

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 120.30 MWac SAN
MARCELINO FLOATING
SOLAR POWER PROJECT
TO THE LUZON GRID VIA
THE 230KV CASTILLEJOS
SUBSTATION OF THE
NATIONAL GRID
CORPORATION OF THE
PHILIPPINES, WITH
PRAYER FOR
PROVISIONAL AUTHORITY
AND/OR INTERIM RELIEF
AND CONFIDENTIAL
TREATMENT OF
INFORMATION**

ERC CASE No. 2024-053 MC

**NORTHERN SUN
RADIANCE, INC. (NSRI),**
Applicant.
X-----X

Promulgated:
January 02, 2025

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 28 November 2024, Northern Sun Radiance Inc. (NSRI) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application* dated 18 November 2024, seeking the Commission's approval of its authority to develop, own and/or operate dedicated point-to-point limited transmission facilities to connect the 120.30 MWac San Marcelino Floating Solar Power Project to the Luzon Grid via the 230KV Castillejos Substation

of the National Grid Corporation of the Philippines (NGCP), with prayer for provisional authority and/or interim relief and confidential treatment of information.

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

THE APPLICANT

1. NSRI is a private corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office 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:

“xxx 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 xxx”

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. NSRI proposes to develop, own, and/or operate interconnection facilities to connect its 120.30 MWac San Marcelino Floating Solar Power Project (San Marcelino FSPP) to the Luzon Grid via the 230kV Castillejos Substation of the National Grid Corporation of the Philippines (“NGCP”) (“Dedicated Facility Project”).

STATEMENT OF FACTS

5. NSRI is duly registered to, among others, carry on the business of exploring, owning, developing, constructing, operating, repairing, maintaining, managing or otherwise engaging in the business of power plant systems, converting stations, and generation plants, including solar and all other types of renewable or non-renewable resources.
6. To connect the San Marcelino FSPP to the Luzon Grid, NSRI shall develop and construct the Dedicated Facility Project, a dedicated point-to-point limited connection facility to be used solely by the San Marcelino FSPP for its dispatch and connection to the Luzon Grid via the 230kV Castillejos Substation owned and operated by NGCP. Said dedicated point-to-point limited connection facility is necessary to test, commission, and dispatch the capacity of the San Marcelino FSPP and shall be exclusively utilized by NSRI.
7. The San Marcelino FSPP will directly connect to NGCP’s 230kV Castillejos Substation through a 230 kV transmission line that is approximately 10.5km in length. The connection of the Dedicated Facility Project to the NGCP’s Castillejos Substation will allow the movement of power from the San Marcelino FSPP to the Luzon Grid. NSRI studied its options and found that such direct connection is the sole viable option to connect the San Marcelino FSPP to the Luzon Grid due to its proximity and economic feasibility.
8. The estimated cost of the construction of the Dedicated Facility Project is Eight Hundred Ninety-Five Million, Six Hundred Nineteen Thousand, Six Hundred One and 6/100 Pesos (Php895,619,601.06), with the following components:

Components	Cost (PhP)
Substation and its associated accessories	298,120,457.56
Transmission Line/s and its associated accessories	597,499,143.50
TOTAL ESTIMATED COST	895,619,601.06

The estimated cost will still vary depending on the final cost from the Engineering, Procurement, and Construction (EPC) contractor.

