



HOUSE OF REPRESENTATIVES

H. No. 7054

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BY REPRESENTATIVES UYBARRETA, BATOCABE, SINGSON, SAVELLANO, NOEL, DE VERA, LACSON, ROMERO, SALON, PANOTES, PINEDA, BERTIZ, NOGRALES (J.J.), HERRERA-DY, BRAVO (A.), CO, GARBIN, ABAYON, BELMONTE (R.), SUANSING (E.), VELASCO, NOGRALES (K.A.), ROQUE (R.), RAMOS, ACOSTA, PALMA, BOLILIA, CERILLES, DY, VERGARA, SAMBAR, ZARATE, ARENAS, TEJADA, VELASCO-CATERA, VILLARAZA-SUAREZ, ZAMORA (M.C.), SANDOVAL, DEL MAR, DUAVIT, CUARESMA, VARGAS, PIMENTEL, CAMINERO, ALEJANO, ZUBIRI, GO (M.), RODRIGUEZ (M.), MONTORO, BATAOIL AND MANALO, PER COMMITTEE REPORT NO. 585

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AN ACT INSTITUTIONALIZING THE ELECTRIC COOPERATIVES EMERGENCY AND RESILIENCY FUND, PROVIDING APPROPRIATIONS THEREFOR

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

CHAPTER I

TITLE, POLICY, AND DEFINITIONS

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

SEC. 2. *Declaration of Policy.* – In cognizance of the objective on the total electrification of the Philippines on an area coverage basis, being vital to the welfare of its people and sound

development of the nation, it is hereby declared the policy of the State to ensure and accelerate the total electrification of the country and pursue and foster, in an orderly and vigorous manner, the attainment of such objective. For this purpose, the State shall:

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

(1) Facilitating the rescue and relief operations, availability of basic services such as food, water, medicine, and hospitals, and mitigation of civil unrest;

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

(3) Assisting efforts of the affected LGUs in expediting the rendering of aid, assistance, and emergency services, and the reconstruction and rehabilitation of devastated areas.

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

(1) Allocating funds in the form of grants for disaster mitigation, disaster preparedness, and restoration or rehabilitation of electric cooperatives’ damaged facilities that are readily accessible;

1 (2) Providing a streamlined process for the availment of the  
2 fund; and

3 (3) Requiring the electric cooperatives to develop and  
4 implement comprehensive vulnerability risk assessments which  
5 identify disaster preparedness and mitigation measures to protect  
6 and strengthen critical infrastructure assets, and emergency  
7 response plans to address immediate restoration or rehabilitation  
8 efforts.

9 SEC. 3. *Scope.* – This Act shall be applicable to all electric  
10 cooperatives throughout the country.

11 SEC. 4. *Definition of Terms.* – As used in this Act:

12 (a) *Disaster* refers to a serious disruption of the functioning of  
13 a community or a society involving widespread human, material,  
14 economic or environmental losses and impacts, which exceeds the  
15 ability of the affected community or society to cope using its own  
16 resources. Disasters are often described as a result of the  
17 combination of: the exposure to a hazard; the conditions of  
18 vulnerability that are present; and insufficient capacity or measures  
19 to reduce or cope with the potential negative consequences. Disaster  
20 impacts may include loss of life, injury, disease and other negative  
21 effects on human, physical, mental and social well-being, together  
22 with damage to property, destruction of assets, loss of services,  
23 social and economic disruption and environmental degradation;

24 (b) *Disaster mitigation* refers to the lessening or limitation of  
25 the adverse impacts of hazards and related disasters. Mitigation  
26 measures encompass engineering techniques and hazard-resistant

1 construction of structures as well as improved environmental  
2 policies and public awareness;

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

18 (d) *Disaster prevention* refers to the outright avoidance of  
19 adverse impacts of hazards and related disasters. It expresses the  
20 concept and intention to completely avoid potential adverse impacts  
21 through action taken in advance such as construction of dams or  
22 embankments that eliminate flood risks, land-use regulations that  
23 do not permit any settlement in high-risk zones, and seismic  
24 engineering designs that ensure the survival and function of a  
25 critical building in any likely earthquake;

