

[EXECUTIVE ORDER NO. 666, September 25, 2007]

DIRECTING ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES, AGENCIES AND INSTRUMENTALITIES OF THE GOVERNMENT TO SUPPORT THE POWER INFRASTRUCTURE REQUIREMENTS OF CLARK FREEPORT ZONE AND SUPPORT THE INVESTMENT OF TEXAS INSTRUMENTS IN CLARK TEXAS INSTRUMENT SPECIAL ECONOMIC ZONE AND BAGUIO CITY ECONOMIC ZONE

WHEREAS, it is a declared national policy to attract foreign investment and trade in the country to promote economic growth, generate employment, upgrade technology and accelerate national development;

WHEREAS, on the 10-point agenda of the President includes the transformation of Clark Freeport Zone (CFZ) into a premier international service and logistic hub in the Asia-Pacific Region;

WHEREAS, to fulfill this vision for CFZ, the Philippine government has intensified its efforts to provide the necessary road and utility infrastructure to CFZ, among them the Subic-Clark-Tarlac Expressway, the upgrading and expansion of the North Luzon Expressway, the North Rail and the Diosdado Macapagal International Airport Complex;

WHEREAS, under Presidential Proclamation No. 1284 dated April 30, 2007, the President had declared an area within CFZ consisting of 31.7 hectares, more or less, as Clark Texas Instruments Special Economic Zone (CTISEZ) where Texas Instruments (TI) will locate its expansion facility;

WHEREAS, there is a need for the concerned government entities to fulfill the commitments of the Philippine government to TI in return for the latter's decision to locate in the CFZ;

WHEREAS, the commitment of TI to maintain its facility in Baguio City Economic Zone (BCEZ) and locate its expansion project at (CTISEZ) shall bring in numerous suppliers of TI and this make the Philippines more attractive to foreign direct investments, thereby generating more locators in CFZ that will generate employment, boost exports, and enhance the country's economic growth;

WHEREAS, as a result of TI's committed investment, the forecasted power demand will increase and it is imperative to put up new power facilities in CFZ to provide reliable and quality electricity to power sensitive industrial locators, such as TI, and to encourage future locators;

WHEREAS, from the TI committed to locate its expansion facilities in CTISEZ, the Philippine government counterpart agencies are constrained to work on very tight

schedules to complete the committed power infrastructure facilities;

WHEREAS, to address the projected power requirements of TI for redundant high voltage transmission system, TRANSCO and CDC agreed to build a more reliable transmission system to meet the power demand of existing and future locators at CFZ, known as the 230 KV Concepcion-Clark Power Transmission Project (CCPTP);

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1. *Constitution of CCPTP.* - As approved by NEDA, TRANSCO and CDC shall undertake the implementation of the CCPTP as follows:

Phase 1

Package A

- a. Five (5) km ST/DC & 2 x 16 km SP/SC 230 KV Lines (initially energized at 69 KV);
- b. 2 x 6 km 69 KV CP/SC & 1 x 3 69 KV, CP/SC Lines;
- c. 2x 69 KV PCBs and other appurtenances at Concepcion Substation; and
- d. 69 KV ABS, 2 metering equipment at New Clark Substation and a meeting equipment for TI back-up line from existing 69 KV Clark Line 2.

Package B

- a. Load and substation at TI side consisting of 2 x 50 MVA 69/13.8 KV transformer and other appurtenances.

Phase 2

- a. 2 x 50 MVA 230/69 - 13.8 KV Power Transformer, 6 x 230 KV PCBs, 5 x 69 KV PCBs, telecommunications equipment and other appurtenances at New Clark Substation; and
- b. 2 x 230 KV PCBs and other appurtenance at Concepcion Substation;

In addition, CDC shall implement at Phase 3, which covers the constitution of a 3rd 230 KV line with corresponding 230/69 KV substation transformers, 69 KV feeders and appurtenances to serve the power requirement of other future investors in CFZ.

SECTION 2. *Responsibilities of TRANSCO and CDC.* - The respective responsibilities of TRANSCO and CDC in the implementation of the CCPTP shall be embodied in a Memorandum of Agreement, and shall contain, among others, the following:

- a. Phase 1 Package A shall be implemented and financed by TRANSCO and 50% of the cost shall be reimbursed by CDC;