

Republic of the Philippines
House of Representatives

Quezon City, Metro Manila

SIXTEENTH CONGRESS
Second Regular Session

House Bill Number 4777



Introduced by Representative EDGARDO 'ERM' RAMA MASONGSONG

EXPLANATORY NOTE

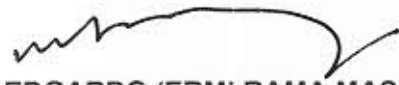
**AN ACT
FURTHER AMENDING SECTION 26-B OF PRESIDENTIAL DECREE NO.
269, AS AMENDED BY REPUBLIC ACT NO. 10531, ENTITLED THE
NATIONAL ELECTRIFICATION ADMINISTRATION REFORM ACT OF 2013,
AND FOR OTHER PURPOSES**

This legislative proposal to further amend Section 26-B of Presidential Decree No. 269, as amended by Republic Act No. 10531, is a product of strong clamor from the stakeholders in the power industry, especially from the Electric Cooperatives (ECs) – their officers and consumers, against the stringent requirements in the election or appointment of the officers of ECs. With the deafening noise created by RA 10531, it can only be presumed that some provisions in the law were inserted and become the subject of various complaints. This is manifested by cases filed by affected ECs to question the law's constitutionality before the Supreme Court.

Based on the complaints coming from the power industry stakeholders in Luzon, Visayas and Mindanao, the qualifications set by RA 10531 for directors or officers in question are: (1) he/she must be a graduate of a four year course, (2) he/she must be at least 21 years old and not over 70 years old on the date of election, and (3) he/she must be in good standing for the last five (5) years preceding the election or appointment.

I recognize that one of the intents of the framers of RA 10531 was to professionalize the ECs. But this could not be achieved by setting eligibility requirements that even surpass that of the President of the Republic of the Philippines. In the past months that the law has taken effect, we can surmise that the strict requirements only resulted to the disenfranchisement of well-intentioned members of ECs who want to serve their franchise areas. The law should be amended to ease exclusion of a large number of individuals without sacrificing its intent to professionalize and empower ECs.

I, therefore, urge my dear colleagues for the immediate passage of this bill.



EDGARDO 'ERM' RAMA MASONGSONG

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18 **OTHER PURPOSES**
19

20
21 *Be it enacted by the Senate and the House of Representatives of the*
22 *Philippines in Congress assembled:*
23

24 SECTION 1. Section 26-B of Presidential Decree 26-B, as amended by Republic
25 Act No. 10531, is hereby further amended to read as follows:

26 "SEC. 26-B. *Fit and Proper Rule.* - To ensure that the management
27 and operations of electric cooperatives are carried out with due regard to its
28 economic viability **AND SAFEGUARD THE INDEPENDENCE OF THE**
29 **BOARD AND OFFICERS OF ELECTRIC COOPERATIVES**, the NEA shall
30 prescribe, pass upon and review the qualifications and disqualifications of
31 individuals appointed or elected to cooperatives and disqualify those found
32 unfit.

33
34 "A candidate's integrity, experience, **BASIC** education, competence
35 and probity shall be considered in determining whether he or she shall be fit
36 and proper to become a director or officer of the electric cooperative.

37
38 "For this purpose, the minimum qualifications of a director or officer
39 of the electric cooperative shall be as follows:

40
41 "(a) He or she is a Filipino citizen;

42
43 "(b) ~~[He or she is a graduate of a four (4)-year course]~~ **HE OR**
44 **SHE IS ABLE TO READ AND WRITE;**
45

46 “(c) He or she is ~~[between]~~ **AT LEAST** twenty-one (21) ~~[and~~
47 ~~seventy (70)]~~ years old~~[.]~~ on the date of election;

48
49 “(d) He or she is of good moral character;

50
51 “(e) He or she is a member of the electric cooperative in good
52 standing ~~[for the last five (5) years immediately]~~ preceding the election or
53 appointment;

54
55 “(f) He or she is an actual resident and consumer in the district
56 that he or she seeks to represent for at least two (2) years immediately
57 preceding the election; and

58
59 “(g) He or she has attended at least two (2) Annual General
60 Membership Assemblies (AGMA) for the last five (5) years immediately
61 preceding the election or appointment.

62
63 “The NEA may, after due notice to the board of directors and officers
64 of the electric cooperative, disqualify, suspend or remove any director or
65 officer, who commits any act which renders him unfit for the position.”

66 **SEC. 2. *Separability Clause.*** If any part or section of this Act is declared
67 unconstitutional, such declaration shall not affect in any manner other parts or sections of
68 this Act.

69 **SEC. 3. *Repealing Clause.*** – All laws, decrees, proclamations, issuances, or
70 ordinances that are contrary to or inconsistent with the provisions of this Act are hereby
71 amended, repealed or modified accordingly.

72 **SEC. 4. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its
73 publication in at least two (2) newspapers of general circulation.

74
75 *Approved,*