

## **[ NEA POLICY ON ELECTRIC COOPERATIVES, July 13, 2015 ]**

### **NEA POLICY ON ELECTRIC COOPERATIVES' RESILIENCY PROGRAM**

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#### **I. RATIONALE**

The pursuit of total electrification in the country through the electric cooperatives by way of enhancing distribution development under RA 10531 has to heavily consider the effect of climate change.

The effect of climate change can no longer be avoided as evidenced by the occurrence of natural disasters and calamities brought by force majeure events such as typhoons, storms and tropical depressions that tend to increase in intensity with the passage of time. More often these disasters and calamities damage/destroy Electric Cooperatives' (ECs') distribution lines and other vital facilities. Typhoon Yolanda with its 290 km per hour strength destroyed vast portion of EC's distribution system along its path. This effect of climate change on weather condition is now termed as the "New Normal" which will now be considered in the design and construction of EC distribution system.

Man-made calamities and disasters due to fortuitous events such as war, sabotage, and insurrection are other events that result in the destruction of EC electrical facilities. The Zamboanga siege is an example where millions worth of EC line materials were destroyed.

There is now a paramount need for the EC to come up with materials and equipment buffer stock for emergency response for the repair and rehabilitation of damaged distribution lines and restoration of electric service soonest after the occurrence of force majeure and/or fortuitous event.

#### **II. OBJECTIVES**

- (1) To ensure the availability of vital materials and equipment for immediate restoration/rehabilitation of distribution lines damaged by disasters and calamities.
- (2) To establish ample stock of materials and equipment for emergency in the rehabilitation/restoration of distribution lines damaged by natural or man-made disasters and calamities.
- (3) To assure that buffer stock of materials and equipment specifications for distribution lines restoration are in conformity with the "Build Back Better" scheme.

### **III. POLICY**

Recognizing the frequent occurrence of natural calamities as the new normal, it is declared that electric cooperatives shall set up a Disaster Resiliency Program and towards this end EC shall:

- (1) Build a pool of linemen & electricians on a regional basis, to do emergency power restoration works in times of calamities and in normal times, do sitio & households electrification projects.
- (2) Establish a buffer stock composed of poles, insulated conductors, distribution transformers, electronic KWH meters & service wires.
- (3) Prepare distribution electric system design in conformity with the "Build Back Better" scheme.
- (4) Adopt a Regional Procurement process through the regional association to undertake the procurement of the identified buffer stock materials.
- (5) Identify cost recovery for buffer stock and mobilization.

### **IV. SCOPE**

This Policy shall apply to all electric cooperatives.

### **V. DEFINITION OF TERMS**

- (1) *Force majeure* – an event that is a result of elements of nature that cannot be reasonably anticipated or controlled, such as a typhoon, storm, tropical depression, flood, drought, volcanic eruption, earthquake, tidal wave or landslide.
- (2) Fortuitous event – shall refer to an act of war (declared or undeclared), sabotage, blockade, revolution, riot, insurrection, civil commotion or any violent or threatening action.
- (3) Buffer stock – supply of materials held as reserve against shortages to be utilized during emergency like typhoons and other calamities.
- (4) "Build Back Better" scheme – the reconstruction/restoration of the lines stronger than the old/damaged structure. This involves the design and construction of the lines with primary consideration on the strength of the materials and shorter spanning of the distribution line structure.
- (5) Three phase (3 $\Phi$ ) – In a distribution line, it represents a backbone or primary line with three (3) or four (4) conductors depending on whether the system is delta or grounded wye.

### **VI. MECHANICS OF IMPLEMENTATION**

The EC shall establish a buffer stock in accordance with the following:

#### **(1) Materials and Equipment**

- (1.1) The five items (pole, insulated conductor, distribution transformer, electronic KWH meter & service wire) are considered for the buffer