

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR APPROVAL  
OF THE ANCILLARY SERVICES  
PROCUREMENT AGREEMENT  
BETWEEN THE NATIONAL  
GRID CORPORATION OF THE  
PHILIPPINES AND CEBU  
PRIVATE POWER  
CORPORATION, WITH PRAYER  
FOR THE ISSUANCE OF  
PROVISIONAL AUTHORITY**

**ERC CASE NO. 2023-057 RC**

**NATIONAL GRID  
CORPORATION OF THE  
PHILIPPINES AND CEBU  
PRIVATE POWER  
CORPORATION,**

*Applicants.*

X-----X

**Promulgated:**  
June 16, 2023

**NOTICE OF VIRTUAL HEARING**

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 08 June 2023, the National Grid Corporation of the Philippines (NGCP) and Cebu Private Power Corporation (CPPC) filed their *Application (With Prayer for Immediate Issuance of Provisional Authority)* dated 23 May 2023, seeking the Commission's approval of their Ancillary Services Procurement Agreement (ASPA), with prayer for the issuance of provisional authority.

The pertinent allegations in the said *Application* are hereunder quoted, as follows:

**NATURE OF THE CASE**

1. This Application is for the approval of the Ancillary Services Procurement Agreement ("**ASPA**" or "**Agreement**") dated 02

May 2023,<sup>1</sup> entered into by the NGCP and CPPC, pursuant to Department of Energy (DOE) Department Circular No. DC 2021-10-0031 (the "AS-CSP Circular") prescribing the conduct of Ancillary Services Competitive Selection Process (AS-CSP); in relation to the Ancillary Services – Cost Recovery Mechanism (AS-CRM) promulgated by the Energy Regulatory Commission in its Decision dated 3 October 2007 in ERC Case No. 2006-049RC.

### **THE PARTIES**

2. Applicant NGCP is a corporation created and existing under the laws of the Philippines, with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City. It holds a congressional franchise granted under Republic Act No. 9511,<sup>2</sup> and is authorized to engage in the business of conveying or transmitting electricity through high-voltage back-bone systems of interconnected transmission lines, substations and related facilities, and for other purposes. The NGCP is authorized to conduct activities necessary to support the safe and reliable operation of the transmission system.
3. Applicant CPPC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Old VECO Compound, Brgy. Ermita, Carbon, Cebu City.
  - 3.1 CPPC is the owner and operator of a power plant composed of Bunker C-Fired Diesel Power plant, with a rated capacity of 70.59MW continuous output at 60Hz, including required ancillaries and spare parts, located in Old VECO Compound, Brgy. Ermita, Carbon, Cebu City (the "**Generation Facility**"), which was certified and accredited by the NGCP as capable of providing Dispatchable Reserve, Reactive Power Support, and Black Start Service
4. NGCP and CPPC may be served with orders, notices, pleadings and other legal processes through their respective counsels at the addresses indicated below.

### **ANTECEDENT FACTS**

5. Republic Act No. 9136, also known as the Electric Power Industry Reform Act ("**EPIRA**"), provides that it is the responsibility of NGCP to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide electrical grid in accordance with the performance standards for its operations and maintenance, as set forth in the Philippine Grid Code

---

<sup>1</sup> A copy of the Ancillary Services Procurement Agreement (ASPA) dated 02 May 2023 is attached as Annex "A"

<sup>2</sup> An Act Granting the National Grid Corporation of the Philippines a Franchise To Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-Bone System of Interconnected Transmission Lines, Substations and Related Facilities, and for other Purposes.

