



REPUBLIC OF THE PHILIPPINES  
**COOPERATIVE DEVELOPMENT AUTHORITY**

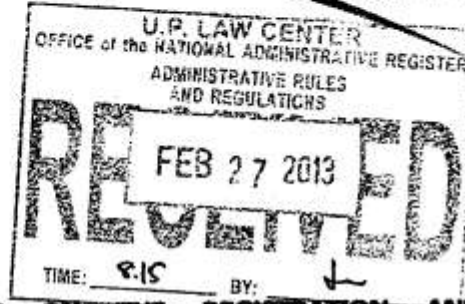


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EXcellence, Com~~mit~~ment, Integrity and TEamwork

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 ② [chairman@cda.gov.ph](mailto:chairman@cda.gov.ph)  
 ③ Philippine Cooperatives Page  
 ④ <http://twitter.com/CDAPhil>

MEMORANDUM CIRCULAR NO. 2013-05  
 Series of 2013



TO : ALL CONCERNED

SUBJECT : CLARIFICATORY GUIDELINES ON THE REGISTRATION AND CAPITALIZATION REQUIREMENTS FOR NEW ELECTRIC COOPERATIVES AND EXISTING COOPERATIVES INTENDING TO INCLUDE POWER GENERATION, TRANSMISSION AND/OR DISTRIBUTION IN ITS BUSINESS OPERATION

DATE : 07 FEBRUARY 2013

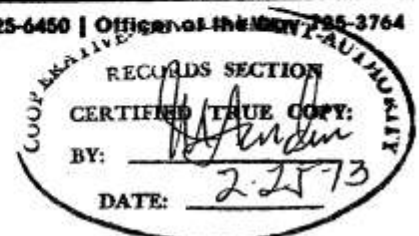
**Sec. 1. TITLE** – This Circular shall be known as “CLARIFICATORY GUIDELINES ON THE REGISTRATION AND CAPITALIZATION REQUIREMENTS FOR NEW ELECTRIC COOPERATIVES AND EXISTING COOPERATIVES INTENDING TO INCLUDE POWER GENERATION, TRANSMISSION AND/OR DISTRIBUTION IN ITS BUSINESS OPERATION”

**Sec. 2. COVERAGE** – This Circular shall cover the following:

- a. Proposed cooperatives intending to engage in electric power generation, transmission and distribution or either in power generation, transmission or distribution.
- b. Single type cooperatives and multi-purpose cooperatives intending to engage in electric power generation, transmission and distribution or either in power generation, transmission or distribution.

**Sec. 3. DEFINITION OF TERMS.** As used in this Circular, the term:

- A. **Electric Cooperative** refers to one organized for the primary purpose of undertaking power generation, utilizing renewable energy sources, including hybrid systems, acquisition and operation of sub-transmission or distribution to its household members. It shall include cooperatives engaged in a single activity of either power generation, sub-transmission, or distribution.
- B. **Hybrid System** refers to any power or generation facility which makes use of two or more types of technologies utilizing both conventional and/or renewable fuel sources such as but not limited to integrated solar/wind system, biomass/fossil fuel system, hydro/fossil system, integrated/solar biomass system, integrated wind/fossil fuel system, with a minimum of ten (10) megawatts or ten percent (10%) of the annual energy output provided by the Renewal Energy component.



- C. **Power Generation** refers to the production of electricity utilizing renewable energy resources.
- D. **Renewable Energy Resources (RE-RESOURCES)** refer to energy resources that do not have an upper limit on the total quantity to be used. Such resources are renewable on a regular basis and whose renewal rate is relatively rapid to consider availability over any indefinite period of time. This include among others biomass, solar, wind, geothermal, ocean energy, and hydropower conforming with internationally accepted norms and standards on dams and other emerging renewable energy technologies.
- E. **Sub-Transmission** refers to the conveyance of electric power from transmission facilities to distribution utilities.
- F. **Power Distribution** refers to the conveyance of electric power from transmission facilities or embedded generators to end users.
- G. **Electric Power Industry** refers to the activity of generation, sub-transmission, and distribution of electricity.

