



SENATE

S. No. 1461

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PREPARED AND SUBMITTED BY THE COMMITTEE ON ENERGY  
WITH SENATOR GATCHALIAN AS AUTHOR THEREOF

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AN ACT INSTITUTIONALIZING THE ELECTRIC  
COOPERATIVES EMERGENCY AND RESILIENCY  
FUND AND APPROPRIATING FUNDS 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 Act  
of 2017”.

SEC. 2. *Declaration of Policy.* – It is hereby declared  
the policy of the State to:

(a) Support and assist, to the fullest extent, electric  
cooperatives adversely affected by a fortuitous event or by

1 *force majeure* in order to immediately restore electric  
2 service, thereby:

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

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

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

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

18 (1) Allocating funds in the form of grants for disaster  
19 mitigation, disaster preparedness, and restoration or

1 rehabilitation of electric cooperatives' damaged facilities  
2 that are readily accessible;

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

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

11 (c) Adopt resiliency planning in transmission and  
12 distribution systems to lessen impact of natural calamities  
13 to such infrastructure facilities thereby avoiding additional  
14 passed-on charges to consumers; and

15 (d) Strengthen operational support to electric  
16 cooperatives most vulnerable to natural calamities.

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

1           SEC. 4. *Definition of Terms.* – As used in this Act, the  
2 following shall be defined as:

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

18           (b) *Disaster Mitigation* – refers to the lessening or  
19 limitation of the adverse impacts of hazards and related  
20 disasters. Mitigation measures encompass engineering

1 techniques and hazard-resistant construction as well as  
2 improved environmental policies and public awareness;

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

1           (d) *Disaster Prevention* – refers to the outright  
2 avoidance of adverse impacts of hazards and related  
3 disasters. It expresses the concept and intention to  
4 completely avoid potential adverse impacts through action  
5 taken in advance such as construction of dams or  
6 embankments that eliminate flood risks, land-use  
7 regulations that do not permit any settlement in high-risk  
8 zones, and seismic engineering designs that ensure the  
9 survival and function of a critical building in any likely  
10 earthquake;

11           (e) *Electric Cooperative* – refers to a distribution  
12 utility created and operating pursuant to Presidential  
13 Decree No. 269, as amended, and other existing laws;

14           (f) *Emergency Response Plan* – refers to the  
15 development and preparation of a written and formal plan  
16 developed based on the results of the Vulnerability and  
17 Risk Assessment. It contains the organizational structure  
18 and steps which will enable the electric cooperative to

1 restore its system in a safe and timely manner after a  
2 fortuitous event or *force majeure*;

3 (g) *Force Majeure* – refers to an event that is a result  
4 of elements of nature that cannot be reasonably  
5 anticipated or controlled, such as, but not limited to,  
6 typhoon, storm, tropical depression, flood, drought,  
7 volcanic eruption, earthquake, tidal wave, or landslide;

8 (h) *Fortuitous Event* – refers to an act of war  
9 (declared or undeclared), sabotage, blockade, revolution,  
10 riot, insurrection, civil commotion, or any violent or  
11 threatening action;

12 (i) *Joint Congressional Power Commission* – refers to  
13 the Commission created under Republic Act No. 9136;

14 (j) *National Electrification Administration* – refers to  
15 the government agency created under Presidential Decree  
16 No. 269, as amended;

17 (k) *National Disaster Risk Reduction and*  
18 *Management Fund* – refers to the calamity fund  
19 appropriated under the Annual General Appropriations

1 Act which is used for disaster risk reduction or mitigation,  
2 prevention and preparedness activities as provided under  
3 Republic Act No. 10121;

4 (l) *Resiliency Compliance Plan* – refers to a list of  
5 projects and programs, including the financial  
6 requirements, funding sources, and timeline of  
7 implementation, necessary to protect and mitigate the  
8 disaster vulnerability of all its infrastructure while taking  
9 into account the results of the Vulnerability and Risk  
10 Assessment;

11 (m) *Restoration or Rehabilitation* – refers to the  
12 actions or activities undertaken by the electric cooperatives  
13 to rebuild, replace, or repair the necessary facilities to  
14 provide reliable electric service to member-consumers after  
15 a fortuitous event or *force majeure*, taking into  
16 consideration designs, materials, or equipment that will  
17 make the infrastructure more resilient; and

18 (n) *Vulnerability and Risk Assessment* – refers to the  
19 electric cooperative's identification of critical assets and



1 the 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 OF THE ELECTRIC 7 COOPERATIVES EMERGENCY AND RESILIENCY FUND

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

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

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

1 (b) Mandate electric cooperatives to submit their  
2 respective comprehensive and integrated disaster  
3 management programs such as, but not limited to,  
4 Vulnerability and Risk Assessments and Emergency  
5 Response Plans, and thereafter establish, administer, and  
6 monitor the implementation of the same;

7 (c) Review, approve, and certify, in consultation with  
8 the NDRRMC, all activities, including financial  
9 requirements, of the electric cooperatives relative to  
10 disaster mitigation, disaster preparedness, and disaster  
11 prevention plans as a result of the Vulnerability and Risk  
12 Assessment;

13 (d) Develop reasonable guidelines and rational  
14 documentary requirements for electric cooperatives to avail  
15 of the ECERF;

16 (e) Formulate an efficient procedure for program  
17 participation and criteria for fund allocation;

18 (f) Determine the annual budget of the ECERF and  
19 submit the same for approval by Congress;

