

*Sample of letter to new Board member and attaching briefing material and orientation for member and staff



NATIONAL POWER CORPORATION

NPB-OCS-0**-****
DD MM YYYY

**THE HONORABLE
NAME**

SECRETARY, NAME OF AGENCY
CHAIRMAN, NATIONAL POWER BOARD
ADDRESS

Dear **SECRETARY** _____ :

At the outset, the undersigned very cordially congratulates the Honorable Secretary for his appointment as the new Secretary of the Department of Finance (DOF). As head of the country's economic team, the Honorable Secretary is certainly faced with the herculean task of steering the Philippine economy as it continues to recover from the Covid-19 pandemic. Noting however the Honorable Secretary's vast experience as a well-respected economist and public servant, the Filipino people can be assured that the country's economy is in the hands of a very competent professional. Thus, the National Power Corporation (NPC) rallies behind the Honorable Secretary's leadership.

**A.
The National Power Corporation**

The National Power Corporation (NPC) was created in 1936 and pioneered the utilization of hydro and geothermal sources in the Philippines to generate electricity. With the passage of Republic Act No. 9136, most of its assets were privatized. NPC however remains as a GOCC that is mandated to provide missionary electrification¹ to off-grid areas in the country through its more than two hundred power plants. On top of powering the isolated sections of the Philippines, NPC also manages and operates the government's undisposed power assets such as the Agus-Pulangi hydroelectric power complex in Mindanao. Furthermore, the corporation preserves and maintains the Bataan Nuclear Power Plant (BNPP) pending the issuance of a categorical pronouncement on the nuclear energy option for the country, and manages the IPP² contracts for PSALM Corporation.

¹ Through the Small Power Utilities Group (SPUG)

² Independent Power Producers (IPP)



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Moreover, NPC oversees the operation and ensures the integrity of 12 dams that support hydro facilities, and in accordance with existing laws, manages the UC-EC³ fund for the rehabilitation and protection of 11 watershed areas to sustain the hydro and geothermal energy production in the Philippines.

B.
Chairmanship of the DOF Secretary in the Governing Board of NPC and Membership in other standing committees

Per Sec. 48 of Republic Act No. 9136⁴, the Secretary of Finance sits as the *Ex-Officio Chairman* of the National Power Board⁵ – the highest policymaking body of National Power Corporation. Moreover, under the GCG-approved Manual of Corporate Governance and existing NP Board Resolutions⁶, DOF chairs the Board Executive Committee (BEC)⁷ and the Board Governance Committee (BGC)⁸. The DOF Secretary is also the vice-chairman of the Board Review and Risk Management Committee (BRRMC)⁹ and sits as member of the Board Audit Committee (BAC)¹⁰ and the Board Nomination and Remuneration Committee (BNRC)¹¹.

The National Power Board provides corporate leadership for, independent check on, and is primarily responsible for the governance, operations, and performance of NPC¹². Since the Management handles the day-to-day affairs of NPC, the Governing Board has approved the *Revised Manual of Approvals (RMOA)*¹³ which defines the limits of authorities of the officials of the Corporation. Powers which are not specifically and expressly delegated may only be acted upon by the Governing Board.

C.
Schedule of Board and Committee Meetings for CY ****

The National Power Board meets *at least once a month* while the other standing committees are convened as often as necessary. Special board meeting(s) may also be

³ Universal Charge – Environmental Charge; Under Section 34 of RA 9136, an environmental charge equivalent to one-fourth of one centavo per kilowatt-hour (P 0.0025/kWh) accrues to an environmental fund solely for watershed rehabilitation and management which fund shall be managed by NPC.

⁴ Otherwise known as the ***“Electric Power Industry Reform Act”*** (EPIRA)

⁵ The other ex-officio members of the National Power Board are the Secretaries of **DOE, DBM, NEDA, DILG, DTI, DA, DENR** and the President and CEO of **NPC** who is an appointee of the President of the Philippines and the only *Appointive Member* of the Governing Board.

⁶ Resolution Nos. 2017-042, 2017-046 and 2019-25 as amended by 2021-04

⁷ BEC is composed of the secretaries (or alternates) of DOF, DOE, DBM and the NPC PCEO, and is convened only when there are urgent corporate matters which must be acted upon immediately.

⁸ BGC manages the corporate governance practices of NPC and recommends the re-election of the CEO of the corporation in accordance with existing GCG guidelines.

⁹ BRRMC reviews and manages the risks associated with almost all of the matters requiring NP Board approval.

