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Senate Bill No. 1461

In Substitution of Senate Bill No. 1253

Prepared and submitted by the Committee on Energy with Senator
Gatchalian as author thereof

AN ACT
INSTITUTIONALIZING THE ELECTRIC COOPERATIVES EMERGENCY
AND RESILIENCY FUND AND APPROPRIATING FUNDS THEREFOR

CHAPTER I
TITLE, POLICY, AND DEFINITIONS

1 **SECTION 1. Title.**— This Act shall be known as the “Electric
2 Cooperatives Emergency and Resiliency Fund Act of 2017”.

3 **SECTION 2. Declaration of Policy.**— It is hereby declared the policy of
4 the State to:

5 a) Support and assist, to the fullest extent, electric cooperatives
6 adversely affected by a fortuitous event or by force majeure in
7 order to immediately restore electric service, recognizing that
8 the absence of electric service after such is a national security
9 issue, thereby:

10 1. Facilitating the rescue and relief operations,
11 availability of basic services such as food, water,
12 medicine, and hospitals, and mitigation of civil unrest;

13 2. Aiding the normal functioning of local government
14 units (LGUs) and communities, and easing the
15 recovery of the adversely affected individuals and
16 families;

17 3. Assisting efforts of the affected LGUs in expediting the
18 rendering of aid, assistance, and emergency services,
19 and the reconstruction and rehabilitation of
20 devastated areas.

1 b) Provide an orderly and continuing means of financial assistance
2 to electric cooperatives in carrying out their responsibility of
3 providing reliable electric service necessary to alleviate the
4 sufferings and damages brought about by a fortuitous event or
5 force majeure by:

6 1. Allocating funds in the form of grants for disaster
7 mitigation, disaster preparedness, and restoration or
8 rehabilitation of electric cooperatives' damaged
9 facilities that are readily accessible;

10 2. Providing a streamlined process for the availment of
11 the fund;

12 3. Requiring the electric cooperatives to develop and
13 implement comprehensive vulnerability risk
14 assessments which identify disaster preparedness and
15 disaster mitigation measures to protect and strengthen
16 critical infrastructure assets, and emergency response
17 plans to address immediate restoration or
18 rehabilitation efforts.

19 c) Adopt resiliency planning in transmission and distribution
20 systems to lessen impact of natural calamities to such
21 infrastructure facilities thereby avoiding additional passed-on
22 charges to consumers; and

23 d) Strengthen operational support to electric cooperatives most
24 vulnerable to natural calamities.

25 **SECTION 3. Scope.** – This Act shall be applicable to all electric
26 cooperatives throughout the country.

27 **SECTION 4. Definition of Terms.**– As used in this Act, the following
28 shall be defined as:

29 a) Disaster – refers to a serious disruption of the functioning of
30 a community or a society involving widespread human,
31 material, economic or environmental losses and impacts,
32 which exceeds the ability of the affected community or
33 society to cope using its own resources. Disasters are often
34 described as a result of the combination of: the exposure to a
35 hazard; the conditions of vulnerability that are present; and
36 insufficient capacity or measures to reduce or cope with the

1 potential negative consequences. Disaster impacts may
2 include loss of life, injury, disease and other negative effects
3 on human, physical, mental and social well-being, together
4 with damage to property, destruction of assets, loss of
5 services, social and economic disruption and environmental
6 degradation;

7 b) Disaster Mitigation – refers to the lessening or limitation of
8 the adverse impacts of hazards and related disasters.
9 Mitigation measures encompass engineering techniques and
10 hazard-resistant construction as well as improved
11 environmental policies and public awareness;

12 c) Disaster Preparedness– refers to the knowledge and
13 capacities developed by governments, professional response
14 and recovery organizations, communities and individuals to
15 effectively anticipate, respond to, and recover from the
16 impacts of likely, imminent, or current hazard events or
17 conditions. Preparedness action is carried out within the
18 context of disaster risk reduction and management and aims
19 to build the capacities needed to efficiently manage all types
20 of emergencies and achieve orderly transitions from response
21 to sustained recovery. Preparedness is based on a sound
22 analysis of disaster risk and good linkages with early
23 warning systems, and includes such activities as
24 contingency planning, stockpiling of equipment and supplies,
25 the development of arrangements for coordination,
26 evacuation and public information, and associated training
27 and field exercises. These must be supported by formal,
28 institutional, legal, and budgetary capacities;

