



Republic of the Philippines  
**PROVINCE OF LEYTE**  
 Tacloban City

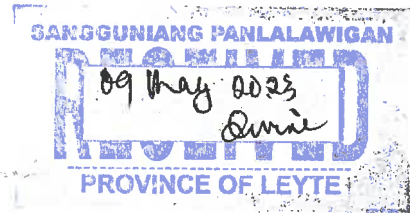
**OFFICE OF THE PROVINCIAL TREASURER**

Item No.: 16  
 Date: MAY 16 2023

*Pls include this in our agenda. Thanks!*

*[Handwritten mark]*

May 08, 2023



**THE SANGGUNIANG PANLALAWIGAN**  
 Province of Leyte

**THRU: LEONARDO M. JAVIER, JR.**  
 Provincial Vice Governor

**Subject: Request for Resolution to open (2) two Province of Leyte bank accounts in Development Bank of the Philippines - Tacloban branch**

Dear Sirs/Mesdames:

We would like to request for a Resolution authorizing the Province of Leyte to open (2) two Trust Fund accounts in Development Bank of the Philippines-Tacloban branch with the following account names, viz:

- Province of Leyte - Isabel Ancillary Services Co. Ltd. - DLF (ER 1-94)**
- Province of Leyte - Isabel Ancillary Services Co. Ltd. - RWMHEEF (ER 1-94)**

We would further like to request to authorize the following officials as the duly authorized signatories for the above-mentioned accounts for and in behalf of the Provincial Government of Leyte.

Authorized Signatories:

- **HON. CARLOS JERICHO L. PETILLA** - Provincial Governor  
 Alternate Authorized Signatory:  
**Phyllis I. Soledad** - Provincial Government Assistant Department Head  
**Anita P. Alvero** - Local Treasury Operations Officer IV  
**Purita H. Real** - Supervising Administrative Officer
- **CORAZON M. ALVERO** - Provincial Administrator
- **RUTH Y. SURPIA** - Provincial Treasurer  
 Alternate Authorized Signatory:  
**Christine Q. Bodo** - Assistant Provincial Treasurer  
**Czarenah Peach F. Redubla** - Supervising Administrative Officer

I hope that this request will merit your most favorable response.

Thank you very much.

Very truly yours,

*[Signature]*  
**RUTH Y. SURPIA**  
 Provincial Treasurer

Approved:

*[Signature]*  
**CARLOS JERICHO L. PETILLA**  
 Governor

## MEMORANDUM OF AGREEMENT

For the Establishment and Administration of Trust Accounts  
Pursuant to DOE DC2018-08-0021

(80MW Modular Diesel Engine Power Generation Plant in Isabel, Leyte)

This **MEMORANDUM OF AGREEMENT** is made and entered into by and between:

**ISABEL ANCILLARY SERVICES CO. LTD.**, a limited partnership established under the laws of the Republic of the Philippines, with its principal place of business at the Leyte Industrial Development Estate, Municipality of Isabel, Province of Leyte, Philippines, hereinafter referred to as "**IASCO**" or "**GenCo**";

- and -

**PROVINCE OF LEYTE**, with office address at Provincial Capitol Bldg., Senator Enage St., Tacloban City, Leyte 6500, duly represented herein by its Governor, **Hon. LEOPOLDO DOMINICO L. PETILLA**, per Sangguniang Panlalawigan Resolution No. 2021-315 Series of 2020:

the aforementioned local government units hereinafter individually referred to as the "**HOST BENEFICIARY**," and collectively referred to as the "**HOST BENEFICIARIES**."

### WHEREAS:

- (A) Section 5(i) of Republic Act No. 7638, 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, especially the community and people affected, and equitable and preferential benefit to the region that hosts an energy resource or the energy-generating facility;
- (B) Energy Regulations No. 1-94 ("**ER 1-94**") was promulgated by the DOE on 01 August 1994 to implement Section 5(i) of R.A. No. 7638 and grants financial benefits to the said host communities;
- (C) Section 66 of Republic Act No. 9136, known as the "Electric Power Industry Reform Act of 2001," ("**EPIRA**") and Rule 29(A) of its implementing rules and regulations ("**EPIRA IRR**") require all energy resource developers and generation companies to provide financial benefits equivalent to one centavo per kilowatt-hour (₱0.01/kWh) of the total electricity sales of the generation facility to the host region, province, city or municipality and barangay and provides for the establishment of trust accounts and the administration thereof by the DOE;
- (D) In accordance with Republic Act No. 8371, known as "The Indigenous Peoples' Rights Act of 1997," the DOE on 20 March 2018 promulgated Department Circular No. DC2018-03-0005, recognizing the rights of the Indigenous Cultural Communities and Indigenous Peoples to their ancestral domain and the natural resources therein and provides for reasonable share in the Development and Livelihood Fund ("**DLF**") and the Reforestation, Watershed Management, Health and/or Environment Enhancement Fund ("**RWMHEEF**") provided for in ER 1-94, referred to above;
- (E) On 07 August 2018, to accelerate socio-economic development, provide a more effective and efficient utilization of funds, and enforce the immediate provision of benefits to host communities the DOE issued Department Circular No. DC2018-08-0021 ("**DC2018-08-0021**"), amending for the purpose Rule 29(A) of the EPIRA IRR and providing, in