¹⁰ BAC oversees the adequacy and effectiveness of NPC’s internal control system and provides instructions and policy directives to the Internal Audit Department (IAD) on diverse operations and management audit areas of the corporation.

¹¹ BNRC, among others, handles the selection and appointment of key officials in the corporation.

¹² Section 5, Code of Corporate Governance for GOCCs

¹³ A copy of the 2018 Revised NPC Manual of Approvals (RMOA) is also provided for the Honorable Secretary or his staff’s reference. Please note however that the manual is currently being reviewed for further enhancements or amendments.



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held upon the request of the President and CEO (PCEO) or the NP Board Chairman on a date when all or at least a majority of the Members or their officially designated alternates are present. Unless extremely urgent or unless requested by the Chairman or the PCEO, no matter is taken up at the Board level without the prior review or recommendation/endorsement of the concerned committee.

Consistent with the Code of Corporate Governance for GOCCs, the National Power Board as a collegial body, sets the indicative schedule of Board and Committee meetings before the start of the ensuing year. For 2024, the schedule is hereto attached as Annex "A". However, the *actual* meeting date is usually set in consideration of the Chairman and the other Members' or their alternates' schedule.

D.
***Designation of Alternates to the
Governing Board of NPC***

Considering the volume of work of a Cabinet Secretary, Section 14 of RA 10149, otherwise known as the *GOCC Governance Act of 2011* allows the *Ex-Officio members* of the Governing Board of a GOCC to designate their respective *alternate(s)* whose acts are considered the acts of their principals¹⁴. In the previous years, the Secretary of Finance has named undersecretaries, assistant secretaries, and directors of the DOF to represent him to the Governing Board of NPC (Annex "B").

As clarified by the GCG through Memorandum Circular No. 2012-08, an *Ex-Officio* Board Member may designate a *maximum of three (3) alternates*¹⁵, provided that the said alternates should have a *rank that is not lower than the equivalent of Director III*¹⁶. GCG¹⁷ clarifies however that a duly-designated alternate ceases to act with the power and legal authority of the Principal Director upon:

- a. The proper revocation of his/her designation by the Principal Director;
- b. The subsequent designation of another Alternate;
- c. When the Principal Director has ceased to be a member of the Governing Board of the GOCC concerned; and
- d. Upon the death, civil interdiction, or the resignation of the Principal Director or the Alternate himself/herself from the public service.

In every instance that the Principal Director attends a meeting of the Governing Board, the Alternate's power to represent the Principal Director is deemed suspended for that particular meeting.

¹⁴ Per Memorandum Circular No. 2012-08 which echoes DOJ Opinion No. 24, s. 2012, GCG clarified that the "concept of who could be a next-in-rank alternate should not be limited to [the] designation of Undersecretaries. The measure of a next-in-rank designation should be *whether an official lower in rank regularly confers with the principal and whether the said official performs functions relative to matters which fall within the domain of the GOCC.*" (Emphasis supplied)

¹⁵ Item No. 10 (Number of Alternates)

¹⁶ Item No. 7 (Qualifications of Persons to be designated as Alternates)

¹⁷ Item No. 13 (When alternate ceases to act with authority)



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Should the Honorable Secretary need assistance on concerns involving NPC and the NP Board, please be informed that the Management of NPC is at the DOF-OSEC's disposal. In this regard, NPC may be reached through the following contact details:

DR. FERNANDO MARTIN Y. ROXAS President and CEO, NPC

fmyroxas@napocor.gov.ph

ATTY. PATRICK D. MABBAGU

Senior Department Manager -
Administration Group and concurrently,
acting Corporate Secretary/
Compliance Officer

pdmabbagu@napocor.gov.ph

npboard@napocor.gov.ph

0917 546 1728 | 0998 982 5807

Finally, the Honorable Finance Secretary is assured of NPC's vast reservoir of confidence for his DOF leadership and the Management and staff of NPC look forward to working with him and his team.

Thank you.

