Republic of the Philippines
Bangsamoro Autonomous Region in Muslim Mindanao
Eighteenth Sangguniang Panlalawigan
PROVINCE OF TAWI-TAWI

Second Regular Session

S.P. RESOLUTION NO. 005-18, S. 2025

A RESOLUTION AUTHORIZING THE PROVINCIAL GOVERNOR OF TAWI-TAWI, HON. YSHMAEL I. SALI, TO ENTER INTO AND SIGN A MEMORANDUM OF AGREEMENT (MOA), FOR AND ON BEHALF OF THE PROVINCIAL GOVERNMENT, WITH KALTIMEX RURAL ENERGY CORP. (KALTIMEX), FOR THE ESTABLISHMENT OF A BANK TRUST ACCOUNT FOR THE FINANCIAL BENEFITS DERIVED FROM THE OPERATION OF THE 8.96 MW DIESEL GENERATION PLANT LOCATED AT BARANGAY PAHUT, BONGAO, TAWI-TAWI

Authored by: HON. JONEL I. MOHAMMAD MONEL, Ed. D. (P.D.)

WHEREAS, Section 5 (i) of the Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992" mandates the Department of Energy (DOE) to devise ways and means of giving direct benefits to the province, city or municipality, specially the community and people affected and equitable and preferential benefit to the region that hosts the energy resource and/or energy-generating facility;

WHEREAS, Section 66 of R.A. No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or EPIRA provides the obligations of generation companies (GenCo) and/or energy resource developers to communities hosting the generating facilities and/or energy resource development project as define under Chapter II, Section 289 to 294 of the Local Government Code and Section 5 (i) of R.A. 7638 and their Implementing Rules and Regulations and applicable orders and circulars;

WHEREAS, Rule 29 (A) of its implementing Rules and Regulations or EPIRA-IRR, provides that all energy generation companies and/or energy resource developers to provide financial benefits equivalent to one centavo per kilowatt hour (P0.01/KWH) of the total electricity sales of the generation facility to the host region, province, city or municipality and barangay;

WHEREAS, Section 4 of the Rule 29 (A) of the EPIRA-IRR states that the nature of benefits provided under ER 1-94 shall be allocated for the Electrification Fund (EF) to be applied in a radiating order, for the Development and Livelihood Fund (DLF) and for the Reforestation, Watershed Management, Health and/or Environmental Enhancement Fund (RWMHEEF);

WHEREAS, pursuant to Section 6 of DC2018-08-0021, the financial benefits of P0.01/kwh from total electricity sold by GenCo shall be allocated in the following manner:

6.1 Fifty percent (50%) of one-centavo per kilowatt hour (P0.0050/KWH) for Electrification Fund (EF) which shall be applied in the following radiating order;

6.1.1. Community and people affected 5%
6.1.2. Host Barangay/s 20%
6.1.3. Host Municipality/City 35%
6.1.4. Host Province 30%
6.1.5. Host ICC/IP 5%
6.1.6. Host Region 5%

6.2. Twenty five percent (25%) of the P0.01/KWH or P.0025/KWH shall be allocated for the development and livelihood fund (DLF), while the remaining twenty five percent (25%) of P0.01/KWH or P0.0025/KWH shall be allocated for Reforestation, Watershed, Health and/or Environment Enhancement Fund (RWMHEEF) and shall be allocated in the following manner;

6.2.1. Community and people affected 5%
6.2.2. Host Barangay/s 20%
6.2.3. Host Municipality/City 35%
6.2.4. Host Province 30%
6.2.5. Host ICC/IP 5%
6.2.6. Host Region 5%

WHEREAS, the KALTIMEX Rural Energy Corp. (KALTIMEX), is a GenCo currently operating an 8.96 megawatts diesel generation plant at Barangay Pahut, Bongao,Tawi-Tawi and is obligated to grant financial benefits to the host communities from the total electricity sold;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved, to authorize the Provincial Governor of Tawi-Tawi, Hon. Yshmael I. Sali, to enter into and sign a Memorandum of Agreement (MOA), for and on behalf of the Provincial Government of Tawi-Tawi, with the KALTIMEX Rural Energy Corp. (KALTIMEX), for the establishment of a bank trust account covering the financial benefits derived from the operation of the 8.96 MW Diesel Generation Plant located at Barangay Pahut, Bongao, Tawi-Tawi.

RESOLVED FINALLY, that copies of this Resolution be furnished to the KALTIMEX Rural Energy Corp. (KALTIMEX) and the Land Bank of the Philippines, Bongao. Tawi-Tawi.

APPROVED and ADOPTED this 5th day of August 2025 (*11 Safar 1447 AH*), Bongao, Tawi-Tawi, Philippines.

Concurred:

HON. ERSHAD T. ABDURAHMAN
Member

HON. MICHAIL K. AHAJA
Member

HON. ARRON FHADZ C. AHAMAD
Member

HON. RODEL R. AKIP
Member

Regular Session, August 05, 2025
S.P. Resolution No. 005-18, S2025

HON. EDZFAR S. LADJAHALI
Member

HON. MARK RENIL T. SAMSUYA
Member

HON. ALFILRADA M. LADJABASSAL
Member

HON. JONEL I. MOHAMMAD MONEL
Member

HON. MELHAN J. MASDAL
Member

HON. HASANAL JEOFFREY A. SALI
Ex-Officio Member, ABC President

Certified Correct:

ATTY. DAYANG-DAYANG KHADIJA J. BAGUINDA-DAMBONG
Secretary to the Sangguniang Panlalawigan

Attested By:

HON. AL-SYED A. SALI
Presiding Officer
Vice-Governor