

Office of the President/ Department of Energy

13 June 2012

## Honorable Jose Rene D. Almendras

Secretary
Department of Energy
Energy Center, Merritt Road
Fort Bonifacio, Taguig City 1634
Philippines

Subject: e-Trikes Project

Dear Secretary Almendras:

I would like to make these clarifications on the article headlined "Govt shifts P21b loans to e-Trikes" in the 13 June issue of the Manila Standard, on which some statements attributed to me were quoted out of context.

Please note that I only talked to the reporter by mobile phone, and the connection was bad and even cut-off several times. After reading the article, I sent several texts to the reporter to clarify the following statements.

 President Benigno Aquino III approved the e-Trikes Project even before proper consultation was made.

<u>I never stated that there was no proper consultation</u>. This was the position and conclusion of the civil society groups, not NREB. Since the NREB is a collegial body, I cannot state any official NREB position, especially on government projects, without prior board approval.

The reporter asked me when the NREB was consulted about the re-allocation. I replied that I was advised of the 21 May CTF consultation meetings by the office of Sohail Hasnie on 15 May, i.e. about a week prior to the said meeting. She asked me when I received the materials for the meeting. I answered that I received the email several days before the said consultation meeting.

As to the approval of the project by Pres. Aquino, I was only responding to her query on the position of the NREB regarding the e-Trikes Program. I explained that the 15-member board is composed on eight (8) representatives from the government and seven (7) from the private sector. In the NREB meeting held on 31 May 2012, the government representatives informed the board that the e-Trikes Project was already approved by the Investment Coordination Committee (ICC) and by the President. The government representatives must support the decisions of their respective secretaries, who are members of the ICC. I told the reporter that the project having been approved at the highest level of government, any deliberation or resolution by the NREB on the matter would be proforma. The NREB decided not to deliberate on the e-Trikes Project, but instead directed the Technical Committee to recommend renewable projects for future CTF funding in the next board meeting.

Maniego was part of the Board when the solar power generation project under the Arroyo administration was approved by the Washington DC-based Trust Fund Committee.

This is true. I was indeed with NREB when the initial proposal was submitted. But neither the NREB or I was involved in approval of the solar power generation project. I only answered her question as to when I joined NREB. I was an alternate member representing PNOC from September 2009 to January 2010, and then adviser from February 2010 until appointed as Chairman by President Aquino in September 2010. She asked whether NREB was consulted on the solar project. I noted that Mr. Sohail Hasnie did mention to me that he was studying the procurement of 3,000 MW of solar panels to drastically reduce the price. We were meeting then on another ADB project.

3. We were not consulted. Three days before the supposed consultation, the Renewable Energy Board, a government agency and recommendatory body attached to the Department of Energy, was the told that the top level of government up to President Aquino himself approved the reallocation, so my attendance at the consultation was proforma.

She asked whether we were consulted prior to the re-allocation. Since we were not, I had no choice but to answer in affirmative. She inquired further, when we were advised of the consultation meeting. I answered that we were only informed of the consultation meeting a week prior to the schedule, and received the materials only three (3) days prior to the said meeting.

Her statement that we learned that the e-Trikes Project was already approved at the top level of government three (3) days before the consultation meeting was wrong. The government representatives to the NREB informed the board during its meeting held on 31 May, i.e. 10 days after the CTF consultation meeting, and not three (3) days before the consultation meeting. Since the project was approved by the respective cabinet secretaries who are members of the ICC and then by the President, the eight (8) government representatives to the Board cannot vote against the e-Trikes Project. The NREB also cannot oppose projects approved by a higher body. Thus, I

opined that any deliberation on the part of the board would be proforma. I did not say that my attendance in the 21 May consultation meeting was proforma.

During the phone interview and subsequent text messages, I did emphasize that the NREB is primarily a consultative and recommendatory body formed under the Renewable Energy Act of 2008 to ensure the effective implementation of it provisions. The line agencies such as the Department of Energy (DOE) and the Energy Regulatory Commission (ERC), in consultation with NREB, promulgate and develop the guidelines of the non-fiscal mechanisms in the RE Act. Thus, the DOE and the ADB are not obligated under the law to consult NREB on specific projects including the allocation or re-allocation of funds.

Atty. Ranulfo Ocampo and I attended the 21 May consultation meeting on the invitation of Mr. Sohail Hasnie. Atty. R. Ocampo attended the meeting on 28 May as the representative of NREB.

Please be assured that the NREB is supportive of any project which will help mitigate climate change and reduce our dependence on imported fossil fuels. We look forward to future CTF programs which will accelerate the deployment of renewable energy in the Philippines.

I hope that with the above explanation, I was able to clarify NREB's position on the e-Trikes Project.

Very truly yours,

Pete H. Maniego, J

Chairman