26 (e) *Electric cooperative (EC)* refers to a distribution utility  
27 created and operating pursuant to Presidential Decree No. 269,

1 otherwise known as the "National Electrification Administration  
2 Decree", as amended;

3 (f) *Emergency Response Plan* refers to the written and formal  
4 plan developed based on the results of the Vulnerability and Risk  
5 Assessment. It contains the organizational structure and steps  
6 which will enable the electric cooperative to restore its system in a  
7 safe and timely manner after a fortuitous event or *force majeure*;

8 (g) *Force majeure* refers to an event that is a result of  
9 elements of nature that cannot be reasonably anticipated or  
10 controlled, such as typhoon, storm, tropical depression, flood,  
11 drought, volcanic eruption, earthquake, tidal wave, or landslide;

12 (h) *Fortuitous event* refers to an act of war (declared or  
13 undeclared), sabotage, blockade, revolution, riot, insurrection, civil  
14 commotion, or any violent or threatening action;

15 (i) *National Disaster Risk Reduction and Management Fund*  
16 refers to the calamity fund appropriated under the annual General  
17 Appropriations Act which is used for disaster risk reduction or  
18 mitigation, prevention and preparedness activities as provided  
19 under Republic Act No. 10121, otherwise known as the "Philippine  
20 Disaster Risk Reduction and Management Act of 2010";

21 (j) *Resiliency Compliance Plan* refers to a list of projects and  
22 programs, including the financial requirements, funding sources,  
23 and timeline of implementation, necessary to protect and mitigate  
24 the disaster vulnerability of all its infrastructure while taking into  
25 account the results of the Vulnerability and Risk Assessment;

26 (k) *Restoration or rehabilitation* refers to the actions or  
27 activities undertaken by the electric cooperatives to rebuild, replace,

1 or repair the necessary facilities to provide reliable electric service  
2 to member-consumers after a fortuitous event or *force majeure*,  
3 taking into consideration designs, materials, or equipment that will  
4 make the infrastructure more resilient; and

5 (l) *Vulnerability and Risk Assessment* refers to the EC's  
6 identification of critical assets and the development of disaster  
7 preparedness, and disaster prevention and mitigation measures to  
8 protect, restore, or strengthen critical assets prior to the onset of a  
9 fortuitous event or *force majeure*.

## 10 CHAPTER II

### 11 CREATION OF THE ELECTRIC COOPERATIVES EMERGENCY 12 AND RESILIENCY FUND; RESPONSIBILITIES OF THE NATIONAL 13 ELECTRIFICATION ADMINISTRATION AND THE 14 ELECTRIC COOPERATIVES

15 SEC. 5. *Creation of the Electric Cooperatives Emergency and*  
16 *Resiliency Fund.* – There is hereby created an Electric  
17 Cooperatives Emergency and Resiliency Fund to be managed  
18 and administered by the National Electrification Administration  
19 (NEA).

20 SEC. 6. *The National Electric Cooperatives Emergency and*  
21 *Resiliency Plan (NECERP).* – All electric cooperatives shall  
22 submit to the NEA and update their respective Vulnerability and  
23 Risk Assessments, Resilience Compliance Plans, and Emergency  
24 Response Plans every year. The failure to submit said reports shall  
25 bar ECs from accessing the Electric Cooperatives Emergency and  
26 Resiliency Fund. The NEA shall monitor and evaluate the use  
27 and disbursement of the Electric Cooperatives Emergency and  
28 Resiliency Fund based on the Vulnerability and Risk Assessment,

1 Emergency Response Plan, and Resiliency Compliance Plan of each  
2 electric cooperative.

3 On the basis of said reports submitted by the ECs, the NEA  
4 shall produce a comprehensive NECERP which shall be integrated  
5 in the National Disaster Risk Reduction and Management Plan  
6 provided for under Republic Act No. 10121. The NECERP shall be  
7 updated and submitted not later than March 15 of every year to the  
8 Joint Congressional Power Commission (JCPC) created under  
9 Republic Act No. 9136, otherwise known as the "Electric Power  
10 Industry Reform Act of 2001".

