

**[ EXECUTIVE ORDER NO. 354, July 05, 1996 ]**

**AUTHORIZING THE NATIONAL POWER CORPORATION TO ENTER INTO NEGOTIATED CONTRACTS FOR THE COAL SUPPLY REQUIREMENTS OF ITS POWER STATIONS AS WELL AS THOSE OF ITS INDEPENDENT POWER PRODUCERS, AND FOR OTHER PURPOSES**

**WHEREAS**, the Power Development Program of government for the period 1996 through 2005 requires the putting up of capacity additions of 2,150 MW imported coal-fired to the existing 850 MW imported coal-fired power stations;

**WHEREAS**, Republic Act No. 7638 mandates the adoption of comprehensive program for the efficient supply and economical use of energy consistent with the approved national economic plan;

**WHEREAS**, the Philippines is competing with the countries in Europe and in the Asia Pacific Region for the limited coal resources available in the world market;

**WHEREAS**, the tightness in the world coal supply has generated an upward trend in the coal price;

**WHEREAS**, power companies in Asian countries, such as Japan, South Korea, Hongkong and Taiwan, have secured long term fuel supply for their power stations from the coal producing countries;

**WHEREAS**, the security and stability of fuel supply to meet the requirements of the National Power Corporation are vital to the country's economic and industrial development and dispersal;

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**WHEREAS**, the requirements of environmental laws and regulations on coal quality practically limit coal source to a narrow field of coal suppliers and/or producers;

**WHEREAS**, there is a need to establish a procurement procedure for the coal supplies of NPC;

**NOW, THEREFORE, I, FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. Fuel Procurement.** – The provisions of Executive Order No. 301 and other related laws on procurement of supplies to the contrary notwithstanding, the Governing Board of the National Power Corporation is hereby authorized and directed to come up with ways and means to ensure security and stability of the fuel requirements of its power stations as well as those of its Independent Power