Very sincerely yours,

NPC PRESIDENT AND CEO



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Schedule of Board and Committee Meetings for CY ****		
Month	Indicative	
January	17	BRRMC Meeting
	19	Meeting with DOF re: Financial Statements
	23	BAC Meeting re: Financial Statements
	25	BNRC Meeting
	30	Special Board Meeting (Financial Statements)
	31	NP Board Meeting
February	14	Submission of Board-approved 2023 FS to COA
	15	BRRMC Meeting
	27	Board Meeting
March	14	BRRMC Meeting
	26	Board Meeting
April	16	BRRMC Meeting
	30	Board Meeting
May	16	BRRMC Meeting
	30	Board Meeting
June	19	BRRMC Meeting
	28	Board Meeting
July	18	BRRMC Meeting
	31	Board Meeting
August	15	BRRMC Meeting
	29	Board Meeting
September	12	BRRMC Meeting
	26	Board Meeting
October	15	BRRMC Meeting
	29	Board Meeting
November	14	BRRMC Meeting
	28	Board Meeting
December	12	BRRMC Meeting
	19	Board Meeting

Annex "B"

Authorized/Duly Designated Alternates/ Representatives of the DOF Secretary to the National Power Board		
President	Principal	Official Alternate(s)/ Authorized Representative(s)
HE Ferdinand R. Marcos, Jr.	Hon. Ralph G. Recto	
	Hon. Benjamin E. Diokno	Usec. Catherine L. Fong ¹
		Asec. Danielle Marie S. Rieza-Culangen ² , CESO II
		P.M. Raphael C. Diaz ³
HE Rodrigo R. Duterte	Hon. Carlos G. Dominguez	Usec. Bayani H. Agabin MNSA ¹
		Asec. Danielle Marie S. Rieza-Culangen ² , CESO II
		Usec. Maria Edita Z. Tan ³
HE Benigno Simeon C. Aquino III	Hon. Cesar V. Purisima	Usec. Maria Edita Z. Tan ⁴
		Asec. Maria Teresa S. Habitan, CESO II ⁵
		Usec. Jose Emmanuel P. Reverente ⁶
		Dir. Airene M. Robinson ⁷
		Usec. John Phillip P. Sevilla ⁸
HE Gloria Macapagal Arroyo	Hon. Margarito B. Teves	Usec. Corazon S. Delos Santos
		Usec. Gabriel R. Singson, Jr.
		Usec. Jeremias N. Paul Jr.
	Hon. Cesar V. Purisima	Usec. Nieves L. Osorio
		Asec. Soledad Emilia J. Cruz
	Hon. Juanita D. Amatong	Usec. Nieves L. Osorio Usec. Juanita D. Amatong Usec. Antonio M. Bernardo
Hon. Jose Isidro N. Camacho		
	Hon. Alberto G. Romulo	
	Hon. Jose T. Pardo	-
	Hon. Edgardo B. Espiritu	

¹ From 20 September 2016 to present

² From 23 March 2017 to present

³ From 25 August 2016 to 20 September 2016

⁴ From 29 April 2016 to 30 June 2016

⁵ From 16 February 2015 to 28 April 2016

⁶ From 31 July 2014 to 15 February 2015

⁷ From 06 December 2013 to 30 July 2014

⁸ From 19 July 2010 until his appointment as Commissioner – Bureau of Customs (BOC)

BRIEFING – FUNCTIONS AND DUTIES OF THE NATIONAL POWER BOARD

The National Power Corporation (NPC) was created by Republic Act No. 6395, as amended, which defined its purpose, powers and functions. It also created NPC's policy making body, the National Power Board including its powers and functions (Sec 6, Rep. Act No. 6395).

On 8 June 2001 Republic Act No. 9136 or the Electric Power Industry Reform Act (EPIRA) was passed which sought to introduce reforms in the power industry. The law created two (2) other government corporations from the NPC corporate structure. NPC, continued to perform the generation functions including the off grid (missionary electrification) areas, the National Transmission Corporation (TransCo) took over the transmission functions and the Power Sector Assets and Liabilities Management Corporation (PSALM) was mandated to privatize the generation assets of the original NPC.

Effects of the Passage of the EPIRA on the Powers and Functions of the NPC

The original purpose, along with the powers and functions of NPC under its Charter, was designed to achieve countrywide electrification. However, the role of NPC, as well as the exercise of its powers and functions, must be viewed in the light of the changes brought about by the EPIRA which provides for the privatization of NPC power plants and limited NPC's functions, from countrywide electrification and transmission, to missionary electrification (SPUG areas) after the generating assets of NPC have been privatized.

Sec. 70 of Rep. Act No. 9136 provides as follows:

SEC.70. Missionary Electrification. – Notwithstanding the divestment and/or privatization of NPC assets, IPP contracts and spun-off corporations, NPC shall remain as a National Government-owned and controlled corporation to perform the missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system. The missionary electrification function shall be funded from the revenues from sales in missionary areas and from the universal charge to be collected from all electricity end-users as determined by the ERC

Although NPC is still a provider of electricity, the generation and sales of its electricity can only be sourced from its undisposed generating assets and Independent Power Producers (IPP) contracts. NPC is prohibited by EPIRA from constructing new power plants or entering into new bilateral purchase power contracts with Generation Companies or other suppliers (Sec 2d IRR, Rep. Act No. 9136). The establishment of additional generation capacities can only be made upon determination by the President of the Philippines of a shortage of the supply of electricity and authorized by Congress (Rule 24, IRR, Rep. Act No. 9136).

