



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 39

MANDATING THE SECRETARY OF ENERGY TO SIT AS *EX OFFICIO* CHAIRMAN OF THE BOARD OF DIRECTORS OF PNOC EXPLORATION CORPORATION AND PNOC RENEWABLES CORPORATION

WHEREAS, Republic Act (RA) No. 7638 or the "Department of Energy Act of 1992" mandates the Department of Energy (DOE) to carry out the policy of the State to achieve self-reliance in the country's energy requirements and to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation;

WHEREAS, Presidential Decree (PD) No. 334 (s. 1973) created the Philippine National Oil Company (PNOC) as a government-owned and controlled corporation (GOCC) to undertake and transact the corporate business relative primarily to oil or petroleum operations and other energy resources exploitation, and granted it the power to establish and maintain subsidiaries as it may deem proper;

WHEREAS, RA 7638 placed the PNOC under the supervision of the DOE with the Secretary acting, in a concurrent capacity, as its *ex officio* Chairman of the Board, unless otherwise directed by the President;

WHEREAS, the PNOC, exercising its authority to establish and maintain subsidiaries as it may deem proper, incorporated under Batas Pambansa (BP) Blg. 68, or the Corporation Code of the Philippines, the PNOC Exploration Corporation (PNOC-EC), which is 99.79% owned by the PNOC, and the PNOC Renewables Corporation (PNOC-RC), a wholly-owned subsidiary of the PNOC;

WHEREAS, in view of the respective mandates of the PNOC-EC and the PNOC-RC to, among others, explore, produce and utilize petroleum and renewable energy sources as stated in their Articles of Incorporation, there is a need for close policy coordination between those corporations and the DOE, in order to achieve the national policy of energy self-reliance;

WHEREAS, the Administrative Code of 1987 states that coordination between a department and an attached agency or corporation may be accomplished by having the department represented in the governing board of the attached agency or corporation either as chairman or member, if permitted by the charter;

THE PRESIDENT OF THE PHILIPPINES

WHEREAS, RA 7638, while prohibiting the Secretary of Energy from being the chief executive officer or chief operating officer of the subsidiaries of PNOC, does not prohibit him from being the *ex officio* Chairman of the Board of such subsidiaries;

WHEREAS, RA 10149 or the "GOCC Governance Act of 2011" defines an *ex officio* board member as any individual who sits or acts as a member of the board of directors/trustees by virtue of such individual's title to another office, and without further warrant or appointment;

WHEREAS, the Administration has declared as a priority agenda the streamlining and rationalization of Government offices and processes to serve public interest;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Secretary of Energy as Ex Officio Chairman. The Secretary of the Department of Energy shall be the *ex officio* Chairman of the Board of Directors of both the PNOC-EC and the PNOC-RC.

The Department of Energy, PNOC, PNOC-EC and PNOC-RC shall, in the most expeditious manner allowed by existing laws and rules, undertake all such actions as may be necessary to implement the provisions of this Order, which may include the amendment of the company By-Laws of the PNOC-EC and the PNOC-RC.

SECTION 2. Repeal. All orders, rules, regulations, and issuances or parts thereof which are inconsistent with this Order are hereby repealed or modified accordingly.


SECTION 3. Separability. If any part or provision of this Order be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 4. Effectivity. This Executive Order shall take effect immediately upon publication in a newspaper of general circulation.

Done, in the City of Manila, this 5th day of September in the year of our Lord, Two Thousand and Seventeen.

By the President:


SALVADOR C. MEDIALDEA
Executive Secretary 