



COMMITTEE REPORT

TO : THE PRESIDING OFFICER

FROM : JOINT-COMMITTEE MEETING OF THE COMMITTEE ON AGRICULTURE, ENVIRONMENT and NATURAL RESOURCES, COMMITTEE ON APPROPRIATIONS AND WAYS & MEANS and COMMITTEE ON TRADE & INDUSTRY, LIVELIHOOD AND LABOR & EMPLOYMENT

SUBJECT : PASSAGE OF A RESOLUTION AUTHORIZING THE LOCAL CHIEF EXECUTIVE TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH JIN NAVITAS SOLARIS INC. FOR THE IMPLEMENTATION OF DEVELOPMENT LIVELIHOOD FUND (DLF) AND THE RESTORATION, WATERSHED MANAGEMENT, HEALTH AND/OR ENVIRONMENT ENHANCEMENT FUND (RWMHEEF)

The Committee discussed the proposed Memorandum of Agreement (MOA) between the Local Government Unit (LGU) of Naic and Jin Navitas Solaris Inc. (SOLARIS) regarding the Naic Solar Rooftop Power Facility Project located at Pasinaya Homes, Barangay Sabang, Naic, Cavite.

During the meeting, it was explained that the proposed MOA follows the guidelines issued by the Department of Energy (DOE) under Energy Regulation No. 1-94 (ER 1-94), which grants financial benefits from power generation projects to Host Local Government Units (LGUs). As part of the program, a formal agreement between the host LGU and the power generation company is required.

The Committee was informed that the DOE issued a new circular in October 2025 containing additional provisions for project implementation. It was explained that some host beneficiaries experienced difficulties in opening trust accounts. To address this concern, the DOE coordinated with the Land Bank of the Philippines to simplify the process. The previous requirement for an initial maintaining balance of ₱10,000.00 or ₱20,000.00 was also removed.

The Committee likewise noted that the share of Host LGUs under ER 1-94 was increased from One Centavo (₱0.01) to Three Centavos (₱0.03) per kilowatt-hour (kWh) of electricity sold by the generation company within its service area.

It was clarified that the funds to be received by the Municipality from Jin Navitas Solaris Inc. shall not form part of the Municipality's regular income. Instead, the funds shall be treated as a donation or grant and deposited into a trust fund account. These funds may only be used for their intended purposes. The Development and Livelihood Fund (DLF) shall support livelihood and community development projects, while the Reforestation, Watershed Management, Health and Environment Enhancement Fund (RWMHEEF) shall support environmental and health-related programs. The company shall remit these funds on a quarterly basis.

The Committee was informed that the DLF and RWMHEEF shall be distributed as follows:

- Community and People Affected – 5%
- Host Barangay – 20%
- Host Municipality – 35%
- Host Province – 30%
- Host Indigenous Cultural Communities (ICC) – 5%
- Host Region – 5%

The representative of Jin Navitas Solaris Inc. also informed the Committee that additional solar projects are planned in Barangays Labac and Muzon and will begin once all required permits and clearances have been secured. It was also reported that approximately 1,986 housing units in Pasinaya Homes already have solar installations, while the planned facilities in Barangays Muzon and Labac are expected to be about three times larger.



The Committee further noted that each Host Barangay must open its own trust account since its share of the funds will be directly deposited to the barangay. The Host Barangay shall determine the projects to be funded from its allocation. Likewise, the share for the Community and People Affected shall be managed through the Homeowners Association (HOA), which must also open a trust account and submit project proposals based on the projects allowed by the DOE.

During the discussion, it was proposed that the provision of the MOA concerning the opening of a trust fund account with Land Bank be revised by replacing the term "Province of Cavite" with "Municipality of Naic" to clearly identify the proper beneficiary of the funds.

It was likewise proposed that the Municipality of Naic maintain only one trust fund account, instead of opening separate accounts for each project, subject to existing accounting and financial rules. This proposal was accepted by the representative of Jin Navitas Solaris Inc., provided that if an existing trust fund account is already available, the same may be used with a separate ledger maintained for the project.

The Committee also discussed the need for the Sangguniang Bayan to pass a Resolution authorizing the opening or use of a trust fund account of the Municipal Government of Naic as the host beneficiary of funds under ER 1-94. This is intended to ensure the proper, transparent, and accountable management of the funds and their use for projects that will benefit the affected communities and the people of Naic.

The representative of Jin Navitas Solaris Inc. further suggested that, under the new DOE Circular, compliance may be made through either a Memorandum of Agreement or a Resolution. However, the Committee clarified that when a Local Government Unit enters into an agreement with a private company, a Memorandum of Agreement is necessary, while the Sangguniang Bayan shall pass a Resolution approving the same.

The Committee further suggested that the proposed resolution should identify the projects to be funded, consistent with the projects allowed under Section 10 of Department Circular No. DC2025-10-0023 for both the Development and Livelihood Fund (DLF) and the Reforestation, Watershed Management, Health and Environment Enhancement Fund (RWMHEEF).

Finally, the Committee recommended that Jin Navitas Solaris Inc. submit a revised Memorandum of Agreement to address and clarify the provisions discussed during the meeting and to ensure that all terms, conditions, and responsibilities of the parties are in accordance with existing laws and the best interests of the Municipal Government of Naic before the agreement is presented to the Sangguniang Bayan for approval.

Committee on Agriculture, Environment and Natural Resources:


Hon. Glenn I. Pegollo
Chairperson

Committee on Appropriations and Ways & Means:


Hon. Cesar Ryan G. Nazareno
Chairperson