

Republic of the Philippines
Bangsamoro Autonomous Region in Muslim Mindanao
BANGSAMORO TRANSITION AUTHORITY
Cotabato City

BANGSAMORO TRANSITION AUTHORITY PARLIAMENT
— Regular Session

EXPLANATORY NOTE

BTA BILL NO. 263
(Private Member Bill)

Bangsamoro Autonomous Region in Muslim Mindanao
Parliament
BILLS AND INDEX DIVISION
RECEIVED
Name: AOELAH DIPATUN Signature: 
Date: NOV 14 2023 Time: 2:28 PM

The proposed Bangsamoro Electrification Administration Act of 2023 serves as a crucial and timely response to the prevailing challenges in the power sector within the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). The region has long grappled with the dire consequences of an unstable power supply, which has not only hindered progress and development but has also significantly hampered the daily lives of its residents. It is paramount to underscore the dire necessity of improving rural electrification in the BARMM.

For an extended period, the people of BARMM have endured the crippling effects of inadequate and unreliable electricity access. This unremitting instability has exacted a heavy toll, affecting every facet of daily life, imposing barriers to educational opportunities, impeding access to essential healthcare services, and stifling the potential for robust economic growth. The undeniable and pressing truth is that the imperative to address these issues comprehensively and expeditiously cannot be overstated.

The legislative initiative before us is not merely a response to a local issue; it draws inspiration from the historical success of rural electrification initiatives at the national level in the Philippines. It aspires to replicate these successes within the specific jurisdiction of the BARMM. The Act, by empowering the Bangsamoro Electrification Administration (BEA) as a Government-Owned or -Controlled Corporation (GOCC), equips the region with the necessary tools and resources to promote and facilitate rural electrification, with a particular emphasis on underserved areas.

It is crucial to emphasize that rural electrification is not a mere aspiration but a fundamental necessity for the advancement of the BARMM. The region envisions fostering economic growth, improving living standards, and creating an environment conducive to investments and development. A stable and reliable power supply is not just a cornerstone of this vision; it is the very foundation upon which the BARMM can build a brighter, more prosperous, and electrified future.

Given the undeniable urgency and the transformative potential of this legislation, we strongly urge the approval of this bill. The necessity to improve rural electrification in BARMM cannot be delayed any further.


JAAFAR APOLLO MIKHAIL L. MATALAM
Member of Parliament

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Name: ADELAH DAPATUM Signature: [Signature]
Date: NOV 14 2023 Time: 2:78pm

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AN ACT
TO RECOGNIZE, PROTECT, PROMOTE AND STRENGTHEN THE BANGSAMORO
RIGHTS TO RURAL ELECTRIFICATION, CREATING A BANGSAMORO
ELECTRIFICATION ADMINISTRATION (BEA), DEFINING ITS POWERS AND
FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES

ARTICLE I
Policy and Definitions

Sec. 1. Short Title. This Act shall be referred to as the “Bangsamoro Electrification Administration Act of 2023.”

Section 2. Declaration of Policy. The total electrification of the Bangsamoro Region on an area coverage basis is vital to the attainment of equitable and sustainable development in order to promote and improve the quality of life of its inhabitants in the Bangsamoro Region. Towards this end, it shall be the policy of the Bangsamoro Government to pursue and foster the attainment of this objective. For this purpose, the Bangsamoro Government shall promote, encourage, and assist all public service entities engaged in supplying electric service, particularly electric cooperatives, which are willing to pursue diligently this objective.

Due to their non-profit nature, cooperative ethos, and the significant financial challenges they must overcome to establish themselves and achieve operational viability, electric cooperatives

deserve substantial support and assistance from the Bangsamoro Government to the greatest extent possible. Given their inherent self-regulating characteristics and the comprehensive regulatory framework established by Congress, which covers all aspects of their organization and operation, and in order to further encourage and promote their development, they should be subject to minimal regulation by other administrative agencies.

Section 3. *Definition of Terms.* -

- a. "BEA" refers to the Bangsamoro Electrification Administration;
- b. "Cooperative" shall mean a corporation organized under this Act or cooperative supplying or empowered to supply service in the Bangsamoro region;
- c. "Public service entities" refers to either cooperative, any local government or other privately-owned public service entities in operation which supply electric service in the Bangsamoro region;
- d. "Person" refers to any natural or juridical entity, the National Government or any political subdivision, agency or instrumentality thereof, for purposes of this Act;
- e. "Service" refers to electric service, either at wholesale or retail, including but not limited to the furnishing of any auxiliary or related service;
- f. "Step-in" refers to the authority or action of a regulatory or oversight body to take over the operations or management of an entity, such as an electric cooperative, under specific circumstances, often to ensure the continued provision of services or to address financial or operational issues.