**Sec. 4. REGISTRATION REQUIREMENTS.** The following are the requirements for the registration of new electric cooperatives, which shall be submitted in four (4) copies to the Authority:

1. Name verification slip;
2. Articles of Cooperation and By-Laws;
3. Sworn Statement of the treasurers elected by the subscribers showing that at least twenty-five per centum (25%) of the authorized share capital has been subscribed and at least twenty-five per centum (25%) of the total subscription has been paid: Provided, That in no case shall the paid-up share capital be less than Five Million Pesos (P5,000,000).
4. Surety Bond of Accountable Officers handling funds, properties and sureties;
5. Certificate of Pre-Membership Education Seminar (PMES);
6. Economic Survey;
7. Undertaking to Change Name in the event that another cooperative has acquired prior right to the use of the proposed name;
8. Detailed feasibility study indicating viability of the proposed business activity; and
9. Undertaking to comply with the auditing and accounting standards prescribed by the Authority.

Existing single type cooperatives and multi-purpose cooperatives intending to engage in power generation, sub-transmission, and/or power distribution shall comply with the existing registration requirements of the CDA for the amendments of Articles of Cooperation and By-Laws to include such activity. The sworn statement of the treasurer shall specify the availability of at least Five Million Pesos (P5, 000,000.00) to start such business.

The registration documents shall be filed either to the CDA Extension Office, which have jurisdiction over the said cooperative or to the CDA Central Office, at the option of the cooperative.

**Sec. 5. COMPLIANCE WITH OTHER REQUIREMENTS.** All cooperatives, which seek to engage in power generation, sub-transmission, and/or power distribution, are required to secure the necessary Authority to Operate/Franchise from Congress, within two (2) years from the issuance of the Certificate of Registration or the Certificate of Registration of Amendments.

**Sec. 6. APPLICABILITY.** Notwithstanding previous issuances by the Authority on the registration of electric cooperatives including the IRR issued related thereto, this Circular shall be the primary guidelines in the registration of new electric cooperatives and existing single type cooperatives and multi-purpose cooperatives intending to engage in power generation, sub-transmission, and/or power distribution.

**Sec. 7. EFFECTIVITY** – This Circular shall take effect immediately.

**APPROVED** per CDA Board Resolution No. 052, s-2013 dated February 7, 2013, Quezon City, Philippines.

For the Board of Administrators

By:



**EMMANUEL M. SANTIAGUEL, Ph. D.**

Chairman



EXCERPTS FROM THE  
MINUTES OF SPECIAL MEETING  
OF THE CDA BOARD OF ADMINISTRATORS HELD ON FEBRUARY 7, 2013  
Makati Palace Hotel, Makati City

**PRESENT:**

Hon. Emmanuel M. Santiaguél, Ph.D.	- Chairman/Presiding Officer
Hon. Nelson B. Alindogan	- Administrator
Hon. Mercedes D. Castillo	- Administrator
Hon. Eulogio T. Castillo, Ph.D.	- Administrator

**ALSO PRESENT:**

Atty. Niel A. Santillan	- Executive Director
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**RESOLUTION NO. 052, s-2013**

Upon motion of Adm. Nelson B. Alindogan duly seconded by Adm. Mercedes D. Castillo, be it RESOLVED as it is hereby RESOLVED to *approve the Memo Circular on Clarificatory Guidelines on the Registration and Capitalization Requirements for New Electric Cooperatives Intending to Include Power Generation, Transmission and/or Distribution in its Business Operation.*

**APPROVED.**

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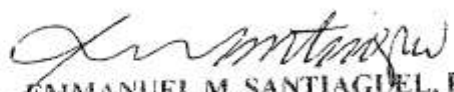
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This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators' Special Meeting.

  
MARY GRACE I. CINCO  
Acting Board Secretary IV

**ATTESTED:**

  
EMMANUEL M. SANTIAGUEL, Ph.D.  
Chairman