

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Fifteenth Congress
First Regular Session
HOUSE BILL NO. 1018

Introduced by Honorable Cresente C. Paez and Honorable Jose R. Ping-ay

EXPLANATORY NOTE

This bill seeks to remove the lending authority of the National Electrification Administration (NEA) under Presidential Decree (PD) No. 269, as amended by Presidential Decree No. 1645. Henceforth, all electric cooperatives shall have the option to avail of loans and financial services from government financial institutions (GFIs) such as but not limited to the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP).

The NEA was created by virtue of PD No. 269 primarily to organize, finance and regulate electric cooperatives (ECs) throughout the country. The law was later amended by PD No. 1645 by increasing the capitalization and broadening the lending and regulatory powers of the NEA. However, these laws are no longer in consonance with the universally accepted principles of cooperativism pursuant to Republic Act No. 6938, otherwise known as the *Cooperative Code of the Philippines*, as amended by Republic Act No. 9520. Presently, only ECs who opted to register with the Cooperative Development Authority (CDA) have the right to seek financial and technical assistance provided by government financial institutions and technical development agencies on terms respecting their independence as autonomous cooperatives. Thus, ECs not duly registered with CDA are precluded from enjoying such rights and privileges. These ECs are restricted from availing of loans from sources other than the NEA. The proposed bill shall liberate these ECs from NEA in order to acquire better technical assistance and financial assistance from various GFIs in the country, among others.

In view of the foregoing, approval of this bill is earnestly sought.


CRESENTE C. PAEZ


JOSE R. PING-AY

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AN ACT
REMOVING THE LENDING AUTHORITY OF THE NATIONAL
ELECTRIFICATION ADMINISTRATION AS PROVIDED UNDER
PRESIDENTIAL DECREE NO. 269, AS AMENDED

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The lending authority of the National Electrification Administration (NEA) as provided under Presidential Decree No. 269, as amended by Presidential Decree No. 1645, is hereby repealed: *Provided*, That the electric cooperatives with existing loans obtained from the NEA prior to the effectivity of this Act shall continue to observe the terms and conditions of such loans until full payment or settlement thereof.

SEC. 2. Within sixty (60) days after the effectivity of this Act, the Secretary of Energy shall issue the rules and regulations necessary for the effective implementation of this Act.

SEC. 3. Subsections (f) and (p) of Section 4 of PD No. 269, as amended by PD No. 1645 are hereby repealed. All other laws, decrees, rules and regulations, or portions thereof, inconsistent with this Act are also hereby repealed or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,