



Philippine Economic Zone Authority

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MEMORANDUM CIRCULAR No. 2007 010 *eqb*

DATE : 23 April 2007

TO : Ecozone Locator Enterprises
Ecozone Developers/Operators,
Ecozone Administrators and Managers/Officers-in-Charge (OICs)
Electric Utilities Operating Inside the Ecozones
Generation Companies Operating Inside the Ecozone

FROM : Director General LILIA B. DE LIMA *Lilia B. de Lima*

SUBJECT : Declaration of Policy on the Regulatory Powers of the Philippine Economic Zone Authority (PEZA) in the Provision of Electric Power in the Ecozones

Whereas, Section 7 of Republic Act No. 7916, as amended by Republic Act No. 8748, otherwise known as "The Special Economic Zone Act of 1995" (the PEZA Charter), mandated the development of the ECOZONES as decentralized, self-reliant and self-sustaining industrial, commercial and investment centers with minimum government intervention;

Whereas, pursuant to Section 12 (c) of the PEZA Charter, the PEZA Board is authorized to, among others, regulate the establishment, operation and maintenance of light and power utilities in the ECOZONE, and to fix just, reasonable and competitive rates, charges and fees therefor;

Whereas, Section 12 (e) of the PEZA Charter authorizes the PEZA Board to issue rules and regulations to implement the provisions of said law in so far as its powers and functions are concerned;

Whereas, under Section 13 (d) of said law, the PEZA is authorized to, among others, own, operate and maintain – on its own or through contract, franchise or joint venture – adequate facilities and infrastructure such as light and power systems, in coordination with local government units concerned and appropriate agencies, for the operation and development of the ECOZONE;

therefore, pursuant to PEZA Board Resolution No. 07-188, dated 18 April 2007, in the implementation of the above mandate, this Memorandum Circular is hereby issued by the PEZA for information and guidance of all concerned:

- (1) In the implementation of Sections 12(c) and 13(d) of the PEZA Charter, the following principles and objectives shall be observed in the provision of electric power (light and power systems) in the ECOZONES with the end in view of promoting the flow of investors in the ECOZONES, sustaining the viability of the operations:
 - (a) The PEZA Board shall pursue and implement a program of rationalization of the provision of electric power in the ECOZONES.
 - (b) ECOZONE Locator Enterprises shall have the choice of supplier in regard to electric power generation, metering and/or billing in the exercise of the freedom to access reasonably-priced electric power supply and services.
 - (c) The PEZA, on its own or through contract, franchise or joint venture, shall ensure reliable power supply in the quality and volume required by the ECOZONE Locator Enterprises.
- (2) Detailed rules, regulations and guidelines on the implementation of Sections 12(c) and 13(d) of the PEZA Charter, as well as the principles and objectives above, shall be issued by the PEZA Board upon consultation with all concerned. Within seven (7) days from the date of this Memorandum Circular, notices shall be issued providing for the schedule of such consultation/s to solicit comments and suggestions on the formulation of the implementing guidelines.
- (3) The final rules, regulations and guidelines on the policies provided herein shall be promulgated by the PEZA Board and all concerned shall be notified accordingly, for immediate compliance.

For your information and guidance.