

# [ PRESIDENTIAL DECREE NO. 1645, October 08, 1979 ]

## AMENDING PRESIDENTIAL DECREE NO. 269, INCREASING THE CAPITALIZATION AND BROADENING THE LENDING AND REGULATORY POWERS OF THE NATIONAL ELECTRIFICATION ADMINISTRATION AND FOR OTHER PURPOSES.

**WHEREAS**, under Presidential Decree No. 269, the National Electrification Administration (NEA) is charged with the responsibility of organizing, financing and regulating electric cooperatives throughout the country;

**WHEREAS**, the total electrification of all municipalities by the year 1987 is a declared goal of the government;

**WHEREAS**, the international energy crisis may seriously delay the attainment of electrification goals unless indigenous and renewable energy resources are immediately developed to supplement existing power systems;

**WHEREAS**, the development of systems powered by indigenous and renewable energy resources will require funding support beyond the capability of existing NEA capitalization and may require NEA equity investments in the said systems;

**WHEREAS**, there is a distinct need to provide NEA with additional authority to take measures that will better safeguard government inputs in electric cooperatives and other entities that are or will be related to the total electrification effort;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President and Prime Minister of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree;

**SECTION 1.** Section 6 of Presidential Decree No. 269 (as amended) is hereby further amended to read as follows:

**"SEC. 6. Capital Stock.**—The authorized capital of NEA shall be five billion pesos, divided into fifty (50) million shares with a par value of one hundred pesos (P100.00) each, which shares shall not be transferred, negotiated, pledged, mortgaged, or otherwise given as security for the payment of any obligation.

The sum of not less than five hundred million pesos shall be earmarked out of the corporate equity investment funds contained in Batas Pambansa Blg. 40 and the same amount is hereby appropriated out of the funds in the National Treasury not otherwise appropriated, for the payment of subscriptions to NEA capital stock, for each year beginning with fiscal year 1981 until the unpaid subscription of the government to the capital stock of the corporation shall have been paid in full: *Provided*, That additional amounts as may be needed shall be included in the annual General Appropriations Acts."

**SEC. 2.** Section 4, Chapter II of Presidential Decree No. 269 is hereby amended by deleting the word "and" at the end of subsection "(n)", modifying subsection (1) and adding new subsections (p), (q) and (r) to read as follows:

"(1) To require the submission of Articles of Incorporation, by-laws, and documents relating to consolidation merger, conversion, dissolution, change in the location of principal offices, and election to dissolve, from all recipients of loans and/or equity investments and upon determination that such are in conformity with this Decree, to certify the same, to file them in the records of the NEA and to maintain a registry of such filings the provisions of Act No. 1458, as amended, to the contrary notwithstanding."

"(p) To invest and/or grant loans for the development of power generation industries or companies, including dendro-thermal and mini-hydro-power plants and associated facilities such as alcogas and tree plantations, water impounding reservoirs and feeder roads: *Provided*, That such investments and loans shall be limited to a specific percentage of total requirements as may be determined by the NEA Board of Administrators."

"(q) To organize wholly or partly owned companies and subsidiaries for the purpose of operating power generating and distribution systems and other related activities; and"

"(r) To organize wholly or partly owned subsidiaries for the purpose of manufacturing materials and equipment for power generating systems."

**SEC. 3.** Section 5(a), Chapter II of Presidential Decree No. 269 is hereby amended by adding sub-paragraph (6) to read as follows:

"(6) To authorized the NEA Administrator to designate, subject to the confirmation of the Board Administrators, an Acting General Manager and/or Project Supervisor for a Cooperative where vacancies in the said positions occur and/or when the interest of the Cooperative and the program so requires, and to prescribe the functions of said Acting General Manager and/or Project Supervisor, which powers shall not be nullified, altered or diminished by any policy or resolution of the Board of Directors of the Cooperative concerned."

**SEC. 4.** Section 8(b), Chapter II of Presidential Decree No. 269 is hereby amended to read as follows:

"(b) With respect to foreign indebtedness to be incurred by the NEA, such may be contracted, in the form of loans, credits convertible to foreign currencies, or other forms of indebtedness, from foreign governments or any international financial institution or fund source, including foreign private lenders. The total outstanding amount of such indebtedness exclusive of interest, shall not exceed eight hundred million United States dollars or the equivalent thereof in other currencies. The President of the Philippines by himself or through his duly authorized representative is hereby authorized to negotiate and to contract with foreign governments or any international financial institution or fund source in the name and on behalf of NEA and is further authorized to guarantee, absolutely and unconditionally, as primary obligor and not merely as a surety, in the name and on behalf of the Republic of the Philippines, the repayment of any indebtedness thereby contracted and the payment thereof of any due interest charge, up to the limited amount authorized by the foregoing,