



HOUSE OF REPRESENTATIVES

H. No. 6080

BY REPRESENTATIVES UMALI (R.), MASONGSONG, PADUANO, RELAMPAGOS, SAKALURAN, DAYANGHIRANG, CATAMCO, LOBREGAT, RAMIREZ-SATO, SALIMBANGON, ACHARON, DIMAPORO (I.), MATUGAS, ONG, SACDALAN, CAMINERO, ROQUE, BATAOIL, SALVACION, ARENAS, ALVAREZ (F.), MACROHON-NUÑO, FLORES, GATCHALIAN (S.), DEL ROSARIO (A.G.), HERNANDEZ, AMANTE, VILLANUEVA, AGYAO, GARCIA (G.), AUMENTADO, LEACHON, YU, ARNAIZ, CABILAO, GUIAO, HARESCO, GARAY, DALOG, GORRICETA, BAUTISTA, IWAY, UY (J.), ACOSTA-ALBA, LEONARDIA, ALIPING, RODRIGUEZ (O.), ABUEG, LAGMAN, MENDOZA (M.), TEJADA, BELMONTE (J.), BATOCABE, BELLO (S.), TINIO, ROMUALDO AND CHIPECO, PER COMMITTEE REPORT NO. 850

AN ACT MODIFYING THE QUALIFICATIONS FOR, AND CREATING A SCREENING COMMITTEE IN THE ELECTION OR APPOINTMENT OF THE DIRECTORS AND OFFICERS OF ELECTRIC COOPERATIVES, AMENDING FOR THE PURPOSE SECTIONS 26-A AND 26-B OF PRESIDENTIAL DECREE NO. 269, AS AMENDED BY REPUBLIC ACT NO. 10531, OTHERWISE KNOWN AS THE "NATIONAL ELECTRIFICATION ADMINISTRATION REFORM ACT OF 2013"

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

- 1 SECTION 1. Section 26-A of Presidential Decree No. 269, as amended,
2 otherwise known as the "National Electrification Administration Decree", shall
3 be amended to read as follows and the subparagraphs renumbered accordingly:
4 "SEC. 26-A. *Independence of the Board of Directors and*
5 *Officers of Electric Cooperatives.* -- To ensure the long-term

1 business and economic viability of electric cooperatives, the
2 management, operations and strategic planning of electric
3 cooperatives shall, as much as practicable, be insulated from local
4 politics.

5 "Towards this end, no person shall be elected or appointed as
6 an officer or be eligible to run as a board member of an electric
7 cooperative if:

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

11 "(b) [such] THE person or [his or her] THE PERSON'S spouse
12 has been a candidate in the last preceding local or national
13 elections;

14 "x x x

15 "(g) such person is employed by or financially interested in a
16 competing enterprise or a business selling electric energy or
17 electrical hardware to the cooperative or doing business with the
18 cooperative, including the use or rental of poles."

19 SEC. 2. Section 26-B of Presidential Decree No. 269, as amended by
20 Republic Act No. 10531, is hereby further amended to read as follows:

21 "SEC. 26-B. *Fit and Proper Rule.* - To ensure that the
22 management and operations of electric cooperatives are carried out
23 with due regard to its economic viability AND THE INDEPENDENCE
24 OF THE BOARD AND OFFICERS OF ELECTRIC COOPERATIVES IS
25 UPHOLD, the NEA shall [prescribe, pass upon and review the
26 qualifications and disqualifications of individuals appointed or
27 elected to electric cooperatives and disqualify those found unfit.]
28 CREATE A SCREENING COMMITTEE IN EACH OF THE ELECTRIC
29 COOPERATIVES DISTRICT WHICH SHALL BE COMPOSED OF THE
30 FOLLOWING:

1 **“(A) REGIONAL DIRECTOR OF THE CDA OR THE DULY**
2 **AUTHORIZED REPRESENTATIVE OF THE REGIONAL DIRECTORS,**
3 **AS CHAIRPERSON;**

4 **“(B) REPRESENTATIVE FROM THE BUSINESS COMMUNITY;**

5 **“(C) REPRESENTATIVE FROM THE ACADEME;**

6 **“(D) REPRESENTATIVE FROM THE CIVIL SOCIETY BASED IN**
7 **THE REGION; AND**

8 **“(E) REPRESENTATIVE FROM THE RELIGIOUS COMMUNITY.**

9 **“REPRESENTATIVES FROM THE PRIVATE SECTOR SHALL BE**
10 **APPOINTED BY THE CHAIRPERSON, UPON NOMINATION BY THEIR**
11 **RESPECTIVE GOVERNMENT ACCREDITED ORGANIZATIONS. THE**
12 **CHAIRPERSON SHALL ALSO APPOINT ONE OF THE PRIVATE**
13 **SECTOR REPRESENTATIVES AS VICE CHAIRPERSON.**

14 **“[A candidate’s] THE SCREENING COMMITTEE SHALL**
15 **CONSIDER THE integrity, experience, education, competence and**
16 **probity [shall be considered] in determining whether [he or she]**
17 **THE CANDIDATE shall be fit and proper to become a director or**
18 **officer of the electric cooperative.**

19 **“[For this purpose, the minimum qualifications of a] A**
20 **director or officer of the electric cooperative shall [be as follows]**
21 **MEET THE FOLLOWING QUALIFICATIONS:**

22 **“(a) [He or she is] MUST BE a Filipino citizen;**

23 **“[(b) He or she is a graduate of a four(4)-year course;]**

24 **“(B) MUST BE ABLE TO READ AND WRITE;**

25 **“(C) MUST POSSESS A FIVE (5)-YEAR EXPERIENCE IN ANY**
26 **FIELD OF EXPERTISE OR PROFESSION;**

27 **“[c] (D) [He or she is between] MUST BE AT LEAST**
28 **twenty-one (21) [and seventy (70)] years old[,] on the date of**
29 **election;**

1 “[d] (E) [He or she is] **MUST BE** of good moral character;

2 “[(e) (F) [He or she is] **MUST BE** a member of the electric
3 cooperative in good standing [for the last five (5) years
4 immediately] preceding the election or appointment;

5 “[(f) (G) [He or she is] **MUST BE** an actual resident and
6 consumer in the district [that he or she seeks] to **BE** represented for
7 at least two (2) years immediately preceding the election; and

8 “[(g) (H) [He or she has] **MUST HAVE** attended at least two
9 (2) Annual General Membership Assemblies (AGMA) for the last
10 five (5) years immediately preceding the election or appointment.

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

15 SEC. 3. *Implementing Rules and Regulations.* – Within sixty (60) days
16 from the effectivity of this Act, the NEA shall formulate the necessary rules and
17 regulations to implement this Act.

18 SEC. 4. *Separability Clause.* – If any part or section of this Act is
19 declared unconstitutional, such declaration shall not affect in any manner other
20 parts or sections hereof.

21 SEC. 5. *Repealing Clause.* – All laws, decrees, proclamations,
22 issuances, or ordinances that are contrary to or inconsistent with the provisions
23 of this Act are hereby amended, repealed or modified accordingly.

24 SEC. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after
25 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,