ARTICLE II
Establishment and Objectives
The Bangsamoro Electrification Administration

Section 4. *Establishment, Name, Headquarters, and Duration.* A corporate entity is hereby established as a government-owned and/or controlled corporation known as the "Bangsamoro Electrification Administration Act of 2023," operating exclusively within the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). This entity shall be attached to the Office of the Chief Minister and shall possess the legal characteristic of perpetual succession and corporate powers, which shall be exercised in accordance with the provisions of this Charter. The primary headquarters of this entity shall be located in the City of Cotabato, unless specified otherwise by law or determined by its Board of Directors. It may also establish offices, agencies, or branches in various locations within the Bangsamoro region as needed for its business operations.

The BEA shall have an initial term of fifty (50) years from the date of its establishment, and this term may be extended for an equal period unless dissolved by law prior to that time.

Section 5. *Purposes.* The BEA is hereby created for the following purposes:

- 5.1 To facilitate and ensure the total electrification of the Bangsamoro Region on an area coverage basis, aiming to promote equitable and sustainable development and enhance the quality of life for its inhabitants.

- 5.2 To promote, encourage, and support public service entities engaged in supplying electric service, particularly electric cooperatives, in their diligent pursuit of the objective of total electrification in the Bangsamoro Region.
- 5.3 To provide institutional, financial, and technical assistance to electric cooperatives, ensuring their economic and financial viability and enabling them to effectively contribute to the electrification goals of the Bangsamoro Region.
- 5.4 To supervise and manage the operations of electric cooperatives within the BARMM, ensuring their compliance with established standards and governance practices.
- 5.5 To coordinate with the National Power Corporation – Small Power Utilities Group (NPC-SPUG) for the generation and transmission of electricity in missionary areas, thereby contributing to the total electrification of the region and supporting its economic growth; and
- 5.6 To foster cooperation and coordination among various agencies and sectors involved in electrification and power development through the creation of a Power Development Council (PDC), thereby promoting the efficient achievement of total electrification objectives.

Section 6. Powers and Objectives of the BEA. The BEA shall, in carrying out the purposes for which it is created, have the following powers and functions:

- 6.1 To sue and be sued in its corporate name in any court, with the provision that the BEA shall be immune from suits for acts *ex delicti* unless it consents otherwise;
- 6.2 To adopt and use a seal and alter it at its pleasure;
- 6.3 To make contracts of every name and nature and execute all instruments necessary or convenient for the carrying on of its business;
- 6.4 To supervise the management and operations of all electric cooperatives within the BARMM.
- 6.5 To exercise step-in rights as herein defined;
- 6.6 To provide institutional, financial, and technical assistance to electric cooperatives upon request subject to availability of funds;
- 6.7 To pursue and regulate the total electrification of the BARMM through electric cooperatives, in coordination with the National Power Corporation – Small Power Utilities Group (NPC-SPUG) for generation and transmission requirements in missionary areas;
- 6.8 To ensure the economic and financial viability of electric cooperatives;
- 6.9 To restructure ailing electric cooperatives to make them economically and financially viable;

- 6.10 To develop, set, and enforce institutional and governance standards for efficient operation;
- 6.11 To formulate and impose administrative sanctions and penalties for violations;
- 6.12 To serve as guarantor to qualified electric cooperatives in transactions;
- 6.13 To grant loans to electric cooperatives for the construction, acquisition, operation, and maintenance of facilities;
- 6.14 To borrow funds with prior approval and/or opinion of the Monetary Board;
- 6.15 To exercise primary and exclusive jurisdiction in adjudicating complaints and election disputes among the cooperatives;
- 6.16 To deputize local law enforcement agencies to enforce its orders or decisions; and
- 6.17 To exercise necessary powers to fulfill its purposes.

Section 7. Supervision over BEA; Power Development Council. The BEA shall be under the supervision of the Office of the Chief Minister. All orders, rules, and regulations promulgated, and all appointments of the corporate officers made by the BEA as well as all transactions subject to the authority and jurisdiction of the BEA involving more than Five Hundred Thousand (Php500,000.00) Pesos shall be subject to the approval of the Office of the Chief Minister of the BARMM. If such orders, rules, regulations and transactions have not been acted upon by the Office of the Chief Minister within thirty (30) days upon submission thereof, the same shall be treated as approved immediately and effectively.

