



PHILRECA

PHILIPPINE RURAL ELECTRIC COOPERATIVES ASSOCIATION, INC.
— The Philippines' Electric Cooperatives —

22 February 2022
COMMS-2023-057

HON. LORD ALLAN JAY Q. VELASCO

Chairman

Committee on Energy – House of Representatives
Batasan Hills, Quezon City

Dear **Hon. Velasco**:

Greetings of Peace and Solidarity from PHILRECA!

Respectfully forwarding herewith our organization's POSITION PAPER to the following House Resolution:

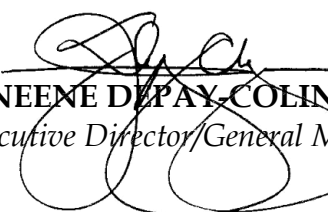
On the measure requesting assistance to Davao Oriental Electric Cooperative:

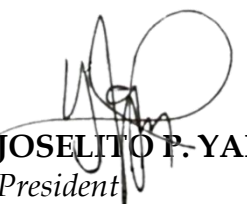
1. House Resolution No. 526 – A Resolution Urging the National Electrification Administration to Assist Davao Oriental Electric Cooperative, Inc. to Improve its Services in Davao Oriental, *authored by Representative Cheeno Miguel D. Almario*

PHILRECA, as the association of the electric cooperatives in the country, we would like to respectfully submit its position relative to the issues and concerns raised not only affecting Davao Oriental Electric Cooperative (DORECO) but the other similarly situated electric cooperatives as well.

Thank you and we fervently appeal for the intervention of this good committee for the immediate resolution of said concerns.

Respectfully yours,


JANEENE DEPAY-COLINGAN
Executive Director/General Manager


JOSELITO P. YAP
President

Copy furnished:

- **HON. PRESLEY C. DE JESUS**, *Representative*, PHILRECA Party-List
- **HON. SERGIO C. DAGOOC**, *Representative*, APEC Party-List



ON THE MEASURE REQUESTING ASSISTANCE TO DAVAO ORIENTAL ELCTRIC COOPERATIVE

The House of Representatives resolution urging the National Electrification Administration (NEA) to assist Davao Oriental Electric Cooperative, Inc. (DORECO) in improving its services in Davao Oriental is a welcome development. Access to electricity is a basic need and an indispensable element of economic growth. Any action taken to improve the quality and availability of electricity services is a step in the right direction.

The House Resolution calls on the NEA to assist DORECO in addressing these issues. As the government agency responsible for promoting and supervising the country's electricity industry, specifically, the electric cooperatives sector the NEA is uniquely positioned to help DORECO improve its services. The NEA has the knowledge, expertise, resources, and experience in the energy sector that can be utilized to assist DORECO.

Electric Cooperatives like DORECO are actively striving to improve their operations and are committed to providing high-quality service to their member-consumer-owners. **Electric cooperatives exert their best effort** to enhance their services and promote sustainable development by focusing on modernizing infrastructure, implementing new technologies, and strengthening partnerships with local communities.

DORECO is committed to providing its communities with reliable power and excellent customer service. DORECO's leaders and workforce have been working hard to achieve these goals, and they believe that their efforts have successfully ensured power reliability and service efficiency.

DORECO has invested in upgrading its distribution infrastructure and equipment to ensure power reliability, as shown in its CAPEX Project Accomplishment Report. This includes installing new distribution lines, transformers, and other equipment to improve power delivery efficiency.

DORECO also places a high priority on providing excellent customer service. The company has trained its workforce to be responsive to customer needs and to deliver prompt and efficient service. DORECO has also implemented a customer service program that includes 24/7 customer support, a billing and payment system, and an outage reporting system.

The commitment of DORECO's leaders and workforce to power reliability and service efficiency has been recognized by the community it serves. DORECO has received several awards for its outstanding service, including the National Electrification Administration (NEA) 2018 Award for Best in Customer Service and the 2017 NEA Award for Best in Electrification. These awards are a testament to the hard work and dedication of DORECO's leaders and workforce to ensure that the communities it serves have access to reliable power and excellent customer service.



To further improve DORECO's services, may we humbly provide the following suggestions/recommendations that the National Electrification Administration (NEA) might consider assisting DORECO:

- Evaluate existing DORECO infrastructure, systems, and processes to identify areas for improvement. This helps identify gaps or weaknesses in the service delivery process and provides a basis for developing targeted solutions.
- Development of a long-term strategic plan for DORECO that includes specific goals and targets to improve service quality and increase access to electricity. This can guide DORECO's activities and investments in the coming years and ensure that the cooperative focuses on providing its customers with the best possible service.
- Technical Assistance: NEA can provide technical assistance to ECs to ensure that their operations and systems are up-to-date and efficient. This could include training on new technology, such as smart grids, energy storage systems, or decentralized/distributed energy resources, such as solar panels.

