



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

DEPARTMENT ORDER NO. DO2017-12-0016

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**GUIDELINES FOR THE APPROVAL AND IMPLEMENTATION OF 2017
NATIONWIDE INTENSIFICATION OF HOUSEHOLD ELECTRIFICATION
(NIHE) PROJECTS**

WHEREAS, the Department of Energy (DOE) has intensified its campaign this 2017 to provide basic electricity services to poor households with no access to power;

WHEREAS, the campaign is dubbed the Nationwide Intensification of Household Electrification (NIHE);

WHEREAS, the program aims to connect the indigent or poor households to electric cooperatives or distribution utilities;

THEREFORE, to carry out the project, the DOE sets forth the following guidelines, as follows:

I. Issuance of Letter of Approval (LOA) to participating ECs or DUs for Project Proposals in the NIHE Program

The Department shall issue a Letter of Approval (LOA) based on the evaluation of the of completeness of the submitted project proposal of the Electric Cooperatives (ECs) or Distribution Utilities (DUs). The minimum required documents as follows:

- a. Duly accomplished Project Proposal;
- b. Detailed Project Cost;
- c. Work Program; and
- d. Number of Households (preferably with list of household beneficiaries).

The LOA will be signed by the Secretary or by his authorized/designated signatory or his officer-in-charge, as the case maybe, in his absence.

II. Accomplishment of Memorandum of Agreement and Issuance of Notice to Proceed

Upon receipt of the LOAs, the DUs are given a period of ten (10) days or not later than 07 December 2017 until which to complete supporting documents to support their NIHE Project Proposals as follows:

- a. Validated list of unserved qualified household beneficiaries who must be **indigent and from purely residential in nature**;
- b. DU Board Resolution certifying the validated list;
- c. Duly accomplished Service Application/Agreement Form (SAF) or Connection Order (CO) per household; and
- d. LGU resolution stating their support to the NIHE project and certifying the indigency of the target qualified household beneficiaries

The submitted documents will be evaluated and validated through "first come first served basis" and the completeness of the documentation validated through a pre-established checklist. The result shall serve as basis in determining the final amount that will be indicated in the MOA and NTP. It is understood that the MOA will be first accomplished, the NTP issued after compliance with pre-conditions stated in the MOA, as the case may be.

As safeguard on the proper utilization of the NIHE fund, it is incorporated in the LOA and thereafter in the MOA that any form of misrepresentation or falsification of supporting documents will be a ground for the disqualification of the EC/DU in the future projects. Validated individual service application, though will be processed.

III. Releasing of Project Fund of Approved NIHE Projects

To ensure the effective bidding process and completeness of the submission of the pertinent documents for the release of project fund of NIHE Projects, the following will be the proactive measures to fast-track bidding process and installation activities:

- a. DU shall submit a government owned bank [preferably Land Bank of the Philippines (LBP)] certification as proof of opened interest bearing checking account exclusively for the NIHE Project attested by the Branch Manager.
- b. The initial release, *equivalent to 15% of the approved cost*, shall be processed upon signing of the MOA and issuance of the NTP.
- c. DOE personnel will conduct a Procurement Workshop tailored-fit for the specific requirements for the fund release of the NIHE project.

- d. DOE personnel (EPIMB, DOE Field Offices, DOE-BAC or Compliance Division) may participate in the conduct of Bidding Procedures of the DUs/ECs, particularly in the Opening of Bids as Observer.
- e. DOE shall release of the remaining fund to the EC/DU, *equivalent to 85%*, upon proof of a completed and successful bidding by submitting documents set forth in the MOA or checklist as maybe provided for.

IV. Project Implementation

To ensure the smooth and effective implementation of the NIHE project, following will the proactive measures to monitor the implementation of the project:

- a. DUs/ECS shall strictly require submission of monthly accomplishment reports on project implementation, including issues and possible update on the list of beneficiaries (replacement).
- b. Written approval of the DOE shall be required prior to any replacement of HH beneficiaries.
- c. DOE shall conduct timely monitoring activities during actual project implementation (installations of HH wirings and connections).
- d. Upon completion of the project, DUs will submit to the DOE completion report and shall submit the project technical inspection.
- e. A Joint DOE-DU/EC validation of completed project, including conduct of survey of HH beneficiaries to fully assess the positive economic impact of the NIHE Project to the local community shall be made.

V. Project Monitoring

EPIMB shall and maintain develop a NIHE Database System capable of tracking any possible duplication and/or deviation of HH beneficiaries.

VI. Way Forward

EPIMB, through REAMD, shall conduct workshops to the extent the following target activities:

- a. Review and evaluation of the NIHE Implementation from 2015-2017;
- b. Presentation of the new scheme of approval process and implementation of the NIHE Project;
- c. Identification of targets and timelines (milestone activities/results) for the 2018 NIHE Project, and;

- d. Identification of issues and concerns in project development and implementation, including the cost per household.

EPIMB shall review all previously endorsed project proposals and approved MOAs, including documentary requirements to identify similar lapses made and implement remedial actions.

VII. EFFECTIVITY

This Department Order shall take effect immediately.

For compliance and implementation.


ALFONSO G. CUSI
Secretary



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