally viable, electric cooperatives, particularly, shall be given every tenable support and assistance by the National Government, its instrumentalities and agencies to the fullest extent of which they are capable;
WHEREAS, on 14 August 2019, the National Electrification Administration (NEA) issued NEA Memorandum No. 2019-045 setting the Enhanced Policy/Guidelines on Electric Cooperatives (ECs) Overall Performance Assessment Criteria consisting of five parameters: Financial, Institutional and Governance, Technical, Level of Electrification, and Reportorial Compliances with each having categories and subcategories that are focused on evaluating the overall performance of Electric Cooperatives;

WHEREAS, among these five parameters, the Level of Electrification should not be included as part of assessing ECs performance since the mandate of Rural Electrification belongs to government, specifically the NEA;

WHEREAS, on the Level of Electrification parameter, the memorandum states that “Level of Consumer Connection shall be based on the reports/documents (Status of Energization) submitted through the NEA-BIT. The Committee considered the factors on poverty incidence, peace and order situation in conflict areas, problems of accessibility and areas prone to natural calamities”;

WHEREAS, corollary, the Status of Energization is already under the separate parameter of Reportorial requirements with a lesser assessment percentage. Hence, the creation of another parameter based on the reportorial findings is an unnecessary burden, if not, an outright redundancy;

WHEREAS, the Rural Electrification Program is under the mandate of NEA whereby the electric cooperatives are only an implementing arm and the latter only depends only on the subsidies or any form of appropriations transferred thereon from the former;

WHEREAS, the Level of Electrification should not be considered as a basis of ECs performance since the rollout of rural electrification is dependent on the budget or subsidies given by the government in the General Appropriations Act;

WHEREAS, as provided by law, for non-stock non-profit and service-oriented entities like electric cooperatives, whose ERC approved tariff/rate does not include provision for line expansion, it is impossible to fund capital-intensive projects like electrification of sitios and far-flung areas without increasing its rate by way of passing on the cost to its member consumer owners which is against public interest;

WHEREAS, due to the foregoing realities, it is unnecessary for NEA to assess the performance of Electric Cooperatives based on Level of Energization;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED THAT, the House of Representatives urge the National Electrification Administration (NEA) to revisit NEA Memorandum No. 2019-045, also known as the Amended
Enhanced Policy/Guidelines On Electric Cooperatives (ECs) Overall Performance Assessment.

Adopted,

REP. PRESLEY C. DE JESUS
PHILRECA Partylist

REP. SERGIO C. DAGOOC
APEC Partylist

REP. ADRIANO A. EBCAS
Ako Padayon Pilipino Partylist

REP. GODOFREDO N. GUAYA
RECÔBODA Partylist