

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 NAIC
SOLAR POWER PLANT TO
THE MERALCO TMC 2
SUBSTATION, WITH PRAYER
FOR CONFIDENTIAL
TREATMENT OF
INFORMATION**

ERC CASE NO. 2020-003 MC

**SOLAR PHILIPPINES
TANAUAN CORPORATION
(SPTANC),**

Applicant.

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Promulgated:
August 26, 2020

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 06 February 2020, Solar Philippines Tanauan Corporation (SPTANC) filed an *Application* dated 05 February 2020 (Application), seeking the Commission's approval of its authority to develop and own dedicated point-to-point limited transmission facilities to connect the Naic Solar Power Plant to the MERALCO TMC 2 Substation, with prayer for confidential treatment of information.

The pertinent provisions of the said *Application* are hereunder quoted as follows:

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 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 Distribution 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 140 MWac Solar Power Plant located in Barangays Pantihan II and III, Municipality of Maragondon, Province of Cavite ("Naic Solar Power Plant") together with associated ancillary and auxiliary equipment, switchyards and transformers (collectively, the "Project");
3. SPTanC proposes to connect the Naic Power Plant to MERALCO's TMC 2 115-kV Substation through the construction and operation of a 115-kV Single Circuit, Single Conductor transmission line (the "Transmission Line"). Said Transmission Line will terminate at MERALCO's TMC 2 Substation located in Tanauan, Cavite and is 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 outages. Based on NGCP notices, there were seven (7) yellow alerts and seven (7) red alerts in April alone. In May, there were thirteen

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/>;

(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 Line which will connect its Naic Power Plant to MERALCO's TMC 2 Substation. In choosing the path for the Transmission Line, SPTanC considered two (2) interconnection options, as shown in the proposed Transmission Line Route, attached hereto as **Annex "G"**:

7.1. Option 1: Passing through 54 lots and covering a distance of 7.47 km, subject to negotiation with landowners;

7.2. Option 2: Passing through 80 lots and covering a distance of 9.57 km, subject to negotiation with landowners.

8. The Naic Power Plant was included in MERALCO's 2019-2028 Distribution Development Plan which was provided to the DOE last 01 April 2019. A copy of MERALCO's Certification is attached hereto as **Annex "H"**;
9. In connection with the construction of the Transmission Line, SPTanC commissioned MERALCO to conduct a Distribution Impact Study (DIS) and Distribution Asset Study (DAS) to determine the technical feasibility of connecting the Naic Power Plant to MERALCO's TMC 2 115-kV Substation. 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 DENR has issued an Environmental Compliance Certificate (ECC) with Reference Code No. ECC-R4A-1803-0063 for the Naic Power Plant, which is currently under construction, 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 Cost Analysis	"O-Reserved"
Conceptual Engineering design and drawings	"P" to "P-3"
Project Cost Estimates*	"Q"
Demand Supply Scenario	"R" to "R-1"
Gantt chart schedule	"S"
Connection agreement	"T-Reserved"

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

Write-up on Non-Applicability of Technical Documents	“U”
Audited Financial Statements	“V”
DOE Certificate of Registration	“W”
Deed of Assignment	“X”
Operating Contract between the Plant and DOE (Service Contract)	“Y-Reserved”
Judicial Affidavit of Raffy Feliciano	“Z”

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

ALLEGATIONS IN SUPPORT OF THE 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.

In the *Order* dated 03 July 2020, the Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on 16 September 2020 at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.

However, due to the continuous threat to public health and safety brought about by the coronavirus disease 2019 (COVID-19), the Commission deemed it necessary to conduct all previously scheduled physical hearings through virtual hearings.

IN VIEW OF THE FOREGOING, the Commission hereby cancels the physical hearing scheduled on 16 September 2020 and shall convene the virtual hearing through video conferencing, subject to certain limitations as set forth herein.

ACCORDINGLY, the Commission hereby sets anew the instant *Application* for the determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on **16 September 2020 (Wednesday) at nine o'clock in the morning (09:00 A.M.)** through a virtual hearing using the **Zoom Application** as the online platform for the conduct thereof.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com, a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail 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.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and 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, mailing address, and e-mail 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 virtual hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, through any of the available modes of service, upon their agreement, 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. In the alternative, those persons who wish to have an electronic copy of the *Application* may request the Commission for the e-mail address of the Applicant by sending an e-mail to records@erc.gov.ph and records.erc.gov.ph@gmail.com, copy furnish the Legal Service through legal.erc.gov.ph@gmail.com. Nonetheless, any person may also access the *Application* as posted by the Commission in its official website at www.erc.gov.ph.

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Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru legal.virtualhearings.erc.gov.ph@gmail.com, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 18th day of August 2020 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO