

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO DEVELOP,
OWN AND/OR OPERATE
DEDICATED POINT-TO-
POINT LIMITED
TRANSMISSION FACILITIES
TO CONNECT THE 57.8 MW_{AC}
OF THE LAOAG SOLAR
POWER PROJECT VIA 230
KV CAYANGA SUBSTATION,
WITH PRAYER FOR
PROVISIONAL AUTHORITY
OR INTERIM RELIEF AND
CONFIDENTIAL
TREATMENT OF
INFORMATION**

ERC CASE NO. 2023-008 MC

PV SINAG POWER, INC.,

Applicant.

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Promulgated:
April 12, 2023

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 30 March 2023, PV Sinag Power, Inc. (PV Sinag) filed an *Application* dated 17 March 2023, seeking the Commission's approval of its authority to develop, own and/or operate dedicated point-to-point limited transmission facilities to connect the 57.8 MW_{AC} of the Laoag Solar Power Project via 230 kV Cayanga Substation, with prayer for provisional authority or interim relief and confidential treatment of information.

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

THE APPLICANT

1. PV Sinag is a company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with

its principal office address at NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. It may be served with orders, notices, and other processes of this Honorable Commission through the undersigned counsel.

NATURE OF THE APPLICATION

2. The instant Application is being filed pursuant to Section 9 of the Electric Power Industry Reform Act of 2001 (“EPIRA”), which states that:

“ . . . A generation company may develop and own or operate dedicated point-to-point limited transmission line facilities that are consistent with the TDP; Provided, That such facilities are required only for the purpose of connecting to the transmission system, and are used solely for the purpose of connecting to the transmission system, and are used solely by the generating facilities, subject to prior authorization by the ERC. . . ”

3. This Application is similarly being filed pursuant to Section 5 (a) of the Implementing Rules and Regulations of the EPIRA, which states that:

“Section 5. Dedicated Point-to-Point Limited Transmission Facility of a Generation Company. (a) Subject to prior authorization from ERC, TRANSCO, or its Buyer or Concessionaire may allow a Generation Company to develop, own and/or operate dedicated point-to-point limited transmission facilities: Provided, That:

- 1) Such dedicated point-to-point limited transmission facilities are required only for the purpose of connecting to the Grid which will be used solely by the Generation Facility, and are not used to serve End-users or Suppliers directly;
 - 2) The facilities are included and consistent with the TDP as certified by TRANSCO or its Buyer or Concessionaire; and
 - 3) Any other documents that may be required by the ERC.
4. PV Sinag is proposing to develop, own, and/or operate interconnection facilities (“Dedicated Facility Project”) to connect the proposed 57.8 MW_{AC} of the Laoag Solar Power Project (“Laoag SPP”) to the Luzon Grid via the 230kV Cayanga substation. The Laoag SPP is composed of Phases 1 and 2, with capacities of 57.8 MW_{AC} and 71.40 MW_{AC}, respectively, and is located in Barangay Laoag, Municipality of Aguilar, Province of Pangasinan.

STATEMENT OF FACTS

5. PV Sinag is duly registered to carry on the business of owning, developing, constructing, operating, repairing, and maintaining solar power plant systems, renewable and indigenous power generation plants, and other types of power generation and/or converting stations.
6. To connect the Laoag SPP to the Luzon Grid, PV Sinag shall develop and construct the Dedicated Facility Project, a dedicated point-to-point limited connection facility to be used solely by the Laoag SPP for its dispatch and connection to the Cayanga 230 kV substation. Said facilities are necessary to test, commission, and dispatch the capacity of the Laoag SPP and shall be exclusively utilized by PV Sinag.
7. The Laoag SPP will be connected through a 14 km 230 kV transmission line and will utilize a double-circuit single-conductor 795 MCM ACSR to connect to the 230 kV Cayanga Substation.
8. To dispatch electricity from the Laoag SPP, the Dedicated Facility Project shall directly connect to the 230 kV Cayanga Substation through a 14 km double circuit 230 kV transmission line. The direct connection facility to the Cayanga Substation will allow the evacuation of power from the Laoag SPP to the Luzon Grid. PV Sinag studied alternative options and found that such a direct connection is the best viable option to connect the Laoag SPP project to the Luzon Grid.
9. The estimated construction cost of the Dedicated Facility Project is PhP 620,453,644.67, with the following components:

| | |
|---|-----------------------|
| Substation Cost | Amount (PHP) |
| 1. Owner Procured Equipment | 62,431,881.00 |
| 2. Supply of Substation (Breaker-and-a-Half Layout) | 102,968,104.64 |
| 3. Installation Works (including owner-supplied equipment) | 60,633,130.59 |
| 4. Civil Works | 36,300,117.65 |
| Total Substation Cost | 262,333,233.88 |
| 1. Preliminaries | 33,877,746.11 |
| 2. Supply of Transmission Line (Double Circuit with 1-795 ACSR per circuit) | 194,283,822.53 |
| 3. Installation of Transmission Line | 41,537,795.16 |
| 4. Civil Works | 82,892,415.49 |
| 5. Slope Protection Works | 5,528,631.50 |
| Total Transmission Line Cost | 358,120,410.79 |
| TOTAL ESTIMATED COST | 620,453,644.67 |

The final estimated cost will depend on the Engineering Procurement and Construction (EPC) contractor that will be engaged by PV Sinag.

