

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 856

EXPANDING THE COVERAGE OF EXECUTIVE ORDER NO. 666, SERIES OF 2007, IN SUPPORT OF THE POWER REQUIREMENTS OF CLARK FREEPORT ZONE

WHEREAS, Executive Order (EO) No. 666 dated September 25, 2007 directed all heads of departments, bureaus, offices, agencies and instrumentalities of government to support the power infrastructure requirements of Clark Freeport Zone (CFZ) and support the investment of Texas Instruments (TI) in Clark;

WHEREAS, the said EO No. 666 detailed the government's thrust to provide reliable power transmission infrastructure for Clark in three phases, with the first and second phase already completed by the National Transmission Corporation (TRANSCO, now known as the National Grid Corporation of the Philippines [NGCP]);

WHEREAS, the grant of discounted generation and transmission rate to TI because of the magnitude of investments and employment of TI in CFZ was identified in EO No. 666;

WHEREAS, there is a need to expedite the implementation of the Phase 3 in view of anticipated investments in CFZ, and to ultimately solve the power reliability concerns of locators in Clark;

WHEREAS, EO No. 796 dated May 21, 2009 established the Industry Competitiveness Fund (ICF) to support power-intensive industries with substantial investments to make the country more attractive to foreign direct investments;

WHEREAS, EO No. 796 allowed the granting of special power rates through the ICF to foreign investors infusing substantial investment to the country in consideration of the employment, exports, and economic activities these large industries will contribute;

WHEREAS, the National Economic Development Authority (NEDA) Board, in its meeting last December 8, 2009, has approved the funding for the implementation of Phase 3 of the 230 KV Clark Power Transmission Project;



PGMA Hologram # 53905



WHEREAS, a multinational semiconductor company, with investment and development plan higher than that of TI, is considering to locate its overseas plant in Clark provided it be given the same power rates granted to TI and assurance of reliable and quality power supply, which has been identified as Phase 3 power infrastructure in EO No. 666;

WHEREAS, the entry of semiconductor companies in Clark will infuse capitalization, generate employment opportunities, boost exports, and enhance the country's economy.

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. Construction of Phase 3 of the Power Infrastructure Program for Clark. Departments and government offices concerned are tasked to expedite the implementation of the Phase 3, Clark 230 KV Line Transmission Project, with Clark Development Corporation (CDC) as the lead agency, to ensure completion of the said project within one and a half (1 ½) years from signing of this Executive Order.

SECTION 2. Conversion of the Clark 230 KV Transmission Lines into a loop to be part of the national transmission grid. Departments and government offices concerned are tasked to expedite the conversion of Phases 1, 2, and 3 of the 230 KV Clark Transmission facilities into a loop to be made part of the national transmission grid to maximize its potential and to provide greater power reliability for Clark. Concerned departments and government offices are tasked to expedite securing necessary governmental clearances to immediately convert these facilities as part of the national transmission grid.

SECTION 3. Grant of Discounted Rates to the SemiCon firm. The National Power Corporation (NPC) shall provide SEI discounted transmission and generation rates similar to that granted to Texas Instruments (TI) as earlier committed to the semiconductor firm. 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 company as earlier committed by the government. Said discounted rates shall be reported to the Energy Regulatory Commission (ERC).

SECTION 4. Support from the Departments, Bureaus, Offices, Agencies, and Instrumentalities of the Government. Considering the earlier commitments made by the Philippine government to the semiconductor



PGMA Hologram # 53906



company, the economic benefits its entry will provide the country, and the importance of providing reliable power to Clark locators, all heads of departments, bureaus, offices, agencies and instrumentalities of the government are hereby directed to give full support and assistance to the implementation of the various provisions of this Order. In particular, but not limited thereto, the Department of Energy and Energy Family to include the National Power Corporation and the PSALM are tasked to work out the grant of the discounted rate to the semiconductor company through the Industry Competitiveness Fund (ICF). The Department of Budget and Management is tasked to immediately release the funds for the Phase 3 Project and the ICF. The Department of Environment and Natural Resources is tasked to provide assistance so the necessary environmental clearances for the project can be issued. The Government Property and Procurement Board is tasked to assist CDC on questions concerning procurement regulations to ensure Phase 3 will be completed immediately.

SECTION 5. 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.

SECTION 6. Separability Clause. – Any portion or provision of this Executive Order that maybe declared unconstitutional shall not have the effect of nullifying its other portions or provisions, as long as such remaining portions can still be given effect.

SECTION 7. Effectivity. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 19th day of January in the year of Our Lord, Two Thousand and Ten.

By the President:



EDUARDO R. ERMITA
Executive Secretary



PGMA Hologram # 53907