29 d) Disaster Prevention – refers to the outright avoidance of
30 adverse impacts of hazards and related disasters. It
31 expresses the concept and intention to completely avoid
32 potential adverse impacts through action taken in advance
33 such as construction of dams or embankments that
34 eliminate flood risks, land-use regulations that do not permit
35 any settlement in high-risk zones, and seismic engineering
36 designs that ensure the survival and function of a critical
37 building in any likely earthquake;

38 e) Electric Cooperative –refers to a distribution utility created
39 and operating pursuant to Presidential Decree No. 269, as
40 amended, and other existing laws;

- 1 f) Emergency Response Plan –refers to the development and
2 preparation of a written and formal plan developed based on
3 the results of the Vulnerability and Risk Assessment. It
4 contains the organizational structure and steps which will
5 enable the electric cooperative to restore its system in a safe
6 and timely manner after a fortuitous event or force majeure;
- 7 g) Force Majeure –refers to an event that is a result of elements
8 of nature that cannot be reasonably anticipated or
9 controlled, such as, but not limited to typhoon, storm,
10 tropical depression, flood, drought, volcanic eruption,
11 earthquake, tidal wave, or landslide;
- 12 h) Fortuitous Event – refers to an act of war (declared or
13 undeclared), sabotage, blockade, revolution, riot,
14 insurrection, civil commotion, or any violent or threatening
15 action;
- 16 i) Joint Congressional Power Commission –refers to the
17 Commission created under Republic Act No. 9136;
- 18 j) National Electrification Administration –refers to the
19 government agency created under Presidential Decree 269,
20 as amended;
- 21 k) National Disaster Risk Reduction and Management Fund –
22 refers to the calamity fund appropriated under the Annual
23 General Appropriations Act which is used for disaster risk
24 reduction or mitigation, prevention and preparedness
25 activities as provided under Republic Act No. 10121;
- 26 l) Resiliency Compliance Plan – refers to a list of projects and
27 programs, including the financial requirements, funding
28 sources, and timeline of implementation, necessary to
29 protect and mitigate the disaster vulnerability of all its
30 infrastructure while taking into account the results of the
31 Vulnerability and Risk Assessment;
- 32 m) Restoration or Rehabilitation– refers to the actions or
33 activities undertaken by the electric cooperatives to rebuild,
34 replace, or repair the necessary facilities to provide reliable
35 electric service to member-consumers after a fortuitous event
36 or force majeure, taking into consideration designs,
37 materials, or equipment that will make the infrastructure
38 more resilient; and
- 39 n) Vulnerability and Risk Assessment – refers to the electric
40 cooperative’s identification of critical assets and the

1 development of disaster preparedness, and disaster
2 prevention and mitigation measures to protect, restore, or
3 strengthen critical assets prior to the onset of a fortuitous
4 event or force majeure.

5 **CHAPTER II**
6 **CREATION AND IMPLEMENTATION**
7 **OF THE ELECTRIC COOPERATIVES**
8 **EMERGENCY AND RESILIENCY FUND**

9 **SECTION 5. Creation of the Electric Cooperatives Emergency and**
10 **Resiliency Fund.** – There is hereby created an Electric Cooperatives
11 Emergency and Resiliency Fund, which shall be managed and
12 administered by the National Electrification Administration (NEA).

