



PHILRECA

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

17 November 2023
COMMS-2023-264

HON. GUS S. TAMBUNTING

Chairperson

House Committee on Legislative Franchises
Batasan Hills, Quezon City

Dear *Hon. Tambunting*:

Greetings of Peace from PHILRECA!

The Association would like to respectfully express its **UTMOST SUPPORT to House Bill No. 6145** entitled, "An Act Granting a Legislative Franchise to Benguet Electric Cooperative, Inc. (BENECO) to Construct, Install, Establish, Operate, and Maintain a Generation and Distribution System for the Conveyance of Electric Power to the End-Users in All Municipalities of the PROVINCE OF Benguet and Baguio City."

Benguet Electric Cooperative, Inc., BENECO, is known for its **AFFORDABLE GENERATION COST FOR ON-GRID ECs**. As a matter of fact, it is one of the first electric cooperatives, if not the first, to have undergone a bilateral power supply contract with an Independent Power Producer (IPP) right after the implementation of the EPIRA in 2001 while other ECs are signing transition supply contracts with the National Power Corporation. The initiative and the clear foresight of BENECO to enter into a bilateral power supply contract with IPP in 2003 institutionalized its goals on reducing power rates for the member-consumer-owners.

With respect to BENECO's power outages or interruptions, it has always met the allowable limit for System Average Interruption Frequency Index (SAIFI) of 20 customer-interruptions per year out of the 25 minimum limit for On-grid ECs and 45 hours customer-interruption duration per year for the System Average Interruption Duration Index (SAIDI). This not only prove the consistency of BENECO in delivering reliable and efficient services to its MCOs but this also reflects the unwavering commitment to attain the highest standard possible there be.

In pursuit of delivering reliable power services, BENECO has become an active agent for bringing light to the Municipalities of Benguet distributing 35 million to 40 million kilowatt-hour per month and serving 216, 440 accounts as of 2021. The determination of BENECO in energizing its respective franchise area allows it to be in the list of electric cooperatives with 90-100% level of energization based on the 2019 Performance Assessment of NEA. Similarly, NEA crowned BENECO for having the lowest rate for on-

"United We Stand, We Stand United."

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grid electric cooperatives in the country. Not only that, PHILRECA, the Association of 121 Electric Cooperatives of the Philippines hailed BENECO, the “Ace of Tariff” for its exemplary works for the years 2018, 2019, 2020, and 2021. This connotes that the generation rate for the on-grid of BENECO mirrors the will of its MCOs which is affordable and a stimulant for economic development.

The vision of BENECO to become a world class and globally competitive electric cooperative came into fruition when it obtained its Overall Performance Assessment in 2019 conducted by NEA, where BENECO was categorized with AAA rating. Triple A Rating (AAA) is the highest score given by the NEA to ECs that garnered full compliance with all parameters. In the same year, BENECO also opened more possibilities by securing its International Standardization Organization (ISO) certification 9001:2015 in 2019. It also successfully passed its ISO audit from 2019 to 2021, and in 2022, it re-certified again under ISO 9001:2015. Earning this certification means that BENECO has already achieved the highest of standards attainable and ready to uplift its current status. By achieving this certification means that BENECO is true to its promises and is committed to further strengthen trust and credibility among MCOs and business partners.

To fast-track development and services, BENECO is relentlessly integrating automation technologies to further harness reliability and energy efficacy. The utilization of the Supervisory Control and Data Acquisition (SCADA) System as well as the Advanced Distribution Management System. With this, data collection from the substations and the distribution lines is done in real time making it more accurate in controlling equipment and conditions. BENECO is also one of the few electric cooperatives to have a Geographic Information System (GIS) made to analyze and display geographically referenced information to easily locate and monitor the status of the power supply and connection of consumers. This ensures that BENECO's capacity to cater the needs of its consumers is met accordingly.

As BENECO's franchise will end by the year 2028, the sole right to decide on the continuance of operations of this EC is given to the Congress. Granting BENECO a legislative franchise not only ensures untethered reliable service to MCOs and business partners but also paves way for supply of affordable electric power in Baguio City and Benguet province. As encapsulated in Section 2 of the Republic Act No. 9136, “to ensure the quality, reliability, security, and affordability of the supply of electric power.” Therefore, it is the duty of the state to allow and ensure non-state actors to become an active player in nation-building. Since time immemorial, the Electric Cooperatives has become the arms of the government to reach and give a fair chance in life and development to those people who live in the remotest islands and mountainous regions in the Philippines. They energized small sitios and barrios that are often neglected by the for-profit entities because of the incapacity to yield profits and commercialize these places.

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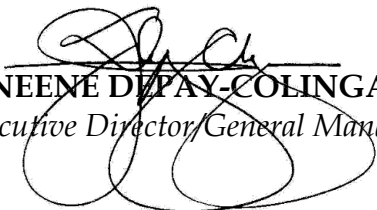
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PHILRECA- the association of 121 Electric Cooperatives in the Philippines respectfully urges the good committee to approve the House Bill No. 6145. As the role of BENECO in catalyzing growth and development over its eleven (11) districts is truly unmatched. Let the records of BENECO speak for itself and we look forward to its smooth approval.

Thank you and Power On!

Respectfully yours,


JANEENE DIPAY-COLINGAN
Executive Director/General Manager


JOSE LITO P. YAP
President

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