



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City



**EIGHTEENTH CONGRESS**

*First Regular Session*

House Bill No. 4556

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**Introduced by Representative Sergio C. Dagoooc**

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**EXPLANATORY NOTE**

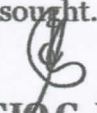
This bill seeks to amend Presidential Decree No. 269 as amended by Republic Act No. 10531 or the National Electrification Administration Reform Act of 2013 that sought to impose standards and qualifications for the Board of Directors and Officers of an electric cooperative and insulating the said Board of Directors and Officers from local politics.

The Republic Act also gave NEA the power to pass upon and review the qualifications and disqualifications of individuals appointed or elected to electric cooperatives.

A highlight of this proposed bill is to create a screening committee composed of technical personnel of an electric cooperative to ensure the competence of one seeking to be elected as a member of the Board of Directors of an Electric Cooperative. The bill also amends the qualifications of the Board of Directors and Officers on an electric cooperative to reflect the realities faced on the ground.

Previous versions of this bill filed in former Congresses have had a glaring flaw in which it proposes that the Regional Director of the Cooperative Development Authority serve as the Chairperson of the screening committee. This is an impractical approach as the CDA is covered by a separate law and is not familiar with the operation of an electric cooperative. Having the Institutional Services Department Manager of the Electric Cooperative serve as the Chairperson of the screening committee and other managers as members is a more practical solution which ensures that they have knowledge on the inner workings of an electric cooperative and that they will work to sustain the viability of the electric cooperative.

As such, the passage of this bill is earnestly sought.

  
**SERGIO C. DAGOOC**  
APEC Partylist Representative



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
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**EIGHTEENTH CONGRESS**

*First Regular Session*

**4556**

House Bill No. \_\_\_\_\_

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**Introduced by Representative Sergio C. Dagooc**

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**AN ACT**  
**MODIFYING THE QUALIFICATIONS, REQUIREMENTS FOR**  
**CANDIDACY, AND THE CONTINUING QUALIFICATIONS OF THE**  
**BOARD OF DIRECTORS OF ELECTRIC COOPERATIVES,**  
**AND ADJUSTING THE COMPOSITION OF THE SCREENING**  
**COMMITTEE, AMENDING FOR THE PURPOSE**  
**SECTIONS 26-A and 26-B OF PRESIDENTIAL DECREE NO. 269**  
**AS AMENDED BY REPUBLIC ACT NO. 10531**

*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 by Republic  
2 Act 10531, otherwise known as the National Electrification Administration Reform  
3 Act of 2013, is hereby further amended to read as follows:

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

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

11 "(a) such person ~~{or his or her spouse}~~ holds any ~~{public}~~  
12 **ELECTIVE** office **ABOVE THE POSITION OF BARANGAY**  
13 **CAPTAIN;**

14 "(b) such person or his or her spouse has been a candidate in the  
15 last preceding local or national elections;



1 "(c) such person has been convicted by final judgment of a crime  
2 involving moral turpitude;

3 "(d) such person has been terminated for cause from public office  
4 or private employment;

5 "(e) such person is related to any member of the electric  
6 cooperative board of directors, general manager and department  
7 managers within the fourth civil degree of consanguinity or  
8 affinity;

9 "(f) such person is a representative of a juridical person; and

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

14 **SECTION 2.** Section 26-B of Presidential Decree No. 269, as amended by Republic  
15 Act 10531, otherwise known as the National Electrification Administration Reform Act  
16 of 2013, is hereby further amended to read as follows:

17 "SECTION 26-B. *Fit and Proper Rule.* – To ensure that the management  
18 and operations of electric cooperatives are carried out with due regard  
19 to its economic viability **AND THE INDEPENDENCE OF THE**  
20 **BOARD OF DIRECTORS OF ELECTRIC COOPERATIVES IS**  
21 **UPHELD**, the NEA shall ~~{prescribe, pass upon and review the~~  
22 ~~qualifications and disqualifications of individuals appointed~~  
23 ~~or elected to electric cooperatives and disqualify those found~~  
24 ~~unfit.}~~ **CREATE A SCREENING COMMITTEE IN EACH OF**  
25 **THE ELECTRIC COOPERATIVES DISTRICT WHICH SHALL**  
26 **BE COMPOSED AS FOLLOWS:**

27 **A. INSTITUTIONAL SERVICES DEPARTMENT MANAGER**  
28 **OF THE ELECTRIC COOPEATIVE OR HIS OR HER**  
29 **EQUIVALENT AS CHAIRMAN**

30  
31 **B. FINANCE SERVICES DEPARTMENT MANAGER OR HIS**  
32 **OR HER EQUIVALENT AS MEMBER**

33  
34 **C. TECHNICAL SERVICES DEPARTMENT MANAGER OR**  
35 **HIS OR HER EQUIVALENT AS MEMBER**

36 **TWO (2) ALTERNATE MEMBERS MAY ALSO BE APPOINTED**  
37 **BY THE RESPECTIVE ELECTRIC COOPERATIVES IN THE**  
38 **FORM OF A RESOLUTION TO BE APPROVED BY THE NEA.**  
39 **THE ALTERNATE MEMBERS SHALL ONLY SERVE AS**  
40 **MEMBERS OF THE SCREENING COMMITTEE IN CASE OF**  
41 **THE ABSENCE OF ANY MEMBER OF THE SCREENING**  
42 **COMMITTEE; PROVIDED HOWEVER THAT THE**

