

Republic of the Philippines
Bangsamoro Autonomous Region in Muslim Mindanao
BANGSAMORO TRANSITION AUTHORITY 2
Cotabato City

Second Regular Session

BTA PARLIAMENT
BTA Resolution No. 355

Bangsamoro Autonomous Region in Muslim Mindanao
Parliament
BILLS AND INDEX DIVISION
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RESOLUTION
DIRECTING THE MINISTRY OF ENVIRONMENT, NATURAL RESOURCES AND ENERGY (MENRE) TO APPRISE THE BANGSAMORO TRANSITION AUTHORITY (BTA) PARLIAMENT OF THE CIRCULAR OF THE INTERGOVERNMENTAL ENERGY BOARD (IEB) ON THE JOINT AWARD OF PETROLEUM SERVICE CONTRACTS (PSCs) AND COAL OPERATING CONTRACTS (COCs)

WHEREAS, Section 2, Article IV of Republic Act No. 11054, or the Bangsamoro Organic Law (BOL), provides that in the exercise of its right to self-governance, the Bangsamoro Autonomous Region is free to pursue its political, economic, social and cultural development as provided for in the Organic Law;

WHEREAS, Section 3, Article V of the BOL provides that the Bangsamoro Government shall exercise the power expressly granted, those necessarily implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance and those which are **essential to the promotion of general welfare**. Within its territorial jurisdiction, the Bangsamoro Government shall ensure and support, among other things, the preservation and enrichment of culture, promote health and safety, enhance the right of the people to a balanced ecology, encourage and support the development of appropriate and self-reliant scientific and technological capabilities, improve public morals, enhance economic prosperity and social justice, promote full employment among its residents, maintain peace and order, and preserve the comfort and convenience of its inhabitants;

WHEREAS, Section 10, Article XIII of the BOL states that subject to the provisions of the Constitution and national laws, the Bangsamoro Government and the National Government shall **jointly exercise the power to grant rights, privileges, and concessions over the exploration, development, and utilization of uranium and fossil fuels such as petroleum, natural gas, and coal in the territorial jurisdiction of the Bangsamoro**. The use of the renewable energy shall be promoted for power generation to achieve the sustainable development goals and promote low carbon energy generation policies as provided in Section 2 of this Article.

The National Government, through the Department of Energy (DOE), and the Bangsamoro Government shall adopt a competitive and transparent process for the grant of rights, privileges, and concessions in the exploration, development, and utilization of fossil fuels and uranium.

The Department of Energy and the Bangsamoro Government shall identify and select prospective contract areas to be offered for exploration and development. Qualified Filipino citizens who are *bona fide* residents of the Bangsamoro Autonomous Region shall be given a rating higher than other proponents during the evaluation process. The award of service contract shall be made jointly by the Department of Energy and the Bangsamoro Government;

WHEREAS, the national government aims to boost the energy sector of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), with the signing of a circular by the Department of Energy that set the standards for petroleum and coal operations in the region¹;

WHEREAS, on July 06, 2023, the DOE and the Ministry of Environment, Natural Resources, and Energy (MENRE) of the BARMM signed the Intergovernmental Energy Board (IEB) Circular on the Joint Award of Petroleum Service Contracts (PSCs) and Coal Operating Contracts (COCs) in the BARMM at the Malacañang Palace²;

WHEREAS, the IEB circular operationalizes the above-mentioned provision of the BOL, specifically Section 10, Article XIII of the BOL;

WHEREAS, the circular aims to facilitate the growth of the energy sector and attract foreign investments in the region, while also targeting to kickstart the application process for PSCs and COCs in the BARMM once implemented;

WHEREAS, the circular also outlines the requisite requirements, procedures, and standards for companies seeking to apply for and operate PSCs and COCs,

¹ <https://businessinquirer.net/409050/govt-moves-to-boost-bangsamoros-energy-sector/#:~:text=to%20grant%20rights%20privileges%20and%20concessions%20over%20the%20exploration%20development%20and%20utilization%20of%20uranium%20and%20fossil%20fuels%20such%20as%20petroleum%20natural%20gas%20and%20coal%20in%20the%20territorial%20jurisdiction%20of%20the%20Bangsamoro>

² <https://www.doe.gov.ph/press-releases/doe-menre-sign-circular-joint-award-petroleum-service-contracts-and-coal-operating/#:~:text=to%20grant%20rights%20privileges%20and%20concessions%20over%20the%20exploration%20development%20and%20utilization%20of%20uranium%20and%20fossil%20fuels%20such%20as%20petroleum%20natural%20gas%20and%20coal%20in%20the%20territorial%20jurisdiction%20of%20the%20Bangsamoro>

alongside ensuring that exploration and development activities will adhere to stringent rules and regulations, and best practices³;

WHEREAS, under the said circular, a local or foreign company authorized to engage in petroleum exploration and development may apply for PSCs. For coal contracts, however, an applicant must be a corporation or partnership with at least 60 percent Filipino-owned capital and registered with the Securities and Exchange Commission⁴;

WHEREAS, an applicant may nominate an area of interest for exploration and development “at any given time” and then once the nominated areas are published, the interested companies may submit their application to the MENRE for approval⁵;

WHEREAS, DOE Secretary Raphael Lotilla said that Mindanao had “vast, untapped energy potential, owing to the 800-megawatt excess power capacity that it could lend to the Visayas and Luzon”⁶;

WHEREAS, he also noted that by “leveraging Mindanao’s energy resources, the island group would be able to generate employment opportunities and foster sustainable development, and ultimately improve the quality of life of its residents”⁷;

WHEREAS, this circular is an important milestone in the journey of the sustained progress of the Bangsamoro Region. It does not only advance the energy security of the region, but it is also beneficial to its growing economy;

WHEREAS, the BTA as the interim government of the Bangsamoro government, have the authority to enact laws on matters that are within the powers and competencies of the Bangsamoro Government, by virtue of Section 3, Article VII of the BOL; and

WHEREAS, it is necessary for the MENRE to apprise the BTA on the IEB Circular in order for the Parliament to be fully informed of the said circular, which can be of reference in crafting legislations that are more responsive to the needs of the Bangsamoro people.

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the BTA Parliament, to pass and approve this Resolution Directing the Ministry of Environment, Natural Resources and Energy (MENRE) to Apprise the Bangsamoro Transition Authority (BTA) Parliament of the Circular of the Intergovernmental Energy Board Circular on the Joint Award of Petroleum Service Contracts (PSCs) and Coal Operating Contracts.

³ <https://bangsamoro.gov.ph/news/latest-news/national-govt-barmm-sign-circular-for-joint-award-of-energy-contracts-in-bangsamoro-region>

⁴ See Footnote 1.

⁵ *Ibid.*

⁶ *Ibid.*

⁷ *Ibid.*

RESOLVED FURTHER that a copy of this Resolution be furnished to the Ministry of Environment, Natural Resources and Energy, for information and appropriate action.

Adopted,


ENGR. BAIN TAN ADIL-AMPATUAN, MNSA
Author