

[OP EXECUTIVE ORDER NO. 856-B, S. 2010, June 18, 2010]

AMENDING SECTION 3 OF EXECUTIVE ORDER NO. 856-A, DATED MARCH 23, 2010, BY GRANTING DISCOUNTED RATES FOR COMPETITIVENESS

WHEREAS, Executive Order (EO) No. 856 dated January 29, 2010 expanded the coverage of EO No. 666, series of 2007, in support of the power requirements of Clark Freeport Zone;

WHEREAS, EO No. 856-A dated March 23, 2010 amended Section 3 of EO No. 856 by adjusting the discounted transmission and generation rates for qualified semiconductor firms in Clark Freeport Zone;

WHEREAS, the rate appearing for the first to the sixth year of operations was inadvertently printed at US\$ 0.51760 per kilowatt hour, while it should have been at the amount of US\$ 0.051760 per kilowatt hour;

WHEREAS, the material adjustment shall enhance the viability of Clark Freeport Zone as investment area, and shall infuse capital, generate employment opportunities, boost exports, and improve the country's economy in the long run.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Section 3 of Executive Order (EO) No. 856, dated January 19, 2010, as amended by EO No. 856-A, dated March 23, 2010, is hereby further amended to read as follows:

"SECTION 3. Grant of Discounted Rates for Competitiveness. *In accordance with Executive Order No. 796, dated May 21, 2009, the Department of Energy (DOE) shall provide qualified semiconductor firms in Clark Freeport Zone with minimum investment of One Billion U.S. Dollars (US\$1,000,000,000) discounted transmission and generation rates as follows:*

*% 1st – 6th year of operation: **US\$ 0.051760/kwh***

% 7th – 10th year of operation: US\$ 0.062553/kwh

Concerned government agencies shall work for an arrangement with the National Grid Corporation of the Philippines (NGCP, formerly National Transmission Corporation) to amortize investment for the 230 KV facilities in order to provide the required discounted rate for the semiconductor companies as earlier committed by the government. Said discounted rates shall be reported to the Energy Regulatory Commission (ERC). Failure of the semiconductor firm to comply with the minimum investment requirement within three (3) years from the start of its