(“PGC”),<sup>3</sup> adopted and promulgated by the Honorable Commission, and to adequately serve generation companies, distribution utilities and suppliers requiring transmission service and/or ancillary services (“AS” or “Ancillary Services”)<sup>4</sup> through the transmission system.<sup>5</sup>

6. Similarly, the PGC provides that NGCP is responsible for determining, acquiring, and dispatching the capacity needed to supply the required Grid AS and for developing and proposing Wheeling Charges and AS tariffs of the ERC.<sup>6</sup>
7. Ancillary Services is defined in Section 4 (b) of the EPIRA as referring “to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code to be adopted in accordance with this Act.” These services are essential in ensuring reliability in the operation of the transmission system and consequently, in the reliability of the electricity supply in the Luzon, Visayas and Mindanao grids.
8. In order to implement and regulate the procurement of AS, the Honorable Commission approved the Ancillary Services Procurement Plan (“ASPP”) through its Order dated 9 March 2006 in ERC Case No. 2002-253 and the Ancillary Services-Cost Recovery Mechanism (“AS-CRM”) through its Decision dated 3 October 2007 in ERC Case No. 2006-049RC.
9. The NGCP certified that the units of the Generation Facility have met and complied with the Standard Ancillary Services Technical Requirements of the ASPP as capable of providing Dispatchable Reserve Service, Reactive Power Support Service, and Black Start Service. A copy of NGCP Accreditation Certificate No. AS-2022-V006 in favor of CPPC, and valid from 2 May 2022 to 1 May 2024 is attached to this Application.<sup>7</sup>

### **Competitive Selection Process**

10. On 04 October 2021, the DOE issued the AS-CSP Circular providing the policy for the conduct of the Competitive Selection Process (CSP) for the procurement of Ancillary Services by the System Operator (NGCP). Among the policies set by the AS-CSP Circular was the creation of an independent Third Party Bids and Awards Committee (TPBAC) to spearhead and manage the CSP.

---

<sup>3</sup> ERC Resolution No. 22, series of 2016, entitled “A Resolution Approving the Publication of the Approved Philippine Grid Code 2016 Edition”. See also Section 9(c), EPIRA.

<sup>4</sup> Section 4(b), EPIRA. “Ancillary Services” refer to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid code to be adopted in accordance with this Act.

<sup>5</sup> Section 9(d), EPIRA.

<sup>6</sup> Chapter 6, Grid Operations (“GO”), GO Section 6.3.1.2, PGC.

<sup>7</sup> Copy of NGCP Accreditation Certificate No. AS-2022-V006 with corresponding test report/s, is attached as Annex “B”

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 4 of 15**

---

11. In its Letter dated 22 November 2022,<sup>8</sup> the DOE approved the Terms of Reference (TOR)<sup>9</sup> and Instruction to Bidders<sup>10</sup>, and instructed NGCP to proceed with the publication and posting of the same pursuant to Sec. 7.4 and 7.5 of the AS-CSP Circular.
12. On 26 January 2023, the TPBAC approved its Notice of Invitation to Bid<sup>11</sup> informing the public of the pending AS-CSP for Regulating Reserve (RR), Contingency Reserve (CR), Dispatchable Reserve (DR), Reactive Power Support (RPS), and Black Start Service (BSS); and inviting all interested grid-connected merchant plants and Independent Power Producers to apply for eligibility and participate in the competitive bidding for the procurement of AS. The Notice of Invitation to Bid likewise provided any interested grid-connected merchant plants a copy of the DOE approved TOR and Instruction to Bidders.
13. Subsequently, the Notice of Invitation to Bid was published on 31 January 2023 with the *Malaya Business Insight*<sup>12</sup> and the *Philippine Star*.<sup>13</sup> The same Notice was also published on 07 February 2023 with the *Business Mirror*<sup>14</sup> and the *Manila Bulletin*.<sup>15</sup>
14. CPPC was declared by the TPBAC as eligible to participate in the AS-CSP and submit its bid for the provision of AS to be provided by the Generation Facility.
15. Under Bid Bulletin 2023-02 issued by the TPBAC, eligible bidders may submit their bids on or before 14 March 2023.
16. Thereafter, pursuant to Bid Bulletin 2023-02, the TPBAC conducted the opening of bids timely submitted by all the eligible bidders whereby the CPPC's bid/offer<sup>16</sup> for the provision of Dispatchable Reserve, Reactive Power Support, and Black Start Service by its Generation Facility was considered for award after sufficiently complying with the post-qualification requirements.
17. On 12 April 2023, the TPBAC issued and submitted to the NGCP's Board of Directors its Resolution and Evaluation Report on the