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10. Based on the System Impact Study (“SIS”) and SIS Review Report prepared by NGCP to determine the technical feasibility of the Dedicated Facility Project and the impact of connecting the Laoag SPP to the Luzon Grid, the connection of the Laoag SPP to the Luzon Grid was found to be technically feasible, subject to conditions.
11. PV Sinag also engaged MN Electro Industrial Supply & Services, Inc. to conduct the Interconnection Facilities Study (“Facilities Study”) to ensure that the equipment to be installed will satisfy the recommendation of the SIS and that the Dedicated Facility Project complies with the provisions of the Philippine Grid Code
12. PV Sinag and NGCP are currently in the process of finalizing the terms of their Connection Agreement for the interconnection of the Laoag SPP to the Luzon Grid through the Dedicated Facility Project.
13. The Laoag SPP has been considered in NGCP’s Transmission Development Plan (TDP). In a Certification dated 2 August 2022, NGCP has confirmed that the Laoag SPP will be included in the formulation of the succeeding TDP update following its classification as an Indicative Private Sector Initiated Power Project as indicated in the DOE List of 2022 Private Sector Initiated Power Projects in Luzon as of 30 June 2022.
14. Upon completion of the Dedicated Facility Project and the commercial operation of the Laoag SPP, PV Sinag intends to operate and maintain the Dedicated Facility Project.
15. As of date, PV Sinag has secured or is in the process of securing the necessary permits, licenses, and authority from the appropriate regulatory agencies for the Dedicated Facility Project.
16. The following documents herewith submitted in support of the instant Application:

| Annex | Documents |
|-------|---|
| *A | Laoag SPP Point to Point Application Project Description (Laoag Solar Power Project) (Confidential) |
| B | NGCP Certification dated 2 August 2022 Re: Transmission Development Plan |
| *C | System Impact Study dated February 2022 (Confidential) |
| *C-1 | System Impact Study Final Review Report dated 3 March 2022 (Confidential) |
| *D | Facilities Study dated May 2022 (Confidential) |
| *D-1 | Facilities Study Report dated 23 June 2022 (Confidential) |
| *E | Single Line Diagram (Confidential) |

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| | |
|-----|--|
| *F | Conceptual Engineering Design and Drawings (Confidential) |
| *G | Point to Point Relevant Dates (Confidential) |
| H | Demand-Supply Scenario (Power Development Plan 2020-2040) |
| I | Certification from NGCP (Re: Connection Agreement) |
| J | Secretary Certificate dated 30 June 2022 |
| K | Sworn Statement dated 24 January 2023 |
| L | DENR Environmental Compliance Certificate ECC-OL-R01-2021-0342 |
| M | DOE Certificate of Registration and Confirmation of Amendment |
| N | Solar Energy Operating Contract |
| O | DOE Certificate of Endorsement DOE-EPIMB-ERC-P2P No. 2022-07-012 |
| P | PV Sinag's Amended Articles of Incorporation |
| P-1 | PV Sinag's Amended By-Laws |
| P-2 | PV Sinag's General Information Sheet |
| Q | Affidavit of Compliance with PGC and PDC |
| R | Qualified Contractor's Profiles |
| S | Judicial Affidavit of Mr. Nestor Caslatan |

*With Motion for Confidential Treatment of Information

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
PROVISIONAL AUTHORITY**

17. Section 2 (a) of the Renewable Energy Act of 2008 ("RE Act") mandates that it is the policy of the State to "accelerate the exploration and development of renewable energy resource such as, but not limited to, biomass, solar, wind, hydro, geothermal and ocean energy sources, including hybrid systems, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy".
18. Further, the RE Act mandates that intermittent renewable energy resources, such as solar power plant, shall enjoy the benefit of priority dispatch.
19. PV Sinag's construction of the Laoag SPP is in furtherance of the RE Act. In order to fulfill such a mandate, permits must be secured, and construction and commissioning must be accomplished immediately.
20. PV Sinag needs to immediately test, commission, and dispatch the Laoag SPP upon its completion. This is in order to avoid unnecessary delays which can lead to opportunity

costs and contribute to the rising demand growth. Thus, it is necessary for the Laoag SPP to be connected to the grid, through the Dedicated Facility Project, at the soonest possible opportunity.

A copy of the Affidavit executed by PV Sinag's authorized representative in support of the prayer for issuance of provisional authority is hereto attached and made an integral part hereof as Annex "S".

