



19 March 2020

MEMORANDUM NO. 2020-011

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : ADVISORY FROM THE DOE SECRETARY DATED 18 MARCH 2020 ON DEFERRING PAYMENTS OF OBLIGATIONS AND DUES FOR THIRTY (30) DAYS AFTER 14 APRIL 2020 FOR THE BENEFIT OF CONSUMERS

This pertains to the Advisory from Secretary Alfonso G. Cusi of the Department of Energy in line with the Government's declaration of a State of Calamity Throughout the Philippines Due to the Corona Virus Disease 2019 (Proclamation No. 929 s. 2020) and the concomitant directive on enhanced community quarantine in Luzon to contain the spread of COVID-19 which calls for solidarity with the country, Item VI thereof states "DUs throughout the country are enjoined to give their electricity consumers a period of thirty (30) days extension of payment for bills falling due for the period of 15 March to 14 April 2020."

Attached is the Advisory addressed to All Private and Public Corporations in the Power Sector issued by the Secretary of Energy dated 18 March 2020 bearing the Subject: *Solidarity with the Country by Deferring Payments of Obligations and Dues for Thirty (30) Days after 14 April 2020 for the Benefit of Consumers.*

This Office, thus, formally endorses the foregoing Advisory to the Electric Cooperatives for information, compliance and appropriate action.


EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



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Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

TO : ALL PRIVATE AND PUBLIC CORPORATIONS IN THE POWER SECTOR

FROM : SECRETARY OF ENERGY

DATE : 18 MARCH 2020

SUBJECT : SOLIDARITY WITH THE COUNTRY BY DEFERRING PAYMENTS OF OBLIGATIONS AND DUES FOR THIRTY (30) DAYS ATER 14 APRIL 2020 FOR THE BENEFIT OF CONSUMERS

In line with the Government's declaration of a State of Calamity Throughout the Philippines Due to the Corona Virus 2019 (Proclamation No. 929) and the concomitant directive on enhanced community quarantine in Luzon to contain the spread of the COVID - 19, the Department of Energy (DOE) hereby issues the following advisories:

I. To ensure continuous and unimpeded delivery of electricity amidst the socio-economic impact of the crisis, the DOE enjoins the following fuel/resource suppliers of generating facilities throughout the country, to extend the deadline for payment of the following obligations for a period of thirty (30) days from 14 April 2020, to wit:

- a. Coal - payments to coal suppliers of generation facilities;
- b. Oil - payments of generation facilities for diesel, bunker, lubricants and other derivative products of oil to its suppliers; e.g. Shell, Petron, Caltex, Phoenix, etc.;
- c. Steam supply - these are payments of geothermal facilities to their steam suppliers e.g. PGPC, EDC, etc.; Natural Gas - payment of generation facilities for natural gas to Malampaya;

II. Payments due to the Power Sector Assets and Liabilities Management Corp. (PSALM), National Power Corporation (NPC), National Transmission Corporation (TRANSCO) and the Independent Electricity Market Operator (IEMOP) are extended for a period of thirty (30) days from 14 April 2020, for the following:

1. IPPA Payments to the PSALM, for both capacity and energy payments in the entire country;
2. Universal Charges such as Stranded Contract Costs, Stranded Debt, Missionary Electrification (NPC-SPUG and Cash Incentive for RE Developers) and Environmental Charge for Watershed Rehabilitation and Management as administered by PSALM for the entire country;

3. Payment of the distribution utilities (DUs) to NPC/ PSALM for deferred GRAM and ICERA in the entire country;
4. Feed-in Tariff (FIT) Allowance remittance to the TRANSCO of DUs, retail electricity suppliers (RES) and Generators in the entire country;
5. Payments to the IEMOP from the generators, retail electricity suppliers (RES) and DUs of their total trading amount and other charges;

Any dispute regarding the settlement of any of the accounts payable listed above should also be put on hold.

However, in order to lessen the impact of the thirty (30) day extension of payment deadlines of the DUs to various entities as per Energy Regulatory Commission (ERC) Advisory dated 17 March 2020, the DUs shall remit to their respective suppliers the proportional amount that they have collected within the original deadline.

III. To provide immediate financial assistance to host beneficiaries to enhance their health services against the COVID-19, shares from electricity sales or the ER 1-94 Funds, especially the Reforestation, Water Management Health , Environment Enhancement Fund (RWMHEEF), shall immediately be remitted by the DOE and the Generation Companies to the host beneficiaries; Provided, that the same is subject to post validation of submitted Annual Work Program (AWP), and Provided further, that they have already executed a Memorandum of Agreement (MOA) and established a trust account in accordance with Department Circular No. DC2018-08-0021 and its supplement advisories.

However, the submission of the (AWP) of concerned LGUs shall be extended for a period of thirty (30) days from 14 April 2020.

IV. Lessors of land of energy facilities in the entire country are encouraged to extend payment of rentals for a period of thirty (30) days from 14 April 2020.

V. LGUs where energy facilities are located are encouraged to extend deadline for payment of the applicable local taxes, fees or charges.

VI. DUs throughout the country are enjoined to give their electricity consumers a period of thirty (30) days extension of payment for bills falling due for the period of 15 March to 14 April 2020.

Thank you.


ALFONSO G. CUSI
Secretary