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MEDIA RELEASE

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Power co-ops secure P343-million loans in January-July

Loans, including calamity loans, extended by the state-run National Electrification Administration (NEA) to electric cooperatives (ECs) reached P343.445 million in the seven-month period (January to July 2020).

A big chunk of these loans, P240.365 million, went to fund the electrification projects and working capital requirements of nine ECs, data from the NEA Accounts Management and Guarantee Department (AMGD) as of July 31 showed. This translates to 98 percent of the year-end target of P245 million.

Broken down, P167.962 million provided for the capital expenditure projects (CapEx) of eight ECs; P33.641 million to Occidental Mindoro Electric Cooperative, Inc. (OMEKO) as working capital loan; and P38.762 million to Misamis Oriental I Rural Electric Service Cooperative, Inc. (MORESCO I) for the procurement of modular generator sets.

Meanwhile, the NEA also provided calamity loans amounting to P103.080 million to 12 ECs in MIMAROPA, Bicol, Western and Northern Visayas regions for the reconstruction and rehabilitation of their power distribution facilities damaged by previous typhoons 'Ursula' and 'Tisoy.'

The calamity loan has a maximum 10-year repayment term, with a grace period of one year and an interest rate of 3.25 percent per annum.

Earlier, NEA Administrator Edgardo Masongsong issued a memorandum extending for 30 days the payment deadline for loan amortization of the ECs due for the second quarter of 2020 even though the extension will affect the agency's cash inflow, particularly its Internally Generated Fund.

"Assuming that there will be no collections on loan amortization from the electric cooperatives until December of this year, this will result to no loan releases from the NEA to the ECs as well," Masongsong said.

The NEA, a government-owned and -controlled corporation attached to the Department of Energy (DOE), offers a wide-range of loans to qualified ECs, such as regular, calamity and concessional loans, stand-by and short-term credit loans, single-digit system loss, renewable energy, and modular generator sets loan.###

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