



NATIONAL POWER CORPORATION

Role of the Board in corporate strategy – 2020

NPC's main mandates include Enhanced Missionary Electrification, Watershed and Dams Management in support of Power Generation and Operation and Maintenance of the Remaining Power Generating Assets in the Main Grid. Pursuant to these mandates and as provided under Section 5.b of the NPC Corporate Governance Manual, the National Power Board is responsible for providing policy direction, monitoring and overseeing the implementation of the corporate strategies and Management actions.

The Board monitors and oversees the implementation of the corporate strategy through the annual review and approval of the strategic plan, corporate operating budget, corporate performance scorecard targets and accomplishments among others.

On 30 January 2020, the Board reviewed the operational plans and the overall strategy of the Corporation in operating and maintaining the undisposed main grid assets of the government with the renegotiation of the Maintenance and Operating Agreement (MOA) with PSALM Corporation.

On 27 February 2020, the Board reassessed and modified the corporation's plans and programs in view of the developments covering revised sales and generation forecast, updated fuel prices, revised tariff and universal charges and the availability of funds from the National Government for NPC's capital expenditures. As a result, and consistent with Section 6 of the Special Provisions in the FY 2020 General Appropriations Act, the Board approved the realigned budget for NPC's Non-OMA requirements amounting Php 33.421 Billion and for NPC's OMA requirements totaling Php 3.379 Billion. On even date and in relation to the realignments in the COB, the Board reexamined the final annual procurement plan of NPC and specifically revisited the missionary electrification programs for the island provinces of Basilan, Sulu and Tawi-Tawi.

Mindful of the interest of the stakeholders in the performance of the Corporation's mandates, the Board was enlightened by the Management of the results of the Customer Satisfaction Survey conducted by a third-party consulting firm in accordance with the guidelines set by the Governance Commission for GOCCs (GCG). While the Board was satisfied with the results, it required the Management to formulate action plans to address the Corporation's areas of improvement.

On 02 April 2020, acting on the letter of the Finance Secretary, the NPC Management and the National Power Board evaluated NPC's financial position including the projects, programs and other expenditure items covered by the CY 2020 COB that may be reprogrammed and reprioritized to help the National Government in raising funds to help arrest the spread and mitigate the impact caused by the COVID-19 pandemic. As a result of such evaluation and without compromising the operational capability and financial position of NPC, the Board

authorized the remittance to the National Treasury of the amount of Php 4 Billion. The remittance also necessitated the Board to reassess and submit to DBM on 28 April 2020 the adjusted programs, activities and projects (P/A/Ps) under the CY 2020 GAA and to approve further realignments in the COB amounting to Php 2.4 Billion.

On 22 May 2020, the Board reviewed and approved NPC's CY 2019 Performance Scorecard Accomplishment Report for submission to the GCG. The Performance Scorecard discussed the corporation's Vision, Mission, strategic objectives, strategic measures, targets and accomplishments with a rating of 91.85%. Based on the satisfactory performance and full compliance with the good governance requirements, the Board further endorsed NPC's request for authorization from GCG for the grant of the Performance-Based Bonus (PBB) to qualified officers and employees.

In view of the stinging effects of the COVID19 pandemic and acting on the *Notice* from the Governance Commission, the Board on 30 September 2020, reexamined the goals, strategic initiatives, programs and targets of NPC for CY 2020 and accordingly endorsed to GCG the *Recalibrated Performance Scorecard* of the Corporation.

In line with its oversight function over the operation and management of the Corporation, the Board on 18 December 2020, approved the CY 2021-2025 Missionary Electrification Plan (MEP) which details the policies, strategies, plans and programs for missionary electrification including the capital investment and operation requirements in the off-grid areas. The plan helps in ensuring that the Corporation remains faithful to its mandate of providing electricity in areas that are not connected to the grid as enshrined under the Electric Power Industry Reform Act.