---

<sup>8</sup> DOE Letter dated 22 November 2022 approving the Terms of Reference and Instruction to Bidders is attached as Annex "C"

<sup>9</sup> DOE Approved Terms of Reference is attached as Annex "C-1"

<sup>10</sup> DOE Approved Instruction to Bidders is attached as Annex "C-2"

<sup>11</sup> Notice of Invitation to Bid is attached as Annex "C-3"

<sup>12</sup> The 31 January 2023 edition of the *Malaya Business Insight* and the page on which the Notice of Invitation to Bid appears are attached as Annexes "D" and "D-1", respectively. The Affidavit of Publication issued by the *Malaya Business Insight* is likewise attached as Annex "D-2".

<sup>13</sup> The 31 January 2023 edition of the *Philippine Star* and the page on which the Notice of Invitation to Bid appears are attached as Annexes "E" and "E-1", respectively. The Affidavit of Publication issued by the *Philippine Star* is likewise attached as Annex "E-2".

<sup>14</sup> The 07 February 2023 edition of the *Business Mirror* and the page on which the Notice of Invitation to Bid appears are attached as Annexes "F" and "F-1", respectively. The Affidavit of Publication issued by the *Business Mirror* is likewise attached as Annex "F-2".

<sup>15</sup> The 07 February 2023 edition of the *Manila Bulletin* and the page on which the Notice of Invitation to Bid appears are attached as Annexes "G" and "G-1", respectively. The Affidavit of Publication issued by the *Manila Bulletin* is likewise attached as Annex "G-2".

<sup>16</sup> Copy of CPPC's bid/ offer is attached herein as Annex "H"

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 5 of 15**

conduct of the CSP<sup>17</sup> indicating CPPC as one of the winning bidders. The TPBAC's Evaluation Report was thereafter confirmed by the NGCP's Board of Directors through a resolution dated 18 April 2023.<sup>18</sup>

18. On 18 April 2023, the TPBAC issued a Notice of Award in favor of CPPC,<sup>19</sup> informing the latter that it is to be awarded with a contract for the Provision of Ancillary Services in the Visayas Grid. The details of the award are as follows:

Type of AS to be provided	Unit	Rate <sup>20</sup> (PhP)	Duration
Dispatchable Reserve	05PCPPC_U01	2.12570858744205/kWh	Five (5) years
	05PCPPC_U02	2.12570858744205/kWh	
Reactive Power Support	05PCPPC_U01 to 05PCPPC_U10	4.00 KVARhr per unit	Five (5) years
Black Start Services	05PCPPC_U01 to 05PCPPC_U10	12.50245806208/kWh per unit	Five (5) years

19. On 02 May 2023, NGCP and CPPC executed an ASPA pursuant to the AS-CSP Circular.

**CONTRACTED CAPACITY RATES AND IMPACT SIMULATION**

20. Section 3 of the ASPA states that CPPC shall provide the AS in accordance with Schedule 1 of the ASPA, as follows:

**Contracted Capacities:**

**A. Dispatchable Reserve ("DR"):**

DR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
05CPPC_U01																								
1			4.0				4.0									5.0								
2	4.0			5.0	5.0		4.0																	
3				5.0	5.0		5.0																	
4	5.0						5.0										4.0							
5										5.0	4.0	6.3	4.0			4.0	5.0	6.3	6.3	6.0	6.3	6.0	6.3	6.3
6							4.0			4.0						6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
7	4.0	5.0														4.0	6.0	6.3	6.3	6.3	6.3	6.3	6.3	6.0
8	6.0	5.0																						
9			5.0					4.0												6.0	6.0	6.3	6.3	6.3
10			4.0	4.0												4.0			6.0	6.0	6.3	6.3	6.3	4.0
11	6.3																4.0	6.3	6.0	6.3	6.3	6.0		
12	4.0						5.0				4.0					6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	5.0
05CPPC_U02																					9.4	4.7	9.4	4.7
1																								
2																								
3																								
4																								
5																								
6																								
7																								
8																								
9																								
10																								
11																								
12																								