Section 8. Power Development Council (PDC). In order to achieve coordination and cooperation among different agencies and sectors having to do with electrification and power development, there is hereby created a PDC whose Chairman shall be a person or official designated by the Chief Minister, and its members shall be the manager of the NPC, the BEA Administrator, the representative from the Bangsamoro Parliament, or a representative designated by him, a representative of electric cooperatives to be chosen by the association of electric cooperatives, and a representative of the Philippine Electric Plant Owners Association to be designated by its board. The council shall meet at least once a month and shall adopt an integrated plan of electrification and power development, coordinate the activities and operations of all sectors involved in electrification, conduct relevant studies and research, and recommend such policies and measures to the proper authorities and parties concerned as it may deem necessary to achieve the total electrification objective declared in this Act.

ARTICLE II CAPITALIZATION

Section 9. Funding Source. The funding for the operations and programs of the BEA shall be sourced from the next Bangsamoro Appropriations Act and other lawful revenue streams as may be provided by law.

Section 10. Capital Stock and Subscriptions by the Bangsamoro Government. The BEA shall have a capital stock divided into ten million no-par shares to be subscribed, paid for and voted as follows:

- 10.1 One million shares of stock shall be originally subscribed and paid for by the Bangsamoro Government at an original issue value of P50 per share.
- 10.2 The remaining five million shares of stock may be subscribed and paid for by the Bangsamoro Government or by a Bangsamoro Government financial institutions at values to be determined by the Board, but in no case less than the original issued value above stated to the Bangsamoro Government.
- 10.3 The voting power pertaining to shares of stock subscribed by the government of the Bangsamoro Government shall be vested in the Chief Minister or in such person or persons as the Parliament may designate.
- 10.4 The voting power pertaining to shares of stock subscribed by the government financial institutions shall be vested in them.

Section 11. Appropriations.

- 11.1 The Bangsamoro Government shall provide an initial capitalization of One Hundred Million (Php 100,000,000) Pesos to the BEA, which shall be utilized for its operations and programs. The initial capitalization shall be included in the budget of the Bangsamoro Appropriations Act.
- 11.2 The Bangsamoro Government may, from time to time, increase its capital stock subscription in the BEA as may be deemed necessary to carry out the objectives of this Act. Such additional capital shall also be included in the budget of the Bangsamoro Appropriations Act.

ARTICLE IV GOVERNING BODY

Section 12. *Creation and Composition of the BEA Board.* The BEA shall be governed by a Board of Directors composed of seven (7) members, as follows:

- 12.1 Chairperson, who shall be appointed by the Chief Minister of shall serve in an *ex officio* capacity;
- 12.2 One (1) representative from the Ministry of Environment, Natural Resources, and Energy, shall serve as the Vice-Chairperson in an *ex officio* capacity;
- 12.3 One (1) representative from the Office of the Chief Minister shall sit in an *ex officio* capacity;
- 12.4 Two (2) representatives from the electric cooperatives within the BARMM, are to be nominated by the electric cooperatives and appointed by the Chief Minister;
- 12.5 Two (2) experts in the field of electric power systems, are to be appointed by the Chief Minister.

The appointive directors shall be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for GOCCs (GCG), and only upon the recommendation of the Chief Minister, for a term of four (4) years, without reappointment.

In case no new appointment has been made, the current and/or remaining members of the Board shall continue to act as a collegial body in a hold-over capacity.

The Chief Executive of the BEA, who shall be the General Manager, shall be appointed by the Chief Minister for the same term.

No person shall be appointed as Chairman or member of the Board, or as General Manager, unless he is a natural-born citizen of the Philippines, a certified resident of the Bangsamoro region, at least 30 years of age, and of established integrity.

