

# MEDIA RELEASE

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### **MEDIA RELEASE**

3 March 2021

#### **NEA directs power co-ops to support TransCo as off-grid system operator**

The National Electrification Administration (NEA) instructed electric cooperatives (ECs) serving the off-grid areas to ensure the smooth transition of their system operator functions to the National Transmission Corporation (TransCo).

This, after the Department of Energy (DOE), in a memorandum issued by Secretary Alfonso Cusi on February 4, mandated TransCo to “serve as an off-grid system operator to any small grid or off-grid power system with more than one source of power supply.”

NEA Administrator Edgardo Masongsong later signed Memorandum No. 2021-09, enjoining the concerned power co-ops to give their “utmost cooperation and support” to TransCo, in compliance with the directive of the DOE.

According to the DOE, the designation of TransCo as an off-grid system operator is in accordance with the mandates set forth under the Electric Power Industry Reform Act of 2001 and its implementing rules and regulations.

The DOE, meanwhile, said the franchised distribution utility in other off-grid areas not covered by the memo—meaning those with only one power supplier—is still authorized to perform as off-grid system operator subject to existing rules and regulations.

Masongsong, therefore, encouraged power co-ops that are operating under these conditions to keep proving their competence in the maintenance and management of independent grids if they want to continue serving as the default system operators.

“The ECs need to defend their position with the assurance of ensuring power reliability, power quality and system efficiency in their respective franchise areas, especially in the islands or a group of islands with more than one electric cooperative,” the NEA chief said.

The NEA, which supervises 121 electric co-ops nationwide, is responsible for providing technical assistance, financial and management support to enhance the operations of the electric distribution system in the off-grid areas. ###

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