<sup>17</sup> The TPBAC Resolution and Evaluation Report dated 12 April 2023 indicating (Name of AS Provider)'s bid/offer for its Generation Facility as one of the winning bids is attached as Annex "I".

<sup>18</sup> NGCP Secretary's Certificate certifying the BOD's Resolution confirming the TPBAC's Evaluation Report is attached as Annex "J".

<sup>19</sup> Notice of Award in favor of (As Provider) is attached as Annex "K".

<sup>20</sup> Rates indicated in the table were derived using the suggested template during the Bid Evaluation. Details leading to the rate offer took into consideration the Capacity Payment Rate (for the MW or MVAR offer, whichever is applicable), and the FOM, VOM, and Fuel Cost of the Incidental Energy fees (if applicable), which is detailed in Schedule 3 of the ASPA attached as Annex "A".

B. Reactive Power Support (“RPS”):

Available Capacity of Reactive Power outside the range of 85% lagging and 90% leading power factor.

C. Black Start Service

Note that the capacities in the hourly profile are the maximum ancillary service capacities that can be provided by each unit. However, declaration and schedule shall be based on the latest AS Accreditation Certificate, which shall not exceed the Firm capacities in the hourly profile.

21. Schedule 3 of the ASPA provides for the formula for the computation of the Ancillary Service Payment, and the applicable rates for Capacity Payment:

**A. Ancillary Service Payment**

1. For DR, Ancillary Service Payment is the total of the Capacity Payment and the Incidental Energy Payment in B and D below.

Ancillary Service Payment  $D_R$  = Capacity Payment + Incidental Energy Payment

2. For Reactive Power Support, Ancillary Service Payment is as follows:

$kVAR$  Payment = (Incidental  $kVARh$  Rate x Compensable  $kVARh$ )

Real Time Incidental  $kVARh$  Utilization while Providing Contingency or Dispatchable Reserves. This shall be paid based on the total recorded  $kVARh$  delivered/absorbed beyond 0.85 power factor lagging or 0.9 power factor leading from the time when the dispatch of RPS was instructed. The compensable  $kVARh$  shall be paid at:

Incidental  $kVARh$  Rate: Php 4.00 /  $kVARh$

Compensable  $kVARh$  = Actual  $kVARh$  - Base  $kVARh$

Where:

Actual  $kVARh$  = actual reactive power provided within each interval

Base  $kVARh$  = corresponding  $kVARh$  at 0.85 power factor lagging or 0.9 power factor leading, for the unit's MW loading. For clarity, the MW loading is the unit's  $P_{min}$ , or RTD schedule, whichever is greater.

3. For Black Start Service, Ancillary Service Payment is the total kWh generated for BSS, multiplied by the Per Occurrence Applicable Rate for BSS.

**B. Applicable Rates for Capacity Payment:**

1. Dispatchable Reserve: PhP 0.77/kW/h

Formula for Capacity Payment = Undispatched Scheduled Capacity x Applicable Rate per AS type

**C. Per Occurrence Applicable Rates:**

1. Reactive Power Support (RPS): PhP 4.00/kVAR/hr
2. Black Start Service (BSS): PhP/kWh of providing BSS, see details in Section D

**D. Incidental Energy Payment**

The Cost of Incidental Energy ("IE") is the cost of actual energy generated for the firm Scheduled Capacity which shall be paid and computed using the formula below:

Payment of Cost of Incidental Energy (IE) computed as follows:

$$\begin{aligned} & \text{Incidental Energy Payment} \\ & = \{G \times (\text{Capacity Payment Rate} + \text{Energy Fees})\} \\ & - (\text{WESM Revenue} - \text{WESM Payment}) \end{aligned}$$

Where:

- G = summation of actual energy generated or dispatched from the Scheduled Capacity, in kWh
- Energy Fees, in PhP/kWh = Fuel Cost + Fixed and Variable O&M Cost, in PhP/kWh
- Fuel Cost, in PhP/kWh = fuel cost based on prevailing price with relevant fuel index based on published data  
= HFR + LR

Where:

$$\text{HFR (in PhP/kWh)} = \text{HFCR} \times \text{PHFO}$$

Where:

HFR = Heavy Fuel Oil (HFO) rate in PhP/kWh

HFCR = HFO consumption rate in Li/kWh; the lower of actual consumption rate or 0.2276 Li/kWh

PHFO = actual HFO price, PhP/Liter.

Determination of the actual price shall be based on "weighted average" inventory method

$$\text{LR (in PhP/kWh)} = \text{LCR} \times \text{PLO}$$

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 8 of 15**

---

Where:

LR = Lube Oil (LO) rate in Php/kWh

LCR = LO consumption rate in Li/kWh;  
the lower of actual consumption rate or  
0.00352 Li/kWh

PLO = actual LO price, Php/Liter.  
Determination of the actual price shall be  
based on "weighted average" inventory  
method

- Variable O&M Cost, in PhP/kWh = VOM rate x  
(RPCPI<sub>i</sub> / RPCPI<sub>o</sub>)

Where:

VOM rate = 0.63282 PhP/kWh

RPCPI<sub>i</sub> = Philippine CPI of the current billing  
month

RPCPI<sub>o</sub> = Philippine CPI of 119.40 as of  
December 2022

- WESM Revenue = summation of WESM revenue  
based on market clearing price at the generator's  
trading node, arising from G.
- WESM Payment = summation of WESM purchases  
based on market clearing price at the generator's  
trading node, for generator's feedback power if  
applicable.

Incidental Energy Payment Reactive Power Support = G x (Variable  
O&M Cost + Fuel)

Where:

- G = summation of actual energy generated or  
dispatched to provide Reactive Power Support, in  
kWh
- Variable O&M Cost = VOM rate x (RPCPI<sub>i</sub> /  
RPCPI<sub>o</sub>)

Where:

VOM rate = 0.63282 PhP/kWh

RPCPI<sub>i</sub> = Philippine CPI of the current billing  
month

RPCPI<sub>o</sub> = Philippine CPI of 119.40 as of December  
2022

- Fuel Cost, in PhP/kWh = fuel cost based on  
prevailing price with relevant fuel index based on  
published data

= HFR + LR

Where:

HFR (in PhP/kWh) = HFCR \* PHFO



Where:

HFR = Heavy Fuel Oil “HFO” Rate in PhP/kWh

HFCR = HFO consumption rate in Li/kWh; the lower of actual consumption rate or 0.2276 Li/kWh

PHFO = actual HFO price, PhP/Liter. Determination of the actual price shall be based on “weighted average” inventory method

$$LR \text{ (in PhP/kWh)} = LCR * PLO$$

Where:

LR = Lube Oil “LO” Rate in PhP/kWh

LCR = LO consumption rate in Li/kWh; the lower of actual consumption rate or 0.00352 Li/kWh

PLO = actual LO price, PhP/Liter. Determination of the actual price shall be based on “weighted average” inventory method

$$\text{Incidental Energy Payment}_{\text{Black Start Service}} = G \times (\text{Fixed O\&M Cost} + \text{Variable O\&M Cost} + \text{Fuel})$$

Where:

- G = summation of actual energy generated or dispatched to provide Black Start Service, in kWh
- Fixed O&M Cost = FOM rate x (RPCPI<sub>i</sub> / RPCPI<sub>o</sub>)