Section 13. Authorities, Powers, and Directives. The Board of Directors is hereby authorized, empowered and directed to promote, encourage and assist public service entities, particularly cooperatives, to the end of achieving the objective of making service available throughout the nation on an area coverage basis as rapidly as possible; and for such purpose it is hereby, without limiting the generality of the foregoing and in addition to other authorizations, powers and directives established by this Act, specifically authorized, empowered and directed:

- 13.1 To make loans to public service entities, with preference to cooperatives for the construction or acquisition of generating, transmission and distribution facilities and all related properties, equipment, machinery, fixtures, and materials for the purpose of supplying area coverage service and thereafter to make loans for the restoration, improvement or enlargement of such facilities: *Provided*, That the public service entity applying for a loan, if neither a cooperative nor a local government, must be in operation at the time of application;
- 13.2 To assist public service entities, with preference to cooperatives, in planning, developing, coordinating, establishing, operating, maintaining, repairing and renovating facilities and systems for supplying area coverage service, and for such purpose to furnish, to the extent possible from the BEA technical staff and otherwise but without charge therefor, technical and professional assistance and guidance, information, data and the results of any investigations, studies or reports conducted or made by the BEA;
- 13.3 When sufficient funds therefor are not available from the revolving fund hereinafter established, to serve, without charge for such service, as the agent of public serve entities which are cooperatives or local governments in securing loans directly to such entities from any other source for the same purposes for which BEA loans are authorized; and to approve or disapprove any other loans to cooperatives;
- 13.4 To receive from cooperatives all articles of incorporation, amendment, consolidation, merger, conversion and dissolution, and all certificates of changes in the location of principal offices and of elections to dissolve, and, upon determining that such are in conformity with this Act, to certify the same, to file them in the records of the BEA, and to maintain a registry of such filing: *Provided*, That the duties specified in this subsection shall be performed by the Administrator under the supervision of the Board of Administrators;

- 13.5 To cooperate and coordinate the BEA's administration with, to exchange such information, studies, and reports with, and to seek such cooperation and coordination from, other departments, agencies, and instrumentalities of the National Government, including the National Power Corporation, as will most effectively conduce to the achievement of the purposes of this Act; and
- 13.6 At least annually, not later than January 31st, to report to the Chief Minister and the Bangsamoro Parliament on the status of electrification of the Bangsamoro Region, including a comprehensive reporting of loans made, loan funds advanced, loans secured from other sources and the advances thereof, the names and locations of the borrowers, the number of services contemplated by such loans, the number actually receiving service as a result of such loans, the number of electrified and the remaining number of unelectrified premises throughout the Bangsamoro Region, the amounts of usage by consumers, loan and other activities programmed for the ensuing year, and all such other information and data as will accurately reveal the progress being made toward achievement of the purposes of this Act; and to publish such report for dissemination to and use by other interested departments, agencies and instrumentalities of the National Government and by borrowers under this Act.

Section 14. *Appointment, Control and Discipline of Personnel.* – Subject to the provision of this Act, the Board, based on the recommendations of the General Manager, shall be responsible for appointing officers and employees of the BEA and its affiliated entities, if any. The Board shall determine their compensation following applicable laws, including allowances and benefits, as well as their working hours and other employment conditions deemed appropriate. The Board shall also have the authority to grant leaves of absence based on established regulations, take disciplinary actions, or effect dismissals for justifiable reasons. Furthermore, the Board is responsible for establishing and maintaining a recruitment and merit system for the BEA and its associated entities, following either the Bangsamoro Civil Service Code or civil service rules and regulations, as applicable.

Section 15. *Prohibition for Board Members.* The Chairman and other members of the Board of Directors shall not, at the same time, serve with the BEA in any other capacity, unless authorized by the Chief Minister.

Section 16. *Supervisory Powers of the BEA Over Electric Cooperatives.* In the exercise of its supervisory powers over electric cooperatives, the BEA shall:

- 16.1 Issue orders, rules, and regulations, conduct investigations, referenda, and other similar actions on matters affecting electric cooperatives;
- 16.2 Issue preventive or disciplinary measures, including suspension or removal of cooperative board members and officers; and
- 16.3 Appoint an independent board of directors in electric cooperatives when necessary.

Section 17. *Step-in Rights in Cases of Ailing Cooperatives.* The BEA shall have step-in rights and may take over the operations of any ailing electric cooperative within the BARMM, with due process of law.

Section 18. *Injunction or Temporary Restraining Order.* No injunction or temporary restraining order shall be issued against the implementation of any order, ruling, or decision of the BEA, except by the Court of Appeals, with a provision for posting a bond to cover liabilities and expenditures.