21. Considering the foregoing, PV Sinag submits that there is clear and sufficient basis for the issuance of a provisional authority for the development, ownership and operation of the Dedicated Facility Project by PV Sinag to connect the Laoag SPP to the Luzon Grid, pending the Honorable Commission's issuance of a final decision on the instant Application.

ALLEGATIONS IN SUPPORT OF THE CONFIDENTIAL
TREATMENT OF INFORMATION

17. (*sic*) Under Rule 4 of the Honorable Commission's Rules of Practice and Procedure, a party to any proceeding before the Honorable Commission may request that certain information not be disclosed and be treated as confidential. In this regard, PV Sinag prays for the confidential treatment of Annexes "A, C, C-1, D, D-1, E, F, G" and the information contained therein and to not disclose the same except to the officers and staff of the Honorable Commission.
18. PV Sinag respectfully manifests that Annexes "A, C, C-1, D, D-1, E, F, G" of the instant Application contain valuable, non-public information, and data and insight, and should be treated as confidential. These confidential documents contain privileged and sensitive information, if unduly disclosed, will seriously prejudice PV Sinag's competitiveness. It is therefore submitted that Annexes Annexes "A, C, C-1, D, D-1, E, F, G" fall within the bounds of proprietary trade secrets which are confidential and are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.
19. Considering that PV Sinag has actual and valuable proprietary interest to protect with respect to such information, Annexes "A, C, C-1, D, D-1, E, F, G" fall within the bounds of "trade secrets", which are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.
20. In the case of Air Philippines Corporation vs. Pennswell, Inc.,¹ the Supreme Court defined "trade secrets" and explained as follows:

"A trade secret is defined as a plan or process, tool, mechanism or compound known only to its

¹ 564 Phil. 774 (2007), G.R. No. 172835

owner and those of his employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having a commercial value. A trade secret may consist of any **formula, pattern, device, or compilation of information that: (1) is used in one's business; and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information.** Generally, a trade secret is a process or device intended for continuous use in the operation of the business, for example, a machine or formula, but can be a price list or catalogue or specialized customer list. **It is indubitable that trade secrets constitute proprietary rights.**" (Emphasis supplied.)

21. Clearly, the Honorable Commission recognizes the importance of treating trade secrets as confidential in order to ensure the competitiveness of the generation sector. The information in Annexes "A, C, C-1, D, D-1, E, F, G" therefore falls within the definition of a trade secret as defined by jurisprudence, merits the confidential treatment provided for under Rule 4 of the ERC Rules of Practice and Procedure.
22. In view of the foregoing, PV Sinag respectfully requests that the documents attached as Annexes "A, C, C-1, D, D-1, E, F, G" be marked and treated as confidential and privileged, and not be disclosed to persons other than the necessary officers and staff of this Honorable Commission.
23. Accordingly, PV Sinag respectfully submits the instant Application for the Honorable Commission's urgent and utmost consideration.

PRAYER

WHEREFORE, premises considered, Applicant PV SINAG POWER, INC. ("PV Sinag") respectfully prays that the Honorable Commission:

1. Issue an Order granting provisional authority for the implementation of the development, ownership and operation of the Dedicated Facility Project by PV Sinag to connect the Laoag SPP to the Luzon Grid;
2. Issue an Order treating Annexes "A, C, C-1, D, D-1, E, F, G" and the information contained therein as confidential information within the purview of Rule 4 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof; and

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3. After hearing on the merits, a Decision be rendered approving the instant Application.

Other just and equitable relief are likewise prayed for.

The Commission sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020² and Resolution No. 01, Series of 2021³ (ERC Revised Rules of Practice and Procedure):

| Date | Platform | Activity |
|---|--|--|
| 30 May 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M) | Microsoft Teams or Zoom Application | Determination of compliance with jurisdictional requirements and expository presentation |
| 06 June 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M) | | Pre-Trial Conference and Presentation of Evidence |

Any interested stakeholder may submit its **comments and/or clarifications** at least one (1) calendar day prior to the scheduled initial virtual hearing, via electronic mail (e-mail) at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph. 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, any 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 docket@erc.ph, and copy furnishing the Legal Service through legal@erc.ph, a verified **Petition to Intervene** at least five (5) calendar days prior to the date of the initial virtual hearing. The verified **Petition to Intervene** must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state the following:

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

² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

- 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 file through e-mail at doctet@erc.ph, and copy furnish the Legal Service through legal@erc.ph, their **Opposition or Comment** thereon at least five (5) calendar days prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. 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 interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru legal.virtualhearings@erc.ph, 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 hearings.

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WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 12th day of April 2023 in Pasig City.

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MONALISA C. DIMALANTA
Chairperson and CEO *M*

JAM LSP MCG
LS: JAM/LSP/MCCG