Section 6 thereof, that the Financial Benefit shall be allocated in the following manner:

“6.2. Twenty-five percent (25%) of one centavo per kilowatt-hour (P0.0025/kWh) for Development and Livelihood Fund (“DLF”); and Twenty-five percent (25%) of one centavo per kilowatt-hour (P0.0025/kWh) for Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (“RWMHEEF”);

“The DLF and RWMHEEF 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/ies or City/ies	-	35%
6.2.4. Host Province/s	-	30%
6.2.5. Host ICCs/IPs	-	5%
6.2.6. Host Region	-	5%

“In the absence of Community and People Affected, funds allocated for the same shall form part of the fund for the Host Barangay.

“In the absence of ICCs/IPs, the funds allocated for the same shall form part of the fund for the Host Region.”

**NOW, THEREFORE**, in view of the foregoing and the mutual covenants set out below, the parties hereto hereby stipulate and agree as follows:

#### **Section I. Scope of the Agreement**

This Agreement shall cover the establishment and administration by each HOST BENEFICIARY of separate trust accounts for its share of the DLF and the RWMHEEF (the “DLF and RWMHEEF Trust Accounts”).

#### **Section II. Responsibilities of the Parties**

1. IASCO shall:

- 1.1. Remit directly to the HOST BENEFICIARY its share of the DLF and RWMHEEF in the manner set forth in Section 6 of DC2018-08-0021, based on the reported Electricity Sales for the period, within fifteen (15) calendar days after the end of each billing quarter, by paying the same to the DLF and RWMHEEF Trust Accounts of the HOST BENEFICIARY, provided that the HOST BENEFICIARY has complied with the requirements of Section 7.3 of DC2018-08-0021, including:
  - 1.1.1. Submission of the Annual Work Program (“AWP”) as provided in Section 10 of DC2018-08-0021;
  - 1.1.2. Liquidation for completed projects funded and included in the AWP in accordance with the rules of the Commission on Audit;
- 1.2. Validate the AWP insofar as the availability of the Financial Benefits in accordance with the specific target timelines, which shall be completed within thirty (30) days from receipt of complete supporting documentation from the HOST BENEFICIARY;
- 1.3. Post the validated AWP in its website or, in the absence of such website and in coordination with the DOE, in the DOE website;
- 1.4. Establish separate regular accounts in trust and for the benefit of the DLF and RWMHEEF in accordance with the 1<sup>st</sup> Advisory on the Implementation of DC2018-08-0021; and

- 1.5. Furnish the DOE with proof of remittance.
2. Each HOST BENEFICIARY shall:
  - 2.1. Be responsible for the opening, maintenance, and operation of its DLF and RWMHEEF Trust Accounts in accordance with DC2018-08-0021;
    - 2.1.1. If the HOST BENEFICIARY has existing DLF and RWMHEEF trust accounts, request the authorized government depository bank to adopt the account name stated below and subsequently issue a certification of the said accounts, copy furnished the DOE, its status, and current available balance, in the format shown below:
      - (a) For the Province of Leyte  
  
Province of Leyte - Isabel Ancillary Services Co. Ltd. - DLF (ER 1-94)  
  
Province of Leyte - Isabel Ancillary Services Co. Ltd. - RWMHEEF (ER 1-94)
    - 2.1.2. If the HOST BENEFICIARY does not have existing DLF and RWMHEEF trust accounts, establish trust accounts specific for the DLF and RWMHEEF subject of this Agreement, under the following account names:
      - (a) For the Province of Leyte  
  
Province of Leyte - Isabel Ancillary Services Co. Ltd. - DLF (ER 1-94)  
  
Province of Leyte - Isabel Ancillary Services Co. Ltd. - RWMHEEF (ER 1-94)
  - 2.2. Maintain the required balance in its DLF and RWMHEEF Trust Accounts, which required balance shall not be withdrawn by the HOST BENEFICIARY, it being understood that the fees and charges relative to the maintenance of such trust accounts shall be considered as administrative expenses and shall be deducted from the DLF and RWMHEEF Trust Accounts;
  - 2.3. Prepare and submit to IASCO the AWP as provided in Section 10 of DC2018-08-0021, in print and in electronic copy not later than March 15 of every year, and which shall identify the priority tangible projects to be funded by the DLF and RWMHEEF and which can be implemented within the reference year of the AWP;
  - 2.4. Post the validated AWP in its website and in the absence thereof, in two conspicuous places within its area;
  - 2.5. Secure resolutions from the Sanggunian for the Local Government Unit, or Council for the Region and Indigenous Cultural Communities and Indigenous Peoples, certifying that the list of tangible projects in the AWP is in accordance with their respective Comprehensive Development Plan, Comprehensive Land