ARTICLE V MANAGEMENT

Section 19. *Duties and Responsibilities of the General Manager.* The General Manager shall have the following duties and responsibilities:

19.1 To act as Chief Executive of the BEA;

19.2 To execute, administer and implement the policies and measures approved by the Board;

19.3 To direct and supervise the operations and administration of the BEA;

19.4 To represent the BEA in all dealings with offices, agencies and instrumentalities of the government and with all persons and other entities, public or private, domestic or foreign;

19.5 To prepare the agenda for the meetings of the Board, and to submit for the consideration of the Board such policies and measures as he/she believes necessary to carry out the purposes and objectives of this Act;

19.6 To exercise such other powers and perform such other duties provided in the by-laws and as may be vested in him by the Board;

19.7 To direct and manage the affairs and business of the BEA, on behalf of the Board of Directors and subject to its control and supervision;

19.8 To sit in all meetings of the Board as member of the Board and participate in its deliberations, but without the right to vote;

19.9 To submit within sixty days after the close of each fiscal year an annual report, through the General Manager to the Chief Minister;

19.10 With the approval of the Board, to appoint and to fix the number of such subordinate personnel as may be necessary for the proper discharge of the duties and functions of the BEA, and, with the approval of the Board, to remove, suspend, or otherwise discipline, for cause, any subordinate employee of the BEA; and

19.11 To perform such other duties as may be assigned to him by the Board from time to time.

Section 20. *Authority of the General Manager.* The General Manager has the authority to:

20.1 Make loans for the electrification and the furnishing of electric energy, particularly in rural areas upon approval of the Governing Body;

- 20.2 Plan, coordinate the program and supervise comprehensive, efficient, and dependable producing, transmitting, and distributing systems for electric power;
- 20.3 Make, or cause to be made, studies investigations, and reports concerning the condition and progress of electrification of any region of the country, principally the furnishing of electric power to ultimate consumers;
- 20.4 Encourage and aid local governments and cooperative electric consumers associations in undertaking the public service of electric power, heat and light systems; and
- 20.5 Publish and disseminate information with respect thereto.

ARTICLE VI APPOINTMENTS AND PROMOTIONS

Section 21. *Applications of Bangsamoro Civil Service Code and Rules.* All officers and employees of the BEA shall be subject to the Civil Service Law and Rules, except those whose positions may, upon recommendation of the Board of Directors, be declared by the Chief Minister as policy-determining, primarily confidential or technical in nature.

ARTICLE VII ASSISTANCE TO THE PUBLIC SERVICE UTILITIES

Section 22. *Loans from GSIS, SSS, and DBP.* The GSIS, SSS, and DBP are hereby authorized, empowered, and directed to make loans directly to public service entities.

The Rules and Regulations on setting the loan standards and process shall be established as may be necessary to implement this provision.

Section 23. *Revolving Fund.* A revolving fund, out of which the Board of Administrators is hereby authorized, empowered, and directed to make loans to public service entities is hereby established.

The appropriation on the revolving fund shall be established in implementing rules and regulations of this Act.

No portion of the revolving fund shall, without the approval of the Bangsamoro Parliament, be expanded by the BEA for any purpose other than the loans and acquisitions herein authorized. The Board of Directors shall annually, not later than January 31, report to the Bangsamoro Parliament and the Chief Minister the current status and amount of the revolving fund and the anticipated status and amount thereof in the ensuing year.

Section 24. *Execution of Public Works Acts.* The BEA shall execute all electrification projects that may be authorized in any Public Work Acts; and for this purpose, it may call for assistance and cooperation consistently with Section 6 hereof.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

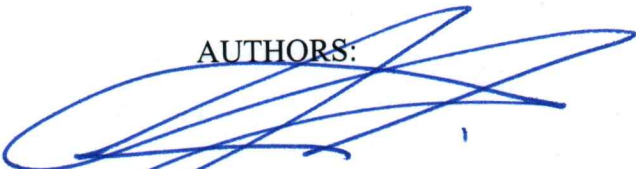
Section 25. *Implementing Rules and Regulations.* Within sixty (60) days from the effectivity of this Act, the Ministry of Environment, Natural Resources, and Energy shall, in coordination with the Energy Regulatory Commission, BEA, and the Cooperative Development Authority, and in consultation with the electric cooperatives, issue such rules and regulations as may be necessary to implement this Act.


Section 26. *Separability Clause.* – If, for any reason, any section or provision of this Act or any part thereof, or the application of such section, provision or portion is declared invalid or unconstitutional, the remainder thereof shall not be affected by such declaration.

Section 27. *Repealing Clause.* – All laws, rules, resolutions, policies, guidelines, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 28. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in a newspaper of general or regional circulation.

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