

B. DEPARTMENT OF ENERGY

B.1. NATIONAL ELECTRIFICATION ADMINISTRATION

For subsidy requirements in accordance with the program(s) and project(s) as indicated hereunder.....P 1,067,944,000
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New Appropriations, by Program
 =====

Current Operating Expenditures

	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
Operations				
NATIONAL RURAL ELECTRIFICATION PROGRAM		P 1,067,944,000		P 1,067,944,000
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TOTAL NEW APPROPRIATIONS		P 1,067,944,000		P 1,067,944,000
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Special Provision(s)

1. Subsidy to the National Electrification Administration. The amount of One Billion Twenty Seven Million Nine Hundred Forty Four Thousand Pesos (P1,027,944,000) 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:

- (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.

2. Subsidy for the Quick Response Fund. The amount 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 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.

3. 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 the 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.

4. 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.

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				
Operations				
Access to electrification expanded	P 1,067,944,000			P 1,067,944,000
NATIONAL RURAL ELECTRIFICATION PROGRAM	<u>1,067,944,000</u>			<u>1,067,944,000</u>
Sitio Electrification Sub-program	<u>1,067,944,000</u>			<u>1,067,944,000</u>
Project(s)	<u>1,067,944,000</u>			<u>1,067,944,000</u>
Locally-Funded Project(s)	<u>1,067,944,000</u>			<u>1,067,944,000</u>
Sitio Electrification Project	862,944,000			862,944,000
Quick Response Fund	20,000,000			20,000,000

Strategized Sitio Electrification for Off-grid Rural Electrification through Renewable Energy	12,000,000	12,000,000
Strategized Household Electrification for Off-grid Rural Electrification through Renewable Energy	153,000,000	153,000,000
Installation of Solar Panels in Public Schools	20,000,000	20,000,000
Sub-total, Operations	<u>1,067,944,000</u>	<u>1,067,944,000</u>
TOTAL NEW APPROPRIATIONS	P 1,067,944,000	P 1,067,944,000

New Appropriations, by Object of Expenditures
 =====
 (In Thousand Pesos)

Current Operating Expenditures

Maintenance and Other Operating Expenses		
Financial Assistance/Subsidy		1,067,944,000
Total Maintenance and Other Operating Expenses		<u>1,067,944,000</u>
Total Current Operating Expenditures		<u>1,067,944,000</u>
TOTAL NEW APPROPRIATIONS		1,067,944,000

B.2. NATIONAL POWER CORPORATION

For subsidy requirements in accordance with the program(s) and project(s), as indicated hereunder.....P 1,028,986,000
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New Appropriations, by Program
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PROGRAMS	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
Operations	P 1,028,986,000			P 1,028,986,000
MISSIONARY ELECTRIFICATION PROGRAM		1,028,986,000		1,028,986,000
TOTAL NEW APPROPRIATIONS	P 1,028,986,000			P 1,028,986,000

Special Provision(s)

1. Subsidy to the National Power Corporation. The amount 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.

2. 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.

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 NPC.

New Appropriations, by Programs/Activities/Projects
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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
Operations				
Access to electrification expanded		P 1,028,986,000		P 1,028,986,000
MISSIONARY ELECTRIFICATION PROGRAM		1,028,986,000		1,028,986,000
Commissioning of additional generating capacity		533,004,000		533,004,000
Project(s)				
Locally-Funded Projects		495,982,000		495,982,000
Construction of Transmission Line and Substation Facilities		495,982,000		495,982,000
Rehabilitation of the Puerto Galera - Mamburao 69KV Transmission Line		240,625,000		240,625,000
Mindoro-Pinamalayan Substation Project		127,679,000		127,679,000
Mindoro-Sablayan Substation Project		127,678,000		127,678,000
Sub-total, Operations		1,028,986,000		1,028,986,000
TOTAL NEW APPROPRIATIONS		P 1,028,986,000		P 1,028,986,000
New Appropriations, by Object of Expenditures =====				
(In Thousand Pesos)				
Current Operating Expenditures				
Maintenance and Other Operating Expenses				
Financial Assistance/Subsidy				1,028,986,000
Total Maintenance and Other Operating Expenses				1,028,986,000
Total Current Operating Expenditures				1,028,986,000
TOTAL NEW APPROPRIATIONS				1,028,986,000