1 ALTERNATE RECOMMENDED HOLDS AT LEAST A  
2 SUPERVISORY LEVEL POSITION IN THE RESPECTIVE  
3 ELECTRIC COOPERATIVE.

4 IN CASE THE ISD MANAGER IS NOT AVAILABLE DURING  
5 THE CONDUCT OF ELECTIONS, THE FSD MANAGER SHALL  
6 SERVE AS CHAIRMAN OF THE SCREENING COMMITTEE. IF  
7 BOTH THE ISD MANAGER AND THE FSD MANAGER ARE  
8 NOT AVAILABLE, THEN THE TSD MANAGER SHALL SERVE  
9 AS CHAIRMAN.

10 ~~[A—candidate's]~~ THE SCREENING COMMITTEE SHALL  
11 CONSIDER the integrity, experience, education, competence and  
12 probity ~~[shall be considered]~~ in determining whether ~~[he or she]~~  
13 THE CANDIDATE shall be fit and proper to become a director ~~[or~~  
14 ~~officer]~~ of the electric cooperative.

15 ~~[For this purpose, the minimum qualifications of]~~ A director or  
16 officer of the electric cooperative shall MEET THE FOLLOWING  
17 QUALIFICATIONS:

18 (a) He or she ~~[is a]~~ MUST BE Filipino citizen;

19 (b) ~~[He or she is a graduate of a four (4)-year course;]~~ HE  
20 OR SHE MUST BE ABLE TO READ AND WRITE;

21 (C) HE OR SHE MUST POSSES A FIVE (5) YEAR  
22 EXPERIENCE IN ANY FIELD OF EXPERTISE OR  
23 PROFESSION

24 ~~[(e)]~~ (D) He or she ~~[is]~~ MUST BE AT LEAST twenty-one (21)  
25 ~~[and seventy (70)]~~ years old, on the date of election;

26 ~~[(d)]~~ (E) He or she ~~[is]~~ MUST BE of good moral character;

27 ~~[(e)]~~ (F) He or she ~~[is]~~ MUST BE a member of the electric  
28 cooperative in good standing ~~[for the last five (5) years]~~  
29 immediately preceding the election or appointment;

30 ~~[(f)]~~ (G) He or she ~~[is]~~ MUST BE an actual resident and  
31 consumer in the district ~~[that he or she seeks to represent]~~  
32 TO BE REPRESENTED for at least two (2) years immediately  
33 preceding the election; ~~[and]~~

34 ~~(g)~~ (H) He or she ~~[has]~~ MUST HAVE attended at least two (2)  
35 Annual General Membership Assemblies (AGMA) for the last five  
36 (5) years immediately preceding the election or appointment;  
37 AND



1 (I) HE OR SHE MUST HAVE UNDERGONE SEMINARS,  
2 WORKSHOPS, OR TRAININGS ON COOPERATIVE  
3 MANAGEMENT AND PARLIAMENTARY PROCEDURE,  
4 AND COURSES PERTAINING TO THE POWER  
5 INDUSTRY, PARTICULARLY POWER SUPPLY  
6 CONTRACTING AND ELECTRIC DISTRIBUTION  
7 MANAGEMENT OFFERED BY THE PHILIPPINE  
8 RURAL ELECTRIC COOPERATIVES ASSOCIATION OR  
9 ITS SUCCESSOR-IN-INTEREST.

10 THE ABOVE QUALIFICATIONS SHALL BE  
11 UNDERSTOOD TO BE CONTINUING REQUIREMENTS  
12 FOR DIRECTORS AND OFFICERS, PROVIDED THAT  
13 CURRENT DIRECTORS AND OFFICERS SHALL HAVE  
14 A PERIOD OF TWO (2) YEARS FROM THE APPROVAL  
15 OF THIS ACT TO COMPLY WITH ITEM (I).

16 The NEA may, after due notice to the board of directors and  
17 officers of the electric cooperative, disqualify, suspend or remove  
18 any director or officer, who commits any act which renders him  
19 unfit for the position."

20 **SECTION 3. *Implementing Rules and Regulations*** – The National  
21 Electrification Administration shall promulgate and issue the Implementing  
22 Rules and Regulations within sixty (60) days upon approval of this Act.

23 **SECTION 4. *Repealing Clause*** - All laws, presidential decrees, executive  
24 orders, letters of instruction, administrative rules and regulations or parts  
25 thereof which are contrary to or inconsistent with the provisions of this Act are  
26 hereby repealed or modified accordingly.

27 **SECTION 5. *Separability Clause*** – Should any part or provision of this Act  
28 be held unconstitutional or invalid, all other provisions hereof which are not  
29 affected thereby shall continue to be in full force and effect.

30 **SECTION 6. *Effectivity***. – This Act shall take effect after fifteen (15) days  
31 following its complete publication in the Official Gazette or in two (2)  
32 newspapers of general circulation whichever is earlier.

33  
34 **Approved.**