11 SEC. 7. *Powers and Functions of the NEA.* – In addition to  
12 its current mandate, the NEA shall have the following powers and  
13 functions:

14 (a) Formulate policies and coordinate the implementation  
15 of all activities of the ECs relative to emergency and resiliency  
16 management, in consultation with the National Disaster Risk  
17 Reduction and Management Council (NDRRMC);

18 (b) Ensure the submission by ECs of their respective  
19 comprehensive and integrated disaster management programs  
20 such as Vulnerability and Risk Assessments and Emergency  
21 Response Plans, and thereafter monitor the implementation of the  
22 same;

23 (c) Review, approve, and certify, in consultation with the  
24 NDRRMC, all activities, including financial requirements, of the  
25 ECs relative to disaster mitigation, disaster preparedness, and  
26 disaster prevention plans as a result of the Vulnerability and Risk  
27 Assessment;

1 (d) Develop reasonable guidelines and rational documentary  
2 requirements for ECs to avail of the Electric Cooperatives  
3 Emergency and Resiliency Fund;

4 (e) Formulate an efficient procedure for program  
5 participation and criteria for fund allocation;

6 (f) Determine the annual budget of the Electric Cooperatives  
7 Emergency and Resiliency Fund and submit the same for approval  
8 by Congress;

9 (g) Receive donations, in the form of funds, materials, or  
10 equipment, which are intended for the purpose of addressing  
11 the restoration of ECs' infrastructure damaged by a fortuitous  
12 event or *force majeure*, subject to existing auditing rules and  
13 regulations;

14 (h) Provide necessary assistance to ECs, including the  
15 preparation of individual Resiliency Compliance Plans for  
16 incorporation in their respective Distribution Development Plans  
17 submitted to the NEA;

18 (i) Ensure that the ECs' resiliency programs are feasible in  
19 accordance with sound management, economic, and engineering  
20 standards; and

21 (j) Promulgate such rules and regulations as may be  
22 necessary to implement the objectives and provisions of this Act.

23 SEC. 8. *Responsibilities of Electric Cooperatives.* – In  
24 addition to their primary mandate to implement the rural  
25 electrification program of the country under existing laws, ECs shall  
26 ensure the protection, preparedness, and mitigation of the adverse  
27 impact of any fortuitous event or *force majeure* on its infrastructure.

1 The ECs shall also ascertain the ability of their manpower to  
 2 undertake emergency response for the immediate restoration or  
 3 rehabilitation of their damaged infrastructure after a fortuitous  
 4 event or *force majeure*.

5 The ECs shall likewise have the following additional  
 6 responsibilities:

7 (a) Submit to the NEA a Vulnerability Risk Assessment of all  
 8 their infrastructure in accordance with the NEA-approved template;

9 (b) Prepare and submit to the NEA a Resiliency Compliance  
 10 Plan, to include a list of projects and programs, including the  
 11 financial requirements, funding sources, and timeline of  
 12 implementation, necessary to protect and mitigate the disaster  
 13 vulnerability of all its infrastructure;

14 (c) Institutionalize and submit to the NEA an Emergency  
 15 Response Plan to be activated immediately after the occurrence of a  
 16 fortuitous event or *force majeure*;

17 (d) Comply with the NEA's policies and procedural  
 18 requirements for program participation and fund allocation;

19 (e) Submit reports as may be required by the NEA; and

20 (f) Undertake all other activities necessary to implement the  
 21 objectives and provisions of this Act.

### 22 CHAPTER III

#### 23 FUND SOURCES AND ALLOCATION

24 SEC. 9. *Appropriations.* – The amount necessary to  
 25 provide funding for the Electric Cooperatives Emergency and  
 26 Resiliency Fund shall be taken from the current year's  
 27 appropriations of the National Disaster Risk Reduction and

1 Management Fund. Thereafter, such amount as may be necessary  
 2 for the continuous funding of the Electric Cooperatives Emergency  
 3 and Resiliency Fund shall be included in the annual General  
 4 Appropriations Act.