The transmission function of NPC was transferred to the National Transmission Corporation (TransCo) by the EPIRA. The operations of TransCo have already been transferred to the National Grid Corporation (NGCP), a private corporation under a 25-year concession agreement.

Members of the National Power Board

Section 48 of the EPIRA enumerates the composition of the National Power Board, (all *ex officio*, except for the NPC President) as follows:

- a) Secretary of Finance as Chairman,
- b) Secretary of Energy, Vice Chair, through resolution of the Board
- c) Secretary of Budget and Management,
- d) Secretary of Agriculture,
- e) Director-General of the National Economic and Development Authority,
- f) Secretary of Environment and Natural Resources,
- g) Secretary of Interior and Local Government,
- h) Secretary of Trade and Industry,
- i) President of the National Power Corporation.

Powers and Functions of the NP Board

The National Power Board is the policy making body of NPC. Its powers and functions are provided for in the Corporation's By-Laws and Charter.

NPC's Charter (Sec 6, RA 6395, as amended) provides for the following powers and functions of the National Power Board:

- a) To formulate and adopt policies and measures for the management and operation of the Corporation;
- b) To adopt an annual and supplemental budget of receipts and expenditures of the corporation according to its requirements;
- c) To organize, reorganize and determine the corporation's organization structure and staffing pattern; abolish and create offices and positions; fix the number of its officers and personnel; transfer and re-assign such officers and personnel; fix their compensation allowance and benefits, the provisions of Presidential Decree No.985 to the contrary notwithstanding;
- d) To fix the compensation of the President of the Corporation who shall be appointed by the President of the Philippines and to appoint and fix the compensation of other corporate officers;
- e) For cause, to suspend or remove any corporate officer appointed by the Board;
- f) To adopt and set down guidelines for the employment of personnel on the basis of merit, technical competence and moral character;
- g) To take care that in fixing the rates and fees to be charged by the Corporation, considerations of adequacy, reliability and sustained power service at the least possible cost to the public and limited return of investments as prescribed in Section 5 hereof, shall be taken;
- h) Any provision of law to the contrary notwithstanding to write off bad debts.

The By-Laws of the National Power Corporation provides for the General Powers of the National Power Board, as follows:

Section 1 Article II – General Powers. Unless otherwise provided by law, the powers, business and property of the Corporation shall be exercised, conducted and controlled by the National Power Board.

Meetings of the National Power Board

The National Power Board is a collegial body and in order to do business, a quorum, which is a majority (minimum of 5) of all the Members of the Board, must be present in every board meeting. The act of a majority of the directors present at any meeting shall be the act of the National Power Board. (Sec 3, NPC By – Laws).

Meetings of the National Power Board shall be held as often as necessary upon call of the Chairman or a majority of the members or upon the request of the President at such time and place as may determined where the presence of a quorum can be achieved. Meetings for the calendar year are scheduled at the start of the year, and are schedules in the 4th Thursday of each month unless otherwise changed upon agreement of the Board. In case of urgent matters which need immediate attention of the Board before the next meeting can be convened, the NPC President may certify the matter to be urgent and request approval of the Board through referendum. After approval by referendum, the Corporate Secretary shall include the approved resolutions in the agenda of the next Board meeting for ratification by the Board. However, very urgent matters may be approved and confirmed by referendum upon certification by both the NPC President and the Chairman of the Board (Sec 3, NPC By – Laws). Minutes of the meetings are included in the agenda of the meeting immediately after the specific meeting. To save time, the members/representatives are usually given a week to send their comments to the minutes during said meeting immediately following the specific meeting after which the corrected minutes are considered approved. A copy of the minutes is then sent to each member for signature. Members who were not present during the meeting shall sign as ‘Noted’. Members or their duly designated alternate representatives shall sign resolutions and minutes approved by the Board.

