WHEREAS, the National Electrification Administration was created on August 4, 1969 by virtue of Republic Act No. 6038 that boldly declared as a national policy objective the total electrification of the Philippines on an area coverage basis;

WHEREAS, Presidential Decree No. 269 issued on 6 August 1973 transformed NEA into a corporation wholly-owned and controlled by the government with borrowing authority and corporate powers to enable the Electric Cooperatives to effectively establish and be operationally viable;

WHEREAS, Republic Act No. 10531 was enacted on 7 May 2013, which amended Presidential Decree No. 269, and strengthened the National Electrification Administration;
WHEREAS, Republic Act No. 10531 also amended Presidential Decree No. 269 and granted the National Electrification Administration the power to immediately step-in and take over from its Board the operations of any ailing electric cooperative.

WHEREAS, within a reasonable period after take-over, the NEA may convert the ailing cooperative to either a stock cooperative registered with the CDA or a stock corporation registered with the Securities and Exchange Commission (SEC);

WHEREAS, the NEA shall in determining the propriety of the conversion, be guided by the ability of the member-consumers of said electric cooperative to pay for their shares in the stock cooperative or stock corporation;

WHEREAS, the NEA may appoint or assign third persons to the Board of the electric cooperative until the NEA decides that the election of a new board of directors to manage the electric cooperative is necessary;

WHEREAS, the NEA shall, in the exercise of its step-in rights under Republic Act No. 10531, strictly observe due process of law;

WHEREAS, the step-in rights may only be exercised by the NEA in case of failure of the electric cooperative to meet operational and financial standards set by the NEA or in other analogous instances set forth in the IRR of R.A. 10531;

WHEREAS, there is a need to determine whether or not NEA has strictly observed the due process of law in the exercise of its step-in rights;

NOW THEREFORE, BE IT RESOLVED THAT, the Committee on Energy conduct an investigation in aid of legislation on whether or not NEA has strictly observed the due process of law and scrutinized the operational and financial standards and parameters of the concerned electric cooperatives before exercising its step-in rights.

Adopted,

[Signature]

REP. PRESLEY C. DE JESUS
PHILRECA Partylist

[Signature]

REP. SERGIO C. DAGOOC
APEC Partylist
REP. ADRIANO A. EBCAS
Ako Padayon Pilipino Partylist

REP. GODOFREDO N. GUYA
RECOBODA Partylist