

PROPOSALS FOR THE EPIRA LAW (RA 9136) REVIEW
ABOITIZ (1-94 Program and Benefits to Host Communities)

PROPONENT/SUMMARY OF PROPOSED AMENDMENTS	RATIONALE/DISCUSSION	SPECIFIC PROVISION(S) AFFECTED	PROPOSED REWORDINGS OF PROVISION
<p>Fund allocation among EF, DLF, and RWMHEEF</p>	<p>Our host communities expressed that a bigger share of the remittances must be allocated for DLF/RWMHEEF projects because their areas need more development and lively hood and environmental protection.</p> <p>The objective of the ER Fund can be best accomplished if meaningful and adequately funded projects will be implemented. Moreover, electric cooperatives have other sources of funds for electrification projects, i.e. National Electrification Administration.</p>	<p>1-94 Program and Benefits to Host Communities</p> <p>EPIRA IRR Rule 29 Benefits to Host</p>	<p>Allocation of the fund be removed and maintained consolidated to allow more meaningful projects as the community sees fit.</p> <p>The generating company can offer recommendations on the type of project that can be implemented.</p>
<p>Funding scope and project type of EF</p>	<ol style="list-style-type: none"> 1. Electric cooperatives expressed that their target beneficiaries in far flung areas cannot afford to pay for the cost of the drop-wire connections from the transmission poles to their residences. 2. Host communities prefer that funds for street lighting projects should come from EF. This will make available a larger portion of the ER Funds for DLF and RWMHEEF. 3. Electrification expansion projects and some DLF and RWMHEEF projects cannot be implemented because substations and upgrading of the existing power infrastructure are not allowed. 	<p>1-94 Program and Benefits to Host Communities</p> <p>EPIRA IRR Rule 29 Benefits to Host</p>	<p>In addition to missionary projects, the fund should also consider upgrading (including upgrading of streetlights) and full scale electrification projects in areas that have high potential for development provided that projects are sustainable.</p>

			<p><i>(Example: Some water system projects require a three-phase connection to operate water pumps.</i></p> <p><i>Also, some equipment for livelihood projects to be used to process raw materials require three-phase connections.)</i></p>
<p>Geographical Limitations of the Beneficiaries</p>	<p>Some regions have inadequate EF for electrification projects compared to other regions, i.e. Region IV-A and Region 5.</p>	<p>1-94 Program and Benefits to Host Communities</p> <p>EPIRA IRR Rule 29 Benefits to Host</p>	<p>The generators can assist the DOE in identifying the host communities as beneficiaries within the region.</p> <p>DOE can realign the ER Funds so less developed regions can benefit from the unused funds from other regions.</p>
<p>Full utilization of available funds</p>	<p>Currently, LGUs with released project funds cannot utilize their available balance for other ER 1-94 projects.</p>	<p>1-94 Program and Benefits to Host Communities</p> <p>EPIRA IRR Rule 29 Benefits to Host</p>	<p>Host communities prefer that the project funds be made always available in order to continuously implement new projects. This however does not remove</p>

			accountabilities of LGU officers for improperly used funds.
Generator requirement in project implementation	For projects to be implemented by an NGO, the Commission on Audit (COA) requires a counterpart fund from the implementing generator amounting to 20% of the project cost and 30% performance bond.	1-94 Program and Benefits to Host Communities EPIRA IRR Rule 29 Benefits to Host	The generators are the fund source of ER 1-94. The COA Order should be reviewed to determine the true definition of NGOs. The generator should be allowed to implement projects in behalf of the host community without the 20% counterpart and the 30% performance bond. The management cost of the project shall serve as the counterpart of the generator.
Delays in proposal review and approval	Our host communities expressed the need to fast track the approval of projects and release project funds for the proponents and beneficiaries.	Energy Regulations 1-94 Program Implementation	DOE can streamline the process flow of the approval of proposals.
Release of Project Funds		Energy Regulations 1-94 Program Implementation	DOE can adopt a matrix of signatories

			for fund releases to avoid delays in the documentation.
Templates	There are multiple versions of the Memorandum of Agreement (MOA) and Notice to Proceed (NTP) for DLF and RWMHEEF projects. Please refer to Annexes B and C.	Energy Regulations 1-94 Program Implementation	To facilitate and avoid confusion in the implementation of the projects, DOE, host communities and generators can adopt a single and standard template of the MOA and NTP.