



Implementation **BULLETIN**



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RA 11039: ELECTRIC COOPERATIVES EMERGENCY AND RESILIENCY FUND ACT

Approved on June 29, 2018, this law creates the Electric Cooperatives Emergency and Resiliency Fund (ECERF) to be managed and administered by the National Electrification Administration (NEA). The fund will be used to provide financial assistance to electric cooperatives (ECs) in the event of damage to infrastructure brought about by force majeure events.

Under this law, NEA is mandated to formulate policies and coordinate the activities of the ECs relative to emergency and resiliency management, as well as to require ECs to submit and monitor their Vulnerability and Risk Assessments, Emergency Response Plans, and other disaster management programs, among others. On the other hand, ECs are responsible for ensuring the protection, preparedness, and mitigation of adverse impacts of force majeure events to their infrastructure.

The implementing rules and regulations of this law were issued on December 14, 2018

NEA Deputy Administrator for Technical Services Artis Nikki L. Tortola provided the Senate with the following updates on the implementation of this law.

Electric Cooperatives Emergency and Resiliency Fund (ECERF)

Under this law, PhP 750 million will be taken from the National Disaster Risk Reduction and Management Fund to create the ECERF. Deputy Administrator Tortola reported that the allocation for ECERF was first introduced to the NEA budget in FY 2020; no allocation was provided in 2019. Moreover, the allocation in FY 2020 only amounted to PhP 500 million. This was further reduced to PhP 250 million in compliance with the Governance Commission for GOCCs' Memorandum Order No. 2020-04¹, as well as the recommendation of the Department of Budget and Management (DBM) in a letter dated April 24, 2020.

¹ <https://gcg.gov.ph/files/pKzvXoLqG7l4tpt5DuBR.pdf> (accessed October 15, 2020)

The PhP 250 million was reallocated to help fund the country's response to the pandemic, as authorized under RA 11469 or the Bayanihan to Heal as One Act.

On February 3, 2020, NEA requested the DBM's approval for the release of funds for the restoration of infrastructure damaged by typhoon Ursula, which struck the western Visayas region in late December last year. As requested by DBM, additional documents were provided by NEA on May 15, 2020. As of September 2020, the request is awaiting final approval. However, Deputy Administrator Tortola noted that "the PhP 250 million allocated for ECERF this year is not enough to cover the funding requirement of the restoration/rehabilitation works with total damage cost of PhP 640.89 million. This leaves a balance of PhP 390.89 million without corresponding/identified funding source".

Expanded NEA powers

Even before the approval of this law, NEA has launched several initiatives to help build the resiliency of ECs to force majeure events. In September 2017, NEA conducted a seminar on Vulnerability and Risk Assessment (VRA) and Emergency Response Planning (ERP) to ECs in Luzon, Visayas and Mindanao. 100 out of 121 ECs that attended the seminar submitted a VRA of their critical facilities. NEA also created an Ad Hoc Office in 2018 to oversee disaster risk reduction and management activities. Thus, this law essentially institutionalized some of NEA's key efforts to promote resiliency among ECs.

Currently, NEA annually reviews ECs' Resiliency Compliance Plan (RCP), Emergency Response Plan (ERP) and VRA. Moreover, it provides ECs assistance in the following areas:

- Preparation of RCP and ERP based on VRA and other reference tools;
- Simulation of ERP;
- Supervise power restoration after a disaster;
- Determine the required Task Force in coordination with ECs' national and regional organizations for the immediate restoration of power affected by disaster;
- Facilitate request for assistance in the form of loan from the NEA;
- Facilitate request for assistance in the form of subsidy from the National Government through the National Disaster Risk Reduction and Management Council (NDRRMC) and DBM;
- Inspection of distribution system and facilities to ensure their resiliency.

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