

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO DEVELOP
AND OWN DEDICATED
POINT-TO-POINT LIMITED
TRANSMISSION FACILITIES
TO CONNECT THE TANAUAN
SOLAR POWER PLANT TO
THE MERALCO CIP 2
SUBSTATION WITH PRAYER
FOR CONFIDENTIAL
TREATMENT OF
INFORMATION

ERC CASE NO. 2019-032 MC

SOLAR PHILIPPINES
TANAUAN CORPORATION
(SPTANC),

Applicant.

FEB 19 2020

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NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 27 December 2019, Solar Philippines Tanauan Corporation (SPTANC) filed an *Application* dated 18 December 2019 (Application), seeking the Commission's approval of its authority to develop and own dedicated point-to-point limited transmission facilities to connect the Tanauan Solar Power Plant to the MERALCO CIP 2, with prayer for confidential treatment of information.

In the said *Application*, SPTANC alleged the following, among others:

1. Applicant SPTanC is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at 2/F LPL Towers, 112 Legaspi Street, Makati City, Metro Manila. It may be served with notices and other processes of

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this Honorable Commission through undersigned counsel at its address indicated below. Copies of SPTanC's Certificate of Incorporation, Articles of Incorporation, Bylaws and latest General Information Sheet as filed with the Securities and Exchange Commission are attached hereto as **Annexes "A", "B", "C" and "D"**, respectively. SPTanC has been authorized to apply for the approval of its Point-to-Point Transmission Facilities with the Honorable Commission, as evidenced by the Secretary's Certificate attached hereto as **Annex "E."**;

2. SPTanC has undertaken to construct and own a 100 MWac Solar Power Plant located in Barangays Malaking Pulo and Santol, Municipality of Tanauan, Province of Batangas ("Tanauan Power Plant") together with associated ancillary and auxiliary equipment, switchyards and transformers (collectively, the "Project");
3. SPTanC proposes to connect the Tanauan Power Plant to bus-in scheme to MERALCO's CIP2-CPIIP 115-kV line through the construction and operation of 4.48-km long 115-kV Single Circuit, Single Conductor transmission lines (the "Transmission Lines"). Said Transmission Lines will terminate at a constructed 115KV switching station (to be called CTSPP Switching Station) located in Calamba, Laguna. This station serves to accommodate the said lines that will cut-in to MERALCO's CIP2-CPIIP 115 kV line. The Transmission Lines are more particularly described in the Project Description attached as **Annex "F"**;

STATEMENT OF FACTS

4. According to the Philippine Energy Plan 2016-2030,¹ promoting energy access is the energy sector's contribution to poverty alleviation and people empowerment. In line with this vision, the Electrification Roadmap aims to ensure 100 percent household access to electricity services by 2020, thus empowering local communities and boosting countryside economic activities;
5. However, a major hindrance in achieving full electrification, especially in provincial areas in Luzon, is the increasingly high demand and low supply of electricity. In an article published by BusinessMirror, the National Grid Corporation of the Philippines ("NGCP") observed that consumer demand for power is expected to hit an all-time high this year and that the demand for power has been increasing year-on-year, with Department of Energy's forecast breaching 11,000 MW;²
6. In an article published by BusinessWorld, it was reported that the Luzon grid has had episodes of "yellow" alerts since March due to high electricity demand outstripping supply as well as unscheduled outages of power plants. Thinning reserves reached a low when NGCP declared on April 10, 2019 its first "red" alert notice as power demand in Luzon outstripped reserves following unscheduled

¹ Available at https://www.doe.gov.ph/sites/default/files/pdf/pep/2016-2030_pep.pdf;

² Elijah Rosales, *Electricity demand to reach all-time high this year – NGCP*, BUSINESSMIRROR, available at <https://businessmirror.com.ph/2019/03/28/electricity-demand-to-reach-all-time-high-this-year-ngcp/>;

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outages. Based on NGCP notices, there were seven (7) yellow alerts and seven (7) red alerts in April alone. In May, there were thirteen (13) yellow alerts and two (2) red alerts, which far outstripped the number of yellow alerts in the previous years;³