13 **SECTION 6. Powers and Functions of the NEA.** –The NEA shall have
14 the following additional powers and functions:

- 15 a) Formulate policies and coordinate the implementation of all
16 activities of the electric cooperatives relative to emergency and
17 resiliency management, in consultation with the National
18 Disaster Risk Reduction and Management Council (NDRRMC);
- 19 b) Mandate electric cooperatives to submit their respective
20 comprehensive and integrated disaster management programs
21 such as but not limited to Vulnerability and Risk Assessments
22 and Emergency Response Plans, and thereafter establish,
23 administer, and monitor the implementation of the same;
- 24 c) Review, approve, and certify, in consultation with the NDRRMC,
25 all activities, including financial requirements, of the electric
26 cooperatives relative to disaster mitigation, disaster
27 preparedness, and disaster prevention plans as a result of the
28 Vulnerability and Risk Assessment;
- 29 d) Develop reasonable guidelines and rational documentary
30 requirements for electric cooperatives to avail of the Electric
31 Cooperatives Emergency and Resiliency Fund;
- 32 e) Formulate an efficient procedure for program participation and
33 criteria for fund allocation;
- 34 f) Determine the annual budget of the Electric Cooperatives
35 Emergency and Resiliency Fund and submit the same for
36 approval by Congress;

- 1 g) Receive donations, in the form of funds, materials, or
2 equipment, which are intended for the purpose of addressing
3 the restoration of electric cooperatives' infrastructure damaged
4 by a fortuitous event or force majeure, subject to existing
5 auditing rules and regulations;
- 6 h) Provide necessary assistance to electric cooperatives, including
7 the preparation of individual Resiliency Compliance Plans for
8 incorporation in their respective Distribution Development
9 Plans submitted to NEA;
- 10 i) Ensure that the electric cooperatives' resiliency programs are
11 feasible in accordance with sound management, economic, and
12 engineering standards; and
- 13 j) Promulgate such rules and regulations as may be necessary to
14 implement the objectives and provisions of this Act.

15 **SECTION 7. Responsibilities of the Electric Cooperatives.**— In
16 addition to their primary mandate to implement the rural electrification
17 program of the country under existing laws, the electric cooperatives
18 shall be vested with all the powers necessary to ensure the protection,
19 preparedness, and mitigation of the adverse impact of any fortuitous
20 event or force majeure to its infrastructure. Electric cooperatives shall
21 also ascertain the ability of their manpower to undertake emergency
22 response for the immediate restoration or rehabilitation of their damaged
23 infrastructure after a fortuitous event or force majeure.

24 The electric cooperatives shall likewise have the following
25 additional responsibilities:

- 26 a) Submit to NEA a Vulnerability Risk Assessment of all their
27 infrastructure in accordance with the NEA-approved template;
- 28 b) Prepare and submit to NEA a Resiliency Compliance Plan, to
29 include, a list of projects and programs, including the financial
30 requirements, funding sources, and timeline of implementation,
31 necessary to protect and mitigate the disaster vulnerability of all
32 its infrastructure;
- 33 c) Institutionalize and submit to NEA an Emergency Response Plan
34 to be activated immediately after the occurrence of a fortuitous
35 event or force majeure;
- 36 d) Comply with NEA's policies and procedural requirements for
37 program participation and fund allocation;
- 38 e) Submit reports as may be required by the NEA; and

1 f) Undertake all other activities necessary to implement the
2 objectives and provisions of this Act.

3 **SECTION 8. The National Electric Cooperatives Emergency and**
4 **Resiliency Plan (NECERP).** – All electric cooperatives shall submit to
5 NEA and/or update their respective Vulnerability and Risk Assessments,
6 Resilience Compliance Plans, and Emergency Response Plans every year.
7 Failure to submit said reports shall act as a bar to accessing the Electric
8 Cooperatives Emergency and Resiliency Fund. The NEA shall monitor
9 and evaluate the use and disbursement of the Electric Cooperatives
10 Emergency and Resiliency Fund based on the Vulnerability and Risk
11 Assessment, Emergency Response Plan, and Resiliency Compliance Plan
12 of each electric cooperative.

13 On the basis of said reports submitted by the electric cooperatives,
14 the NEA shall produce a comprehensive National Electric Cooperatives
15 Emergency Resiliency Plan (NECERP) which shall be integrated in the
16 National Disaster Risk Reduction and Management Plan provided for
17 under Republic Act No. 10121. The NECERP shall be updated and
18 submitted to the Joint Congressional Power Commission (JCPC) not later
19 than March 15 of every year.