Capacitate DORECO to accelerate the deployment of renewable energy as in Davao Oriental, there are identified 14 existing hydropower service contracts, and only one (1) Renewable Energy Developer has offered the DORECO to Develop an embedded power generation facility.

- Financial Assistance: NEA can provide financial assistance to ECs to help them finance their capital expenditures, such as constructing new power plants or upgrading existing infrastructure. This could include loans or grants.
- Regulatory Assistance: NEA can provide regulatory assistance to ECs to help them comply with the rules and regulations set by the government. This could include assistance obtaining permits or approvals and guidance on compliance with safety and environmental standards.
- Capacity Building: NEA can provide capacity-building assistance to ECs to help them build their institutional capacity and improve their management practices. This could include training on governance, financial management, and strategic planning.
- Advocacy: NEA can advocate for ECs, helping promote their interests and raise awareness of their contributions to the community. This could include working with policymakers to ensure that ECs are represented in policy discussions and conducting outreach activities to educate the public about the importance of ECs.

Another thing is that if the Electric Cooperatives' application to the National Electrification Administration is approved, it can significantly help improve the cooperatives' operation.



List of Applications: *(such as but not limited to the following)*

- Approval of Application for Stand-by Credit Facility
- Approval of Application for Short-Term Credit Facility (STCF)
- Approval of Application for Loan Restructuring
- Approval of Single Digit System Loss (SDSL) Loan/Emergency, Unplanned and Contingency CAPEX, and Disaster Resiliency Program
- Approval of RE Loan – Working Capital
- Approval of ECs' Procurement of Equipment and Materials
- Approval of ECs' Budget Request for Subsidy funded RE Projects

Approval of the application may provide several benefits to the electric cooperatives, such as but not limited to the following:

- Financial support: The approval may lead to financial support in terms of grants, loans, or subsidies, which can be used to upgrade the infrastructure, improve the quality of service, and expand the reach of the cooperatives.
- Regulatory support: The approval may also provide regulatory support to the electric cooperatives, which can help them comply with the regulations and standards set by the government and other regulatory bodies.

Overall, approval of the Electric Cooperatives' application to the National Electrification Administration can significantly boost the electric cooperatives and help them deliver better services to their customers.

To expedite the approval of applications from electric cooperatives, the NEA can take the following steps:

- Streamline the application process: NEA can simplify the application process by identifying the necessary documents and requirements for approval. This can make the process faster and more efficient.
- Provide clear guidelines: NEA can provide guidelines for electric cooperatives to follow when submitting their applications. This can ensure that all applications are complete and meet the requirements.
- Increase staffing: NEA can increase staffing to help process applications more quickly. By hiring additional staff or training existing staff to work more efficiently, NEA can help electric cooperatives receive approval for their applications promptly.
- Use technology: NEA can make the application process more efficient. For example, NEA can use online application portals or document management systems to make it easier for electric cooperatives to submit their applications and for NEA staff to review them.

By implementing these recommendations, the NEA could help DORECO and other Electric Cooperatives improve their service delivery and give customers better access to

electricity. This could lead to a more sustainable and equitable energy system in the region.

The House Resolution urging the NEA to assist DORECO in improving its services in Davao Oriental is a step in the right direction. The NEA's technical expertise and resources can be utilized to help DORECO provide better electricity services to its customers. The implementation of the recommendations above can lead to a significant improvement in the quality and availability of electricity services in Davao Oriental, which will have a positive impact on the province's economic development.

PHILRECA, the association of electric cooperatives in the country, can play a significant role in helping electric cooperatives improve their operations by providing various assistance and support. **Here are some ways PHILRECA can help:**

- Capacity building: PHILRECA can organize training programs, workshops, and seminars to enhance electric cooperative employees' and managers' skills and knowledge. These programs can cover various topics, including technical skills, financial management, governance, and customer service.
- Advocacy: PHILRECA can advocate for policies and regulations that benefit electric cooperatives. For example, they can lobby for lower electricity rates, favorable tax policies, and incentives for renewable energy development.
- Knowledge sharing: PHILRECA can facilitate sharing best practices among electric cooperatives. They can create a platform for cooperatives to exchange ideas and learn from each other.
- Research and development: PHILRECA can conduct research to identify new technologies and innovations that can improve the efficiency and sustainability of electric cooperatives. They can also work with universities and research institutions to develop new solutions tailored to the needs of rural communities.

Overall, PHILRECA can be a valuable partner to electric cooperatives, providing services and support to help them deliver reliable and affordable electricity to rural communities.