Where:

FOM rate = 2.00 PhP/kWh

RPCPI<sub>i</sub> = Philippine CPI of the current billing month

RPCPI<sub>o</sub> = Philippine CPI of 119.40 as of December 2022

- Variable O&M Cost = VOM rate x (RPCPI<sub>i</sub> / RPCPI<sub>o</sub>)

Where:

VOM rate = 0.63282 PhP/kWh

RPCPI<sub>i</sub> = Philippine CPI of the current billing month

RPCPI<sub>o</sub> = Philippine CPI of 119.40 as of December 2022

- Fuel Cost, in PhP/kWh = fuel cost based on prevailing price with relevant fuel index based on published data  
= HFR + LR

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 10 of 15**

---

Where:

$$\text{HFR (in PhP/kWh)} = \text{HFCR} * \text{PHFO}$$

Where:

HFR = Heavy Fuel Oil “HFO” Rate in PhP/kWh

HFCR = HFO consumption rate in Li/kWh; the lower of actual consumption rate or 0.2276 Li/kWh

PHFO = actual HFO price, PhP/Liter. Determination of the actual price shall be based on “weighted average” inventory method

$$\text{LR (in PhP/kWh)} = \text{LCR} * \text{PLO}$$

Where:

LR = Lube Oil “LO” Rate in PhP/kWh

LCR = LO consumption rate in Li/kWh; the lower of actual consumption rate or 0.00352 Li/kWh

PLO = actual LO price, PhP/Liter. Determination of the actual price shall be based on “weighted average” inventory method

22. In compliance with the Honorable Commission’s document checklist, NGCP submits the following:

<b>Document</b>	<b>Annex</b>
AS Rates Offered by the AS Provider during the AS-CSP	“L”*
Actual AS Data on Required, Scheduled, and Dispatched (MW) for the Grid for the previous year	“M”
Implementing Guidelines of the ASPA	“N”
Dispatch Protocol Approval from DOE (Applicable to Embedded Generators)	“N-1”
Locational Map of CPPC	“O”
Certification from NGCP as required under item D of the ERC Checklist	“P”

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

23. AS Provider submits that the rates represent a reasonable recovery of its opportunity cost in making available generation capacity to provide the procured AS.

AS Type	Indicative Rate Impact	
	P/kW – month	P/kwh
DR	1.6112	0.0032
RPS	5.6879	0.0112
BSS	0.4000	0.0008

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 11 of 15**

---

A copy of the Rate Impact Simulation for CPPC is attached to this Application.<sup>21</sup>

24. Consistent with the AS-CRM, all the related and incidental expenses which NGCP will incur as a result of the procurement and operation of the ancillary services shall be recovered from all the load customers in the Visayas Grid.
25. As provided under Section 2.1 of the ASPA, the same shall become effective upon the approval by the ERC, either through a Provisional Authority (PA), or Interim Relief (IR), or final Decision, whichever comes first, unless if a different effective date is provided by the ERC in its Order or Decision, and shall remain effective for a period of five (5) years, subject to Section 13 (Termination) of the ASPA.
26. CPPC, as a generation company, falls within the ambit of Section 6 of the EPIRA. Attached are copies of relevant documents proving (AS Provider)'s due registration as a generation company, relevant permits to operate the Generation Facility and audited financial statements, as well as other documents required by the Honorable Commission:

<b>Document</b>	<b>Annex</b>
Articles of Incorporation	"S"
Latest SEC GIS/Proof of Business Registration	"S-1"
Certificate of Compliance issued by ERC including Annexes A & B	"T"*
Latest Audited Financial Statement	"U"*
WESM Registration	"V"*
Computation of True Cost of Generation (PhP/kW & PhP/kWh), including a Summary of computed Consumer Price Index (CPI) indexation and Start-Up and Shut-Down Costs (SSC) as part of the monthly Variable Operation and Maintenance (O&M) Cost, including their computations.	"W"*
Single-Line Diagram Connection	"X"*
CPPC's Reactive Power Capability Curve	"Y"
CPPC's Write Up on Non-Applicability of Documents	"Z"

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

27. While CPPC is a co-applicant, it manifests that the instant Application shall neither modify, diminish nor constitute a waiver of its rights nor expand its obligations and responsibilities as a generation company under the EPIRA.