7. In view of the foregoing, and in order to ensure unhampered supply of electricity, particularly in Luzon, SPTanC has undertaken to construct and own the Transmission Lines which will connect its Tanauan Power Plant by a bus-in scheme to MERALCO's CIP 2 115kV line. In choosing the path for the Transmission Line, SPTanC has determined only one possible connection, as shown in the proposed Transmission Line Route, attached hereto as **Annex "G"**;
8. The Tanauan Power Plant was included in MERALCO's 2019-2028 Distribution Development Plan which was provided to the DOE last 01 April 2019. Copies of the MERALCO Certification and DOE Certificate of Registration are attached hereto as **Annexes "H" to "H-1"**;
9. In connection with the construction of the Transmission Lines, SPTanC commissioned MERALCO to conduct a Distribution Impact Study (DIS) and Distribution Asset Study (DAS) to determine the technical feasibility of connecting the Tanauan Power Plant to MERALCO's CIP2-CPIP 115kV line by a bus-in scheme. The DIS and DAS are attached hereto as **Annexes "I" and "J"**, respectively;
10. SPTanC intends to engage its affiliate, Solar Philippines Commercial Rooftop Projects, Inc. ("SPCRPI"), in undertaking the Engineering, Procurement and Construction (EPC) works for the Project. A copy of SPTanC's EPC Certification and Company Profile are attached hereto as **Annexes "K" and "L"**, respectively;
11. The Department of Environment and Natural Resources has issued an Environmental Compliance Certificate (ECC) with Reference Code No. ECC-R4A-1802-0027 for the Tanauan Power Plant, which is currently under construction and is expected to be completed on or before March 2020, a copy of which is attached hereto as **Annex "M"**;
12. In further support of this Application, SPTanC submits the following:

Document	Annex
Detailed Single Line Diagram	"N"
Projected Financial & Economic Cost Analysis	"O-Reserved"
Conceptual Engineering design and drawings	"P" to "P-32"
Project cost estimates*	"Q"
Demand Supply Scenario	"R" to "R-1"
Gantt chart schedule	"S"

³ Mark Amoguis. *Power Underwhelming: Why are there power outages?*, BUSINESSWORLD, available at <https://www.bworldonline.com/power-underwhelming-why-are-there-power-outages/>.

Connection agreement	"T-Reserved"
Write-up on Non-Applicability of Technical Documents	"U"
Audited Financial Statements	"V"
Judicial Affidavit of Raffy Feliciano	"W"

**Subject of a Motion for Confidential Treatment of Information*

MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

13. With respect to the document marked and attached as **Annex "Q"** (Project Cost Estimates), SPTanC respectfully moves that it be treated as confidential and not be disclosed to any party for the reason that it contains information which are commercially sensitive in nature. This document pertains to sensitive information regarding SPTanC's pricing strategies and project cost breakdown, which, if disclosed to the public, might adversely affect SPTanC's competitiveness in future projects; and
14. Under *Rule 4 of the ERC Rules of Practice and Procedure*, the Honorable Commission may, upon request of a party and determination of the existence of conditions, which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such provision, SPTanC respectfully prays for the issuance of a protective order declaring **Annex "Q"** as confidential information, since SPTanC intends to present the same as evidence in the instant Application. SPTanC hereby submits one (1) copy of said confidential document in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential".

PRAYER

WHEREFORE, premises considered, it is respectfully prayed that the Honorable Commission:

- (i) **DECLARE Annex "Q"** as Confidential Information within the purview of *Rule 4 of the ERC Rules of Practice and Procedure* and **ISSUE** a protective order therefor; and
- (ii) after hearing on the merits, render a Decision **APPROVING** the Application.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **26 March 2020 (Thursday) at two o'clock in the afternoon (2:00 P.M.), at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC

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Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rests its case, subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

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WITNESS, the Honorable Chairperson and CEO **AGNES VST DEVANADERA**, and the Honorable Commissioners **CATHERINE P. MACEDA**, **ALEXIS M. LUMBATAN** and **PAUL CHRISTIAN M. CERVANTES**, Energy Regulatory Commission, this 12th day of February 2020 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal


LS: EPP/MCC/MCCG