20 **CHAPTER III**
21 **FUND SOURCES AND ALLOCATION**

22 **SECTION 9. Donations.**–Donations in the form of funds, materials, or
23 equipment, whether local or international, intended for the express
24 purpose of restoring or rehabilitating the electric cooperatives
25 infrastructure damaged by a fortuitous event or force majeure, shall be
26 received directly by the NEA, subject to existing auditing rules and
27 regulations and shall be exempt from all duties, fees, taxes, and other
28 charges.

29 **SECTION 10. Appropriations.** – The sum of Seven Hundred Fifty Million
30 Pesos (Php750,000,000.00) for the initial implementation of this Act shall
31 be taken from the National Disaster Risk Reduction and Management
32 Fund. Thereafter, such amounts necessary for the sustainable
33 implementation of this Act shall be included in the annual General
34 Appropriations Act.

1 **SECTION 11. Allocation of the Electric Cooperatives Emergency and**
2 **Resiliency Fund.**— The Electric Cooperatives Emergency and Resiliency
3 Fund shall be allocated in the following manner:

- 4 a) Twenty percent (20%) for the electric cooperatives' disaster
5 prevention, disaster preparedness, and disaster mitigation
6 measures duly approved by the NEA; and
- 7 b) Eighty percent (80%) for the restoration or rehabilitation of the
8 electric cooperatives' damaged infrastructures after a fortuitous
9 event or force majeure.

10 In case of a deficiency of the fund allocated for the restoration or
11 rehabilitation of the electric cooperatives' damaged infrastructure after a
12 fortuitous event or force majeure, the amount intended for the electric
13 cooperatives' disaster prevention, preparedness, and mitigation measures
14 which has not been released by the NEA to the electric cooperatives shall
15 be immediately re-allocated to cover such shortfall.

16 In case the amount of the initial annual budget is not sufficient to
17 cover the restoration or rehabilitation costs for the year, the annual
18 budget for the succeeding year shall be increased to an amount
19 equivalent to the total expenditures of the previous year's Electric
20 Cooperative Emergency and Resiliency Fund, and such amount shall be
21 maintained unless there is a need to increase it pursuant to this Section.

22 If the Electric Cooperatives Emergency and Resiliency Fund for the
23 year is inadequate to cover the restoration or rehabilitation costs for
24 electric cooperatives infrastructure damaged by a fortuitous event or
25 force majeure, the NEA shall seek for the allocation of supplementary
26 budget corresponding to the outstanding balance from the National
27 Disaster Risk Reduction Management Fund, subject to the approval of
28 the President.

29 **CHAPTER IV**
30 **GENERAL PROVISIONS**

31 **SECTION 12. Reportorial Requirements.**— The NEA shall take the
32 necessary measures to ensure that the provisions of this Act are properly
33 implemented and submit quarterly reports on the program
34 implementation and fund utilization to the DOE, the JCPC, and the
35 Office of the President.

1 **SECTION 13. Congressional Oversight.**— Upon the effectivity of this Act,
2 the JCPC shall exercise oversight functions over the implementation of
3 this Act.

4 **SECTION 14. Evaluation.**— Within five (5) years after the effectivity of
5 this Act, the JCPC shall conduct a systematic evaluation of the
6 accomplishments and impact of this Act for purposes of determining
7 remedial legislation.

8 **SECTION 15. Implementing Rules and Regulations.**—The NEA shall, in
9 consultation with relevant government agencies, electric cooperatives,
10 and end-users, promulgate the Implementing Rules and Regulations
11 within six (6) months from the effectivity of this Act.

12 **SECTION 16. Separability Clause.**—If for any reason, any provision of
13 this Act is declared unconstitutional or invalid, the other parts or
14 provisions hereof which are not affected thereby shall continue to be in
15 full force and in effect.

16 **SECTION 17. Repealing Clause.**—Any law, presidential decree or
17 issuance, executive order, letter of instruction, administrative rule or
18 regulation contrary to or inconsistent with the provisions of this Act are
19 hereby repealed, modified or amended accordingly.

20 **SECTION 18. Effectivity.**—This Act shall take effect on the fifteenth day
21 following its publication in at least two (2) national papers of general
22 circulation.

Approved,