

PRESENT:

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| Hon. Humerlito A. Dolor | Vice-Governor /Presiding Officer |
| Hon. Carlito F. Camo | Member |
| Hon. Rafael L. Infantado | Member |
| Hon. Ryan Z. Arago | Member |
| Hon. Juan Paolo G. Luna | Member |
| Hon. Flor D. Atienza | Member |
| Hon. Apollo E. Feraren | Member |
| Hon. Manuel D. Andaya | Member |
| Hon. Mae Arlene M. Talens | Member |
| Hon. Estela E. Maiapitan | Member |
| Hon. Wilson A. Vfray | Member/PCL President |
| Hon. Bernardita D. Arreola | Member/ABC President |

ABSENT:

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| Hon. Martin S. Buenaventura | Member |
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RESOLUTION NO. 2154-2014

RESOLUTION ENDORSING THE MONTELAGO GEOTHERMAL PROJECT OF THE EMERGING POWER, INC., SPECIFICALLY THE DRILLING OF GEOTHERMAL WELLS AS PART OF THE EXPLORATION PROCESS TO DETERMINE THE VIABILITY OF THE SAID PROJECT

WHEREAS, Section 16 of R.A. No. 7160 otherwise known as the Local Government Code of 1991 mandates every LGU to promote the general welfare of all its constituents, such as, but not limited to, the enhancement of the right of the people to a balanced ecology, enhancement of economic prosperity, promotion of full employment among their residents, and the preservation of their comfort and convenience;

WHEREAS, Section 468(a)(4)(i) of R.A. No. 7160 provides power to the Sangguniang Panlalawigan to adopt measures and safeguards against pollution and for the preservation of the natural ecosystem in the province...;

WHEREAS, the Sangguniang Panlalawigan of Oriental Mindoro strongly upholds the propriety and legality of the Provincial Ordinance No. 001-2002, entitled "An Ordinance Imposing a 25-year Moratorium on All Forms of Mining in the Province of Oriental Mindoro, Providing Exceptions and Providing Penalty in Case of Violation Thereof";

WHEREAS, the Emerging Power, Inc. (EPI) is a duly registered renewable energy developer, engaged in power generation, power trading and power supply, with Certificate of Registration No. 2014-02-054 signed by the Honorable Secretary Carlos Jericho L. Petilla of the Department of Energy (DOE), dated 14 February 2014;

WHEREAS, the Geothermal Renewable Energy Service Contract (GRES-C) No. 2014-02-054 for the development of the Montelago Geothermal Project was originally awarded to the Constellation Energy Corporation (CEC) however, on February 17, 2014, the Department of Energy (DOE) issued the same GRES-C to Emerging Power, Inc.; hence, effectively transfer the rights and obligations for the development of the said project from CEC to EPI;

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FROM ORIGINAL

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DORIS M. MANTONIO
SECRETARY

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WHEREAS, when fully operationalized, the Montelago Geothermal Project intends to provide 40MW for the whole island of Mindoro;

WHEREAS, the EPI assured the Provincial Board that the said geothermal project is apart from mining project as it does not use chemicals for the treatment of minerals but it only uses power plants to generate electricity;

WHEREAS, as claimed by the Emerging Power, Inc., the Montelago Geothermal Project is the first project in the Philippines conducting exploration of such nature without the assistance from the national government and after expiration of its project contract for a period of twenty-five (25) years, the EPI has the option to renew the contract or to turn over the operation of its facilities to the local government unit;

WHEREAS, the EPI assured that no Indigenous communities have been affected by the project and that the area is not covered by claims on ancestral domains;

WHEREAS, in view of the scheduled phasing out of the missionary electrification by the National Power Corporation-Small Power Utilities Group (NPC-SPUG), which has been long overdue, the presence of such renewable power sources is necessary to ensure stability of power supply in the Province of Oriental Mindoro at a minimal cost of P6.58/Kwh;

WHEREAS, according to EPI, there are additional benefits that would be derived in the operationalization of the said project, to wit:

- a. By virtue of Rule 7, Section 20 of the Renewable Energy Act or R.A. No. 9513, 1.5% of the gross income of the project, approximately P26.6 Million/annum, will serve as energy fund, 40% of which or P10.64 Million, will go to the local government unit and the remaining 60% or P15.96 Million/annum will go to the national government. The 40% intended for the LGU will be apportioned to the following: 20% for provincial government, 45% for municipal government, and 35% for the barangay with an approximate equivalent value of P2.128 Million, P4.788 Million and P3.724 Million annually, respectively.
- b. By virtue of Energy Regulatory No. 1-94 per IRR of the EPIRA, P0.01/KWH, which is approximately P4 Million/annum, will be provided to the host communities, to be utilized for the following:
 - 50% - Electrification Fund
 - 25% - Development and Livelihood Fund
 - 25% - Reforestation, Watershed Management, Health and/or Environment Enhancement Fund
- c. Development of Aqua-Fishery Industries;
- d. Eco-Tourism Development as there is a proposal for the development of a lagoon in the area; and
- e. Job creation;

NOW THEREFORE, BE IT RESOLVED, as it is hereby resolved to endorse, as it is hereby endorsing the Montelago Geothermal Project of the Emerging Power, Inc., specifically the drilling of geothermal wells as part of the exploration process to determine the viability of the said project, subject to the following conditions:

- a. That, the Montelago Geothermal Project must be supported with Environmental Clearance Certificate and such other environmental clearances issued by appropriate government agencies;

- b. That, prior consultations shall be made to the host barangay/s, involving their residents, and to the LGU of Naujan, and that their consent/endorsement for the said project must likewise be secured;
- c. That, the rights of the Indigenous Peoples, as promulgated under the Indigenous Peoples, as promulgated under the Indigenous Rights Act of 1997 (R.A. No. 8371) that may be affected by the project must be upheld and protected.
- d. That, all existing relevant laws, rules and regulations shall be properly complied with, which shall be the responsibility of the Emerging Power, Inc. in the implementation of the project in the conduct of the drilling process.

RESOLVED FINALLY, that it is the stand of the Provincial Board that prior to the actual construction and operation of Montelago Geothermal Project, separate resolution endorsement and for support of the Sangguniang Panlalawigan must be secured.

RESOLVED FURTHER, that copies of this resolution be furnished the Honorable Provincial Governor Alfonso V. Umali, Jr., Mr. Alberto C. Guanzon, Executive Vice-President, Emerging Power, for their information and guidance.

On motion of Hon. Apollo E. Feraren, jointly seconded by Hon. Wilson A. Viray and Hon. Estela E. Malapitan, this resolution was... UNANIMOUSLY APPROVED.

CERTIFIED CORRECT:

CERTIFIED TRUE COPY
FROM ORIGINAL
[Signature]
DIWATA H. FETIZANAN
RECORDS OFFICER

[Signature]
DIWATA H. FETIZANAN
Secretary to the
Sangguniang Panlalawigan

ATTESTED:

[Signature]
RUMERITO A. DOLOR, MPA, Ph.D.
Vice Governor/Presiding Officer