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION**

28. Under Rule 4 of the ERC Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and

---

<sup>21</sup> Rate Impact Simulation is attached as Annex "Q".

determination of existence of conditions that would warrant such remedy, treat certain information submitted to it as confidential.

29. Documents attached to this Application (particularly Annexes "L", "S", "T", "U", "V" and "W") contain commercially valuable and sensitive information and data that reflect CPPC's investments, business operations, calculations, and other trade secrets.
30. CPPC thus respectfully moves that these documents are not disclosed and treated as confidential documents in accordance with Section 1, Rule 4 of the Honorable Commission's Rules of Practice and Procedure. Accordingly, CPPC submits one (1) copy of said documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential".

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

31. It is a declared policy of the State to ensure the quality, reliability, security and affordability of the supply of electric power.<sup>22</sup> To this end, there is a need to comply with the system requirements for AS to ensure grid system security and reliability. As mentioned above, NGCP has the mandate to procure the required AS. However, the Honorable Commission must first approve the contract before the same can be implemented.
32. As the demand for power in Visayas increases, the requirements of the system likewise increases. Ensuring the integrity of the system is essential to protect the interests of the public. The absence of system reliability and stability will certainly discourage investments and growth.
33. Applicants respectfully submit that the immediate approval of the ASPA by this Honorable Commission is a necessity to maintain the present reliability and security of the Grid. In support of these allegations, NGCP submits a copy of the Judicial Affidavit of Ms. Lisaflor B. Kater,<sup>23</sup> which is attached to this Application.

#### **PRAYER**

**WHEREFORE**, premises considered, Applicants respectfully pray that the Honorable Commission:

1. Immediately **ISSUE** a provisional authority to implement the subject ASPA executed on 02 May 2023; and
2. **APPROVE**, after notice and hearing, the subject ASPA.
3. **ISSUE** an Order treating Annexes "L", "S", "T", "U", "V" and "W" as confidential information pursuant to Section 1, Rule 4 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof.

---

<sup>22</sup> Section 2(b), EPIRA.

<sup>23</sup> Judicial Affidavit of Ms. Lisaflor B. Kater is attached as Annex "R"

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 13 of 15**

---

Other just and equitable reliefs 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 2020<sup>24</sup> and Resolution No. 01, Series of 2021<sup>25</sup> (ERC Revised Rules of Practice and Procedure):

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>19 July 2023</b> (Wednesday) at two thirty in the afternoon (02:30 PM)	<b>Microsoft Teams or Zoom Application</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>26 July 2023</b> (Wednesday) at two thirty in the afternoon (02:30 PM)		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](mailto:doCKET@erc.ph) and copy furnish the Legal Service through [legal@erc.ph](mailto: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 person who has 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](mailto:doCKET@erc.ph), and copy furnishing the Legal Service through [legal@erc.ph](mailto: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:

---

<sup>24</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>25</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

**ERC CASE NO. 2023-057 RC**  
**NOTICE OF VIRTUAL HEARING/16 June 2023**  
**PAGE 14 of 15**

---

- 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 file through e-mail at [docket@erc.ph](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment **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* through the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through [legal.virtualhearings@erc.ph](mailto: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.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 16<sup>th</sup> day of June 2023 in Pasig City.

  
**MONALISA C. DIMALANTA**  
*Chairperson and CEO*

  
LS/JJP/ARG/MCCG

**ERC**

*Office of the Chairperson and CEO*



MCD2023-004462