

[OP EXECUTIVE ORDER NO. 856-A, March 23, 2010]

AMENDING SECTION 3 OF EXECUTIVE ORDER NO. 856, DATED JANUARY 19, 2010, BY GRANTING DISCOUNTED RATES FOR COMPETITIVENESS

WHEREAS, Executive Order (EO) No. 856 dated January 29, 2010 expanded the coverage of EO No. 666, series of 2007, in support of the power requirements of Clark Freeport Zone;

WHEREAS, the viability of Clark Freeport Zone as investment area will be greatly enhanced, thereby infusing capital, generating employment opportunities, boosting exports, and improving the country's economy in the long run.

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

SECTION 1. Section 3 of Executive Order (EO) No. 856, dated January 19, 2010, is hereby amended to read as follows:

"Section 3. Grant of Discounted Rates for Competitiveness. In accordance with Executive Order No. 796, dated May 21, 2009, the Department of Energy (DOE) shall provide qualified semiconductor firms in Clark Freeport Zone with minimum investment of One Billion U.S. Dollar (US\$1,000,000,000) discounted transmission and generation rates as follows:

- 1st – 6th year of operation: US\$0.51760/kwh*
- 7th -10th year of operation: US\$0.062553/kwh*

Concerned government agencies shall work for an arrangement with the National Grid Corporation of the Philippines (NGCP, formerly National Transmission Corporation) to amortize investment for the 230 KV facilities in order to provide the required discounted rate for the semiconductor companies as earlier committed by the government. Said discounted rates shall be reported to the Energy Regulatory Commission (ERC). Failure of the semiconductor firm to comply with the minimum investment requirement within three (3) years from the start of its operation shall forfeit the incentives owing, and it shall further be required to reimburse the benefits derived from this scheme."

SECTION 2. Repealing Clause. All executive orders, rules and regulations and other issuances or parts thereof, which are inconsistent with this Executive Order, are hereby revoked, amended, or modified accordingly.