In order to facilitate the meetings of the National Power Board, the Board Secretariat furnishes the Board Members with an Agenda folder, at least one week before the date of the meeting, containing the following:

- a) Minutes of the previous National Power Board meeting
- b) Report on the Actions Taken on the Instructions/ Suggestions given by the National Power Board, if any.
- c) Matters to be taken up for Consideration, Approval, Instructions or Notation with complete documentation and presentation materials (memo to the NP Board with complete staff work)
- d) Matters for Information/Notation/Instruction of the National Power Board
- e) Other Matters.

The Chairman, President or any member of the Board may request inclusion of additional matters at the start of the meeting. Additional matters can be taken up during

said meeting upon the agreement of a majority of the members present during the meeting.

Board Resolutions of matters approved by the Board during any meeting shall be circulated for signature of the Board members present. To facilitate the gathering of signatures, each member/alternate representative is sent a copy of the resolution for signature.

Office of the Corporate Secretary

The Board Secretariat/Office of the Corporate Secretary performs the following functions;

- a) Organizes and sends notices of all Board meetings.
- b) Records the proceedings of the Board Meetings and prepares the corresponding transcripts, minutes and resolutions of the matters adopted therein.
- c) Keeps books of minutes of meetings and resolutions of the Board.
- d) Issues Board instructions to all concerned and follows up on compliances and make the corresponding reports thereof.
- e) Serves as custodian of all records and seal of the corporation.
- f) Provides the Board and Board Committees with secretarial and administrative support.
- g) Attests to all official acts of the Board.
- h) Performs other duties incident to or inherent to the Office of the Corporate Secretary and such other duties that may be assigned by the Board or the NPC President.

Board Committees

The National Power Board may, by resolution passed by the majority of the Board, create one or more committees consisting of two or more directors of the corporations which, to the extent provided in the resolution or in the by-laws, shall have and exercise the powers of the National Power Board, the management of the business affairs of the Corporation and may have powers to authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the National Power Board. Each committee shall keep regular minutes of the proceedings and report the same to the Board when required. The National Power Board has the power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee either with or without cause.(Article III NPC By-Laws). The functions of the board committees are as provided in GCG Memorandum Circular No. 2012-07.

Currently, the National Power Board has the following Board Committees:

- a) **National Power Board Audit Committee** - reviews its financial statements, monitors compliance with the laws, regulations and standards of business conduct and ensures the effectiveness of Accounting and Financial Controls and reviews effectiveness and efficiency issues within the NPC.

Members:

- 1) Representative of the Secretary of the Dept. of Budget and Management (Chair)
- 2) Representative of the Secretary of the Dept. of Finance (Co-Chair)
- 3) Representative of the Secretary of the Dept. of Energy
- 4) Representative of the Secretary of the Dept. of Interior and Local Government
- 5) Representative of the Director- General of NEDA
- 6) Representative of the Secretary of Trade and Industry
- 7) Department of Environment and Natural Resources

- b) **National Power Board Nominations and Remunerations (Selection) Committee** - screens the applicants for appointments to offices directly under the NP Board (NP Board, Office of the Corporate Secretary and the Internal Audit Department and all Senior Officials; SVP, VP and SDM).

Members:

- 1) Representative of the Secretary of DOF Co-Chair
- 2) Representative of the Secretary of DOE Co-Chair
- 3) NPC President
- 4) Representative of Secretary of DBM
- 5) Representative of Secretary of DILG
- 6) Representative of Secretary of DA
- 7) Representative of the DG of the NEDA
- 8) Representative from Executive Association

- c) **Board Review Committee (BRC)**, which has the function of evaluating and reviewing matters for consideration of the National Power Board and makes the proper recommendations. The BRC may also convene as the Governance and/or Risk Management Committee as required. Resolution No. 2015-02 dated 28 January 2015 reconstituted the BRC/Risk Management/Governance Committee providing that any seven (7) members/alternate representatives will compose any of the 3 committees. DOF and DOE shall co-chair the BRC and governance committee while DOF and NPC shall co-chair the risk management committee.

- d) Resolution No. 2015-02 also provided for an **Executive Committee** composed of the DOF, DOE, NPC and DBM which shall meet whenever necessary to take up urgent matters that need immediate attention as well as a **Governance Committee** and **Risk Management Committee**, composed of any seven (7) members/alternate representatives.