1 (g) Receive donations, in the form of funds, materials,  
2 or equipment, which are intended for the purpose of  
3 addressing the restoration of electric cooperatives'  
4 infrastructure damaged by a fortuitous event or *force*  
5 *majeure*, subject to existing auditing rules and regulations;

6 (h) Provide necessary assistance to electric  
7 cooperatives, including the preparation of individual  
8 Resiliency Compliance Plans for incorporation in their  
9 respective Distribution Development Plans submitted to  
10 NEA;

11 (i) Ensure that the electric cooperatives' resiliency  
12 programs are feasible in accordance with sound  
13 management, economic, and engineering standards; and

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

17 SEC. 7. *Responsibilities of the Electric Cooperatives.* –  
18 In addition to their primary mandate to implement the  
19 rural electrification program of the country under existing

1 laws, the electric cooperatives shall be vested with all the  
2 powers necessary to ensure the protection, preparedness,  
3 and mitigation of the adverse impact of any fortuitous  
4 event or *force majeure* to its infrastructure. Electric  
5 cooperatives shall also ascertain the ability of their  
6 manpower to undertake emergency response for the  
7 immediate restoration or rehabilitation of their damaged  
8 infrastructure after a fortuitous event or *force majeure*.

9 The electric cooperatives shall likewise have the  
10 following additional responsibilities:

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

14 (b) Prepare and submit to NEA a Resiliency  
15 Compliance Plan, to include, a list of projects and  
16 programs, including the financial requirements, funding  
17 sources, and timeline of implementation, necessary to  
18 protect and mitigate the disaster vulnerability of all its  
19 infrastructure;

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

4 (d) Comply with NEA's policies and procedural  
5 requirements for program participation and fund  
6 allocation;

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

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

11 SEC. 8. *The National Electric Cooperatives Emergency*  
12 *and Resiliency Plan (NECERP)*. – All electric cooperatives  
13 shall submit to NEA and/or update their respective  
14 Vulnerability and Risk Assessments, Resiliency  
15 Compliance Plans, and Emergency Response Plans every  
16 year. Failure to submit said assessment and plans shall  
17 act as a bar to accessing the ECERF. The NEA shall  
18 monitor and evaluate the use and disbursement of the  
19 ECERF based on the Vulnerability and Risk Assessment,

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

3 On the basis of said assessment and plans submitted  
4 by the electric cooperatives, the NEA shall produce a  
5 comprehensive NECERP which shall be integrated in the  
6 National Disaster Risk Reduction and Management Plan  
7 provided for under Republic Act No. 10121. The NECERP  
8 shall be updated and submitted to the Joint Congressional  
9 Power Commission (JCPC) not later than March 15 of  
10 every year.

### 11 CHAPTER III

#### 12 FUND SOURCES AND ALLOCATION

13 SEC. 9. *Donations.* – Donations in the form of funds,  
14 materials, or equipment, whether local or international,  
15 intended for the express purpose of restoring or  
16 rehabilitating the electric cooperatives infrastructure  
17 damaged by a fortuitous event or *force majeure*, shall be  
18 received directly by the NEA, subject to existing auditing  
19 rules and regulations and shall be exempt from all duties,  
20 fees, taxes, and other charges.

1           SEC. 10. *Appropriations.* – The sum of Seven hundred  
2 fifty million pesos (P750,000,000.00) for the initial  
3 implementation of this Act shall be taken from the  
4 National Disaster Risk Reduction and Management Fund.  
5 Thereafter, such amounts necessary for the sustainable  
6 implementation of this Act shall be included in the annual  
7 General Appropriations Act.

8           SEC. 11. *Allocation of the Electric Cooperatives*  
9 *Emergency and Resiliency Fund (ECERF).* – The ECERF  
10 shall be allocated exclusively for the restoration or  
11 rehabilitation of the electric cooperatives' damaged  
12 infrastructures after a fortuitous event or *force majeure*:  
13 *Provided*, That the amount shall not be used for conversion  
14 of a calamity loan into grant.

15           In case of a deficiency of the fund, the NEA shall seek  
16 for the allocation of a supplementary budget from the  
17 National Disaster Risk Reduction Management Fund,  
18 subject to the approval of the President.

## CHAPTER IV

## GENERAL PROVISIONS

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3       SEC. 12. *Reportorial Requirements.* – The NEA shall  
4 take the necessary measures to ensure that the provisions  
5 of this Act are properly implemented and submit quarterly  
6 reports on the program implementation and fund  
7 utilization to the Department of Energy (DOE), the JCPC,  
8 and the Office of the President.

9       SEC. 13. *Congressional Oversight.* – Upon the  
10 effectivity of this Act, the JCPC shall exercise oversight  
11 functions over the implementation of this Act.

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

16       SEC. 15. *Implementing Rules and Regulations.* – The  
17 NEA shall, in consultation with relevant government  
18 agencies, electric cooperatives, and end-users, promulgate  
19 the implementing rules and regulations within six (6)  
20 months from the effectivity of this Act.



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

5           SEC. 17. *Repealing Clause.* – Any law, presidential  
6 decree or issuance, executive order, letter of instruction,  
7 administrative rule or regulation contrary to or  
8 inconsistent with the provisions of this Act are hereby  
9 repealed, modified or amended accordingly.

10           SEC. 18. *Effectivity.* – This Act shall take effect on the  
11 fifteenth day following its publication in at least two (2)  
12 national papers of general circulation.

Approved,