5 SEC. 10. *Donations.* – Donations in the form of funds,  
 6 materials, or equipment, whether local or international, intended  
 7 for the express purpose of restoring or rehabilitating the ECs'  
 8 infrastructure damaged by a fortuitous event or *force majeure*, shall  
 9 be received directly by the NEA, subject to existing auditing rules  
 10 and regulations and shall be exempt from all duties, fees, taxes, and  
 11 other charges.

12 In case such donation is intended for a specific EC as  
 13 beneficiary, the same shall be recorded by the NEA for the purpose  
 14 of proper monitoring, accounting, consolidation, and documentation  
 15 of all assistance received by the ECs.

16 SEC. 11. *Allocation of the Electric Cooperatives Emergency*  
 17 *and Resiliency Fund.* – The Electric Cooperatives Emergency and  
 18 Resiliency Fund shall be allocated in the following manner:

19 (a) Thirty percent (30%) for the ECs' disaster prevention,  
 20 disaster preparedness, and disaster mitigation measures duly  
 21 approved by the NEA;

22 (b) Sixty percent (60%) for the restoration or rehabilitation of  
 23 the ECs' damaged infrastructure after a fortuitous event or *force*  
 24 *majeure*; and

25 (c) Ten percent (10%) for the repayment of outstanding  
 26 obligations of the EC incurred for the purpose of financing the

1 restoration/rehabilitation of its infrastructure damaged by  
2 fortuitous events or *force majeure*.

3 In case of a deficiency of the fund allocated for the restoration  
4 or rehabilitation of the ECs' damaged infrastructure after a  
5 fortuitous event or *force majeure*, the amount intended for the ECs'  
6 disaster prevention, preparedness, and mitigation measures which  
7 has not been released by the NEA to the ECs shall be immediately  
8 reallocated to cover such shortfall.

9 If the Electric Cooperatives Emergency and Resiliency Fund  
10 for the year is inadequate to cover the restoration or rehabilitation  
11 costs for ECs' infrastructure damaged by a fortuitous event or *force*  
12 *majeure*, the NEA shall seek for the allocation of supplementary  
13 budget corresponding to the outstanding balance from the National  
14 Disaster Risk Reduction and Management Fund, subject to the  
15 approval of the President of the Philippines.

#### 16 CHAPTER IV

##### 17 GENERAL PROVISIONS

18 SEC. 12. *Reportorial Requirements*. – The NEA shall take  
19 the necessary measures to ensure that the provisions of this Act are  
20 properly implemented and submit quarterly reports on the program  
21 implementation and fund utilization to the Department of Energy,  
22 the Joint Congressional Power Commission (JCPC) and the Office of  
23 the President of the Philippines.

24 SEC. 13. *Congressional Oversight*. – Upon the effectivity  
25 of this Act, the JCPC shall exercise oversight functions over the  
26 implementation of this Act.

1 SEC. 14. *Evaluation*. – Within five (5) years after the  
2 effectivity of this Act, the JCPC shall conduct a systematic  
3 evaluation of the accomplishments and impact of this Act for  
4 purposes of determining remedial legislation.

5 SEC. 15. *Implementing Rules and Regulations*. – The NEA  
6 shall, in consultation with relevant government agencies,  
7 ECs, and end-users, promulgate the implementing rules and  
8 regulations within six (6) months from the effectivity of this  
9 Act.

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

14 SEC. 17. *Repealing Clause*. – Any law, presidential decree  
15 or issuance, executive order, letter of instruction, administrative  
16 rule or regulation contrary to or inconsistent with the provisions of  
17 this Act is hereby repealed, modified or amended accordingly.

18 SEC. 18. *Effectivity*. – This Act shall take effect fifteen (15)  
19 days after its publication in the *Official Gazette* or in any newspaper  
20 of general circulation.

Approved,

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