Matters requiring National Power Board Approval

Matters requiring Board approval are those covered by its powers and functions granted under the Charter and the Corporation By-Laws. However, in the ordinary course of the business of the Corporation there arise matters and transactions which would require Board approval. These are found in the NPC Manual of Approvals which contains Limits of Authority of all the officers of the Corporation. The matters requiring NP Board approval are as follows:

ITEM		LIMITS OF AUTHORITY	REFERENCE
ORGANIZATION			
1.	Table of Organization involving change in function or creation, abolition, merger, splitting or regrouping of organizational units	At the level of: Department and higher organizational units	Section No. - 1.0 Subject No. - 1.01 Page 1 of 1
2.	Incremental Changes (i.e., creation, conversion, abolition, transfer of positions pursuant to Item 1 above)	Department Manager/higher positions	
PERSONNEL			
3.	Position Classification and Compensation		Section No. - 2.0 Subject No. - 2.01 Page 1 of 2
	a. Adoption of new position classification and compensation plan	For all levels	
	b. Original classification or reclassification to either new or existing position classes	Department Managers and higher positions	
4.	Salary Increase		
	a. General Increase (including those w/c result from legislation or implementation of governmental directions or existing provisions of law)	For all levels	
5.	Filling-up of Positions/Issuance of Appointments – Plantilla Positions	SVP/Vice Presidents	Section No. - 2.0 Subject No. - 2.03 Page 1 of 4
6.	Detail/Reassignment	SVP/Vice Presidents	Section No. - 2.0
7.	Job Rotation – Within/Between Functional Groups	Between and among SVP/Vice Presidents	Subject No. - 2.04 Page 1 of 4
8.	Secondment	SVP/Vice Presidents	
9.	Designation in Acting Capacity	SVP/Vice Presidents	Section No. - 2.0 Subject No. - 2.04 Page 2 of 4
10.	Financial Assistance to non-NPC employees who are victims of accidents involving NPC Facilities, including fair & reasonable compensation for damages in properties it has caused to the victim (subject to issuance of quit claims)	Over P500T	Section No. - 2.0 Subject No. - 2.06 Page 1 of 2
11.	Financial Assistance to Officials and Employees other than Work Related Matters	Over P500T	
12.	Resignation/Termination/Retirement – Plantilla Positions	SVP/Vice Presidents	Section No. – 2.0 Subject No. – 2.11 Page 1 of 1
GENERAL CORPORATE AFFAIRS			
13.	Power Generation Development Programs		Section No.-3.0
14.	Corporate Financial Plan		Subject No.-3.01 Page 1 of 1

	ITEM	LIMITS OF AUTHORITY	REFERENCE
15.	Manpower Development Policies		
16.	Decommissioning of Plants & Related Facilities – Upon recommendation of the Sales & Services Group based on the PDP & PEP)		Section No. – 3.0 Subject No. – 3.02 Page 1 of 1
17.	Decommissioning Plan – Upon endorsement by the Management Committee		
18.	Corporate Security Plans & Programs		
	a. Special Security Projects		Section No. – 3.0 Subject No. – 3.03 Page 1 of 1
	b. Funding requirements/logistics support that maybe required pursuant to Item 1 above		
19.	Contributions/Donations to Charitable/Civic Organizations and Gov't Institutions	Over P50T	Section No. – 3.0 Subject No. – 3.04
20.	Financial Assistance for other Civic/Charitable purposes	Regardless of Amount	Page 1 of 1
BUDGET			
21.	Annual and/or Supplemental Budgets		Section No. – 4.0 Subject No. – 4.01 Page 1 of 1
BUDGET ADJUSTMENTS/FUND TRANSFERS			
22.	Adjustments covering items and budgetary allocations for On-going or New Projects as well as repair of existing plants		Section No. – 5.0 Subject No. – 5.01 Page 1 of 2
	• Within 30% of Approved Budget	Over P20M	
	• In excess of 30% of Approved Budget	Over P10M	
23.	Adjustments covering items and budgetary allocations for General Plant Equipment (GPE)	Over P20M	
24.	Adjustments covering transfer of budgetary allocations from Work Order to General Plant Budget of Cost Centers or Projects or Plants and vice-versa	Over P20M	
25.	Adjustments covering items and budgetary allocations to be effected thru transfer of capital budget provision to augment current operating budget provisions	Over P20M	
26.	Adjustments covering charges to Budgetary Reserve Fund (BRF) – Pool		Section No. – 5.0 Subject No. – 5.01 Page 2 of 2
	a. BRF-Per Generation Group		
	• On-going Projects	Over P20M	
	• Unprogrammed Projects	Over P10M	
	b. Corporate Financial Planning BRF (Pool)		
	• On-going Projects		
	- Within 30% of Approved Budget	Over P30M	
	- In excess of 30% of Approved Budget	Over P10M	
	• Unprogrammed Projects	Over P10M	
27.	Operating to Capital Budget Adjustments covering items and budgetary allocations of Cost Centers or Projects or Operating Plants within Functional Groups	Over P20M	Section No. – 5.0 Subject No. – 5.02 Page 2 of 2
28.	Adjustments covering charges to Budgetary Reserved Fund (BRF)- Unprogrammed Projects	Over P20M	
	ITEM	LIMITS OF AUTHORITY	REFERENCE

