

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

Second Regular Session

House Bill No. **4978**



Introduced by REP. JOSEPH STEPHEN S. PADUANO

EXPLANATORY NOTE

Presidential Decree (PD) No. 269 otherwise known as the "National Electrification Administration Decree", was issued by then President Marcos in 1973 to strengthen the government's electrification program by reorganizing the National Electrification Administration (NEA) that was earlier created under Republic Act No. 6038.

Republic Act (RA) No. 10531, or the National Electrification Administration Reform Act of 2013, further amended PD No. 269, by strengthening the regulatory powers of the NEA over electric cooperatives, giving the NEA the power to directly intervene in the affairs of electric cooperatives through its "step-in rights", the power to appoint temporary members of the board of directors, etc. RA No. 10531 also amended PD No. 269 by disqualifying all government elected and appointed officials, unlike in PD No. 269 which allowed barangay officials to be members of the board of directors of electric cooperatives.

The present proposal entails amending the pertinent sections of PD No. 269, by returning the eligibility of barangay officials to run for a seat in the board of directors of electric cooperatives. We believe that the barangay officials, by the very nature of their position, have a better grasp of the situation of the communities that the electric cooperative serves and would therefore be in a better position to craft policies that are responsive to these needs.

However, recognizing that these barangay officials were used in the past by interest groups to the detriment of the consumers, this bill further proposes

the creation of a screening committee composed of credible members of the community, that would vet the qualifications of the candidates for the board.

This bill also proposes to allow the elderly to be members of the board of directors, recognizing the insights and experience that these citizens have acquired over the years and thus extending their opportunity to contribute to the general welfare of the community, by removing the cap on the age qualification of the candidates.

It is believed that these proposals, when passed, would improve the service of electric cooperatives to its consumers. Immediate passage of this bill is thus urgently requested.

A handwritten signature in black ink, appearing to read 'J. Paduano', is written over the printed name.

JOSEPH STEPHEN S. PADUANO
Abang Lingkod Partylist

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AN ACT
FURTHER AMENDING PRESIDENTIAL DECREE NO. 269, AS AMENDED,
OTHERWISE KNOWN AS THE 'NATIONAL ELECTRIFICATION
ADMINISTRATION DECREE'

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

1
2 Section 1. Section 26-A of Presidential Decree No. 269, as amended,
3 otherwise known as the National Electrification Decree, shall be amended to
4 read as follows and the sub-paragraphs re-lettered accordingly:
5

6 "SEC. 26-A. *"Independence of the Board of Directors and Officers*
7 *of the Electric Cooperatives.* - To ensure the long-term business and
8 economic viability of electric cooperatives, the management, operations
9 and strategic planning of electric cooperatives shall, as much as
10 practicable, be insulated from local politics.
11

12 "Towards this end, no person shall be elected or appointed as an
13 officer or be eligible to run as a board member of an electric cooperative
14 if:
15

16 "(a) such person [or his or her spouse] holds any [public] ELECTIVE
17 office ABOVE THE POSITION OF BARANGAY CAPTAIN;
18

19 [(b) such person or his or her spouse has been a candidate in the
20 last preceding local or national elections;]
21

1 xxxx.

2
3 Sec. 2. Section 26-B of Presidential Decree No. 269, as amended,
4 otherwise known as the National Electrification Decree, shall be amended to
5 read as follows:
6

7 "SEC. 26-B. *Fit and Proper Rule.* - To ensure that the
8 management and operations of electric cooperatives are carried out
9 with due regard to its economic viability, the NEA, TO HELP IT IN
10 SCREENING THE CANDIDATES, shall [prescribe, pass upon and
11 review the qualifications of individuals appointed or elected to
12 electric cooperatives and disqualify those found unfit.] CREATE A
13 COMMITTEE IN EACH OF THE DISTRICT WHICH SHALL BE
14 COMPOSED OF THE FOLLOWING:
15

- 16 A) REGIONAL DIRECTOR OF THE NEA, OR HIS OR HER
17 REPRESENTATIVE, AS CHAIRPERSON;
18 B) REPRESENTATIVE FROM THE BUSINESS COMMUNITY;
19 C) REPRESENTATIVE FROM THE ACADEME;
20 D) REPRESENTATIVE FROM THE CIVIL SOCIETY BASED IN
21 THE REGION; AND
22 E) REPRESENTATIVE FROM THE RELIGIOUS
23 COMMUNITY.
24

25 REPRESENTATIVES FROM THE PRIVATE SECTOR SHALL BE
26 APPOINTED BY THE CHAIRPERSON, UPON NOMINATION BY
27 THEIR RESPECTIVE GOVERNMENT ACCREDITED
28 ORGANIZATIONS. THE CHAIRPERSON SHALL ALSO APPOINT
29 ONE OF THE PRIVATE SECTOR REPRESENTATIVES AS HIS/HER
30 VICE-CHAIRPERSON."
31

32 "THE SCREENING COMMITTEE SHALL CONSIDER A candidate's
33 integrity, experience, education, competence and probity [shall be
34 considered] in determining whether he or she shall be fit and proper to
35 become a director or officer of the electric cooperative."
36

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

40 xxx
41

42 "(b) He or she is a graduate of ANY [a] four (4)-year course, OR
43 HAS A FIVE YEAR EXPERIENCE ON ANY FIELD OF EXPERTISE OR
44 PROFESSION;
45

1
2 "(c) He or she MUST BE AT LEAST [is between] twenty-one (21)
3 [and seventy (70)] years old, on the date of election;
4

5 xxxx.
6

7 Sec. 3. *Implementing Agency.* – The National Electrification
8 Administration shall formulate the necessary implementing rules and regulations
9 of this Act.
10

11 Sec. 4. *Separability Clause.* - Any portion or provision of this Act that may
12 be declared unconstitutional shall not have the effect of nullifying the other
13 provisions hereof.
14

15 Sec. 5. *Repealing Clause.* - All laws, rules and regulations, other issuances
16 or parts thereof, which are inconsistent with this Act, are hereby repealed or
17 modified accordingly.
18

19 Sec. 6. *Effectivity.* - This Act shall take effect fifteen (15) days from its
20 publication in the Official Gazette or two (2) newspapers of general circulation.
21

22 *Approved,*