Use Plan, Regional Development Plan, Regional Physical Framework Plan, Ancestral Domain Sustainable Development and Protection Plan, and Indigenous People Development Plan, as applicable:

- 2.6. Conduct minimum social preparation activities such as, but not limited to, community consultations and orientations in the preparation of the AWP;
- 2.7. Accept all remittances made by IASCO as deemed certified by the DOE, subject to post-audit rules and regulations, it being agreed that the non-remittance of the Financial Benefits (as defined in DOE DC2018-08-0021) shall not be a ground to withhold or delay the issuance of the necessary permits required for the operation, maintenance, or repair of IASCO's energy-generating facility; and
- 2.8. Issue official receipts to IASCO for each remittance made by IASCO not later than fifteen (15) calendar days after each remittance and provide copies thereof to the DOE.

**Section III. Effectivity of Agreement**

This Agreement shall take effect immediately on the date hereof.

**Section IV. Separability Clause**

If for any reason, any section found herein is declared unconstitutional or invalid, the provisions that are not affected shall remain in full force and effect.

**Section V. Amendments**

This Agreement shall not be amended except upon the written agreement by the parties hereto.

**Section VI. Definitions**

Except as otherwise defined herein, capitalized terms used herein shall have the meaning ascribed to them in DC2018-08-0021.

**Section VII. Counterparts**

This Agreement may be executed separately by the parties in any number of counterparts, all of which taken together constitute one instrument.

IN WITNESS WHEREOF, the parties hereby set their hands this \_\_\_\_\_

**ISABEL ANCILLARY SERVICES CO. LTD.**

By:

  
**KAZUNOBU TAKIJIMA**  
President - IASCO

**PROVINCE OF LEYTE**

By:

  
**Hon. LEOPOLDO DOMINICO L. PETILLA**  
Governor

↙

Witness City

*[Signature]*  
Notary Public

ACKNOWLEDGEMENT

STATE OF CALIFORNIA  
COUNTY OF

FACILIAN CITY

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the following individual who presented to me the foregoing instrument, acknowledged to me and who was to me duly identified by me through competent evidence as follows:

Name Competent Evidence of Identity

1. **MR. TEOPOLDO DOMINICO PETELLA** *Met with the witness. 27th July 2023*

Known to me and to me known to be the same person who executed the foregoing instrument for \_\_\_\_\_, subject of the Sangguniang Pangalangan ng Bayan, and that he has acknowledged to me that the signature on the foregoing instrument was voluntarily affixed by him for the purposes stated in the instrument, and he acknowledged before me that he executed the instrument as his free and lawful act and deed, as well as that of the entity he represents, and that he is duly authorized to execute the same on behalf of the same.

The instrument which consists of five (5) pages, including the page in which the foregoing instrument is written, has been signed by the above party and the instrumental witnesses on the \_\_\_\_\_ page thereof and sealed with my notarial seal.

Witness my hand and seal of office on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Notary Public  
My Comm. Expires \_\_\_\_\_  
My Comm. No. \_\_\_\_\_

*[Signature]*

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)  
TAGUIG CITY ) S.S.

BEFORE ME, a Notary Public for and in TAGUIG CITY, this JAN 20 2023, personally appeared the following individual who presented to me the foregoing integrally complete instrument and who presented to me and was identified by me (through competent evidence of identity):

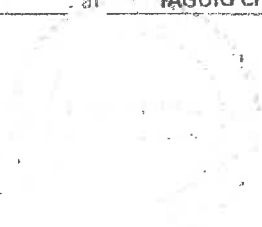
<u>Name</u>	<u>Competent Evidence of Identity</u>
Isabel Ancillary Services Co. Ltd. represented by: <b>KAZUNOBU TAKIJIMA</b>	Passport No. TZ1151683 Issued at Embassy of Japan in the Philippines on September 6, 2016 and valid until Sept. 6, 2026

known to me and to me known to be the same person who executed the foregoing instrument for and in behalf of the entity he represents, and that he has acknowledged to me that his signature on the foregoing instrument was voluntarily affixed by him for the purposes stated in the instrument, and he acknowledged before me that he executed the instrument as his free and voluntary act and deed, as well as that of the entity he represents, and that he is duly authorized to sign, execute, and deliver the same.

This instrument which consists of 6 pages, including this page on which this acknowledgement is written, has been signed by the above party and the instrumental witnesses on each and every page thereof and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this JAN 20 2023 at TAGUIG CITY.

Doc. No. 522 :  
Page No. 156 :  
Book No. X :  
Series of 2023



*Rosalie F. Factor*

**ROSALIE F. FACTOR**  
Notary Public for Taguig City  
Commission No. 47 Until Dec. 31, 2023  
Roll of Act. No. 1815  
PTR No. A-5216799-01/11/22 - Taguig City  
IBP No. 178-05345-01/27/05 - L.R. No. 1-1414  
25/F W/Fifth Avenue Building, 5th Avenue  
Bonifacio Global City, 1634 Taguig City, Philippines