INFRASTRUCTURE PROJECTS			
29.	Power Expansion/Development Program		Section No. – 6.0
30.	Authority to Implement	Loan Funded Projects	Subject No. – 6.01 Page 1 of 3
31.	Variation Orders		Section No. – 6.0 Subject No. – 6.04 Page 1 of 9
	For Projects/contracts where advertisements or invitations to bid were issued prior to Oct. 8, 2003		
	<ul style="list-style-type: none"> Change Order/s in the aggregate not to exceed 25% of <u>Original Contract Price excluding the effects of price escalation</u> and provided that no major pay item shall be increased by more than 100% of its original cost Extra Work Order/s in the aggregate less than 25% of the <u>Original Contract Price or Adjusted Original Contract Price.</u> Change Order/s and Extra Work Order/s in the aggregate not to exceed 25% of the <u>Original Contract Price or Escalated Original Contract Price</u> 	Over P12.5M	
	<ul style="list-style-type: none"> Supplemental Agreement 	In the aggregate in excess of 25% of Original Contract Cost – Over P5M	Section No. – 6.0 Subject No. – 6.04 Page 2 of 9
	For Projects/contracts where advertisements or invitations to bid were issued on or after Oct. 8, 2003		
	<ul style="list-style-type: none"> Within 10% of Original contract Price Cost 	Over P20M	
	<ul style="list-style-type: none"> Beyond 10% but not to exceed 20% of the Original contract/price cost (exceptional cases where it is urgently necessary to complete the original scope of work) 	Over P20M	
32.	Time Extension		
	Where Time extension does not involve any additional cost:		
	<ul style="list-style-type: none"> Within 25% of <u>Original Contract Time</u> of Approved Contract 	Over 6 months	
	<ul style="list-style-type: none"> Where it exceeds 25% of <u>Original Contract Time</u> 	Regardless of Duration	
	Where it involves additional cost: (For projects/contracts where advertisements or invitations to bid were issued prior to Oct. 8, 2003)		Section No. – 6.0 Subject No. – 6.04 Page 3 of 9
	<ul style="list-style-type: none"> Where it exceeds 25% of <u>Original Contract Time</u> 		
33.	Resumption of Work	When the period of suspension is over 6 months	
	ITEM	LIMITS OF AUTHORITY	REFERENCE
34.	Take-Over of Contract	When the remaining work to be taken over is over P20M	

35.	Termination of Contract		Section No. – 6.0 Subject No. – 6.04 Page 4 of 9
	<ul style="list-style-type: none"> Where it involves additional cost (For projects/contracts where advertisements or invitations to bid were issued prior to Oct. 8, 2003) 		
36.	Contract Amendments – Related Adjustments or Contract Items		
37.	Contract Price Escalation		
	<ul style="list-style-type: none"> For projects/contracts where advertisements or invitations to bid were issued prior to Oct. 8, 2003 	Up to 30% per annum of the Original Contract Price	
38.	Settlement/Payment of		Section No. – 6.0 Subject No. – 6.04 Page 5 of 9
	Liquidated Damages/Penalties (In accordance with the Terms of the Contract)		
	<ul style="list-style-type: none"> Where NPC is under obligation to indemnify 	Over P20M	
	Incentive Bonus granted to Contractors (For projects/contracts where advertisements or invitations to bid were issued prior to Oct. 8, 2003)	Over P10M	
ER-194 FINANCIAL ASSISTANCE ACCRUED FROM NPC OWNED AND NPC CONTRACTED IPP POWER PLANTS TO HOST COMMUNITIES/LOCAL GOVERNMENT UNITS (IGUs)			
39.	Development programs and Projects	Over P20M	Section No. – 8.0 Subject No. – 8.01 Page 1 of 2
PROCUREMENT OF GOODS/SERVICES			
40.	Approval of Award and Signing of Janitorial/ Security/Landscape/Maintenance/Other Utility Contracts		Section No. – 10.0 Subject No. – 10.03 Page 1 of 2
	<ul style="list-style-type: none"> Thru Public Bidding 	Over P50M	
	<ul style="list-style-type: none"> Thru Alternative Methods of Procurement 	Over P20M	
41.	Others except Oil-Based Fuel & Lube Oil for Generation		Section No. – 10.0 Subject No. – 10.06 Page 1 of 5
	<ul style="list-style-type: none"> Thru Public Bidding 	Over P50M	
	<ul style="list-style-type: none"> Thru Alternative Methods of Procurement 	Over P20M	
MATERIALS MANAGEMENT			
42.	Clearance for Sale of Serviceable but no longer needed property to external parties	Over P500T	Section No. – 12.0 Subject No. – 12.03 Page 1 of 3
43.	Refund of Excess Payment made by Winning Bidders for Awarded Items	Over P500T	Section No. – 12.0
44.	Request for extension period to release/withdraw awarded items	Over 10 working days	Subject No. – 12.03 Page 2 of 3
	ITEM	LIMITS OF AUTHORITY	REFERENCE
POWER SALES			
45.	Write-Off Bad Debts	Regardless of Duration	Section No. – 14.0 Subject No. – 14.02 Page 2 of 2
LEGAL MATTERS			
47.	Settlement of Claims for or against NPC		

	• Extra-Judicial Settlement/Compromise Agreement of Civil Cases	Over P10M	Section No. – 17.0
48.	Swapping/Donation of Land	Regardless of Amount	Subject No. – 17.01 Page 1 of 2
49.	Lease of Land intended for NPC temporary installations, structures and related improvements	Where terms of Lease Contract is over 5 years and over P1M	
50.	Reciprocal Agreement on the usage of NPC Properties		

Delegation of Authority to the former NPC President by the NP Board

The National Power Board has made several delegations of authority in favor of the former NPC President Cyril C. Del Callar as follows:

Res. No. 2005-37 dated 22 Aug. 2005	Authority of the NPC President to implement Special Programs to achieve the objective of increasing sales, securing additional power supply contracts and enabling NPC to participate in the WESM as Retail Supplier
Res. No. 2005-42 dated 22 Aug. 2005	Authority of the NPC President to detail or reassign NPC executives occupying 3 rd level positions
Res. No. 2006-17 dated 4 April 2006	Grant of full power to the NPC President to; a) approve and execute the financing program that would enable NPC/PSALM to fund its consolidated funding deficit for 2006. b) approve and execute transactions aimed at managing NPC's liabilities.
Res. No. 2006-23 dated 4 April 2006	Authority of the NPC President to negotiate and settle receivables of customers through restructuring agreements with a maximum 10 years payment period; explore and negotiate for new and emerging technologies (ex. pre-paid meters) and sell excess fuel stock of the Corporation to add flexibility in the management of its fuel stock and supply.
Res. No. 2006-30 dated 4 April 2006 *authority withdrawn ExeCom created to review contracts and make the recommendations to the Board.	Authority of the NPC President to approve all fuel contracts regardless of amount provided said fuel supply contract is in the NPC Annual Procurement Plan.
Res. No. 2006-36 dated 4 April 2006	Authority of the NPC President to approve budgetary adjustment from within and among the objects of expenditures (OPEX and CAPEX), projects/activities, functional groups and cost centers.
Res. No. 2006-59 dated 14 November 2006 *given to incumbent only	Authority of the NPC President to enter into a MOU with other members of the ASEAN for technical cooperation in the fields of Electric Plant Engineering, Operations and Maintenance Services and Rural Electrification.
Res. No. 2007-23 dated 6 January 2007	Full Powers and Authority of the NPC President or his duly designated representative to execute Financing and Liability Management Transactions.

***sample of letter scheduling board meetings at the start of the calendar year - this is also contained in the briefing materials sent to new board members**

4 January 2016

MEMORANDUM

**FOR : The National Power Board and
Officially Designated Alternate Representatives**

FROM : Victor Gaudencio C. Garcia, Corporate Secretary

**SUBJECT : National Power Board and Board Committee meetings
for FY 2016**

Please be informed that for FY 2016 we will as much as possible hold our NP Board Review Committee (BRC) and NP Board meetings at 9:00 am on the 2nd and 4th Thursdays of every month respectively. However, the schedule will continue to be dependent on the availability of a quorum and agenda items to be taken up. Formal notices of the final time, date, and venue of meeting will be sent at least three (3) days before the date of the meeting and agenda folders will be provided ahead of time in accordance with our present procedures. For the month of January, the dates of the Board and BRC meetings might be adjusted to allow management sufficient time to complete the items for the agenda.

V.G. C Garcia