9. In February 2023, NGCP issued its System Impact Study (SIS) relative to the 120.30MWac San Marcelino FSPP for PV Sinag Power, Inc. (PVSPI), an entity also under Aboitiz Power that was initially the intended project owner of the San Marcelino FSPP project.
 - 9.1. Based on the SIS for San Marcelino FSPP dated February 2023, NGCP found that the proposed connection to the Luzon Grid is technically feasible, provided that the NGCP's Castillejos 230kV Substation and Western Luzon 500 kV Backbone (Stage 2) Projects are completed.
10. PVSPI then engaged MN Electro Industrial Supply and Services, Inc. to conduct the Facilities Study (FS) to ensure that the equipment to be installed will satisfy the recommendation of the SIS, and that Dedicated Facility Project complies with the provisions of the Philippine Grid Code.
11. On 20 January 2022, PV Sinag and DOE entered into a Solar Energy Operating Contract (SEOC No. 2021-11-602) for the development and utilization of solar energy resources within San Marcelino, Zambales.
12. Through a Deed of Assignment dated 30 November 2023, PVSPI assigned the San Marcelino FSPP to NSRI, including all of PVSPI's rights and obligations in the SEOC and all agreements, permits, clearances, certifications, endorsements, and similar documents executed by PVSPI or issued in its name in relation to the San Marcelino FSPP.
13. Consequently, through a Letter dated 12 January 2024, the DOE granted the assignment/transfer of the SEOC from PVSPI to NSRI, and issued Certificate of Registration No. SEOC 2021-11-602-AFI under the name of NSRI.
14. Likewise, through a Letter dated 30 January 2024, NGCP acknowledged the assignment in favor of NSRI and declared that "all documents previously released by NGCP related to the Project to the PVSPI shall remain valid and effective in favor of the Assignee, NSRI".¹
15. NGCP and NSRI are currently in the process of finalizing the terms of their Connection Agreement for the interconnection of the San Marcelino FSPP to the Luzon Grid through the Dedicated Facility Project.
16. Per NGCP's Certification dated 7 February 2024, the San Marcelino FSPP will be included in the formulation of the succeeding Transmission Development Plan (TDP) update following its classification as an "Indicative" Private Sector Initiated Power Project as indicated in the DOE List of 2023 Private Sector Initiated Power Projects in Luzon (Indicative) as of 30 November 2023.

¹ NGCP Letter dated 30 January 2024, attached as Annex "P" of the *Application*.

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17. The DOE has also issued a Certificate of Endorsement in favor of NSRI stating that the San Marcelino FSPP is “consistent with the provisions of Section 9 of the Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001”.
18. Upon completion of the Dedicated Facility Project and the commercial operation of the San Marcelino FSPP, NSRI intends to operate and maintain the Dedicated Facility Project.
19. As of date, NSRI 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.
20. In light of the foregoing, NSRI respectfully seeks the approval of the Honorable Commission for NSRI to develop, own, and/or operate the Dedicated Facility Project.
21. The following documents are herewith submitted in support of the instant Application:

Annex	Documents
A	NSRI’s Articles of Incorporation
B	NSRI’s By-laws
C	NSRI’s General Information Sheet
D	NSRI’s Secretary’s Certificate dated 25 March 2024
E	Sworn Statement dated 5 March 2024 Re: Filing of applications with concerned agencies
F*	Project Description: NSRI San Marcelino Floating Solar Power Project
G	Relevant Dates of the Project
H*	Detailed Project Cost
I	Single Line Diagram of the Dedicated Facility Project
J*	Conceptual Engineering Drawings and Design
K to K-3*	Contractors’ Profile: <ul style="list-style-type: none"> • Sumec Complete Equipment & Engineering Co. Ltd. • China Energy Engineering Group Co. Ltd. • Jiangsu Power Design Institute Co., Ltd. • Zhejiang Electric Power Design Institute Co., Ltd.
L*	System Impact Study (SIS) dated February 2023

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L-1	SIS Final Review Report dated 10 March 2023
L-2	NGCP's Letter dated 24 October 2024 Re: Technical Assessment for NSRI's San Marcelino FSPP's Change in Commercial Operations Date
M*	Facilities Study dated August 2023
M-1	NGCP's Facilities Study Report dated 22 October 2023
N	Deed of Assignment dated 30 November 2023 between PVSPI and NSRI
O	Solar Energy Operating Contract (SEOC No. 2021-11-602)
O-1	DOE Letter dated 12 January 2024 Re: Assignment of SEOC to NSRI
O-2	DOE Certificate of Registration No. SEOC 2021-11-602-AFI
P	NGCP Letter dated 30 January 2024 Re: Assignment of San Marcelino FSPP to NSRI
Q	DOE Certificate of Endorsement DOE-EPIMB-ERC-P2P No. 2024-05-020
R	NGCP's Certification dated 7 February 2024 Re: Connection Agreement
S	NGCP's Certification dated 7 February 2024 Re: Inclusion in the TDP
T	Demand-Supply Scenario (Power Development Plan 2020-2040)
U	Environmental Compliance Certificate No. ECC-OL-R03-2024-0441 issued by the Department of Environment and Natural Resources
V	Affidavit of Compliance with the Philippine Grid Code and the Philippine Distribution Code dated 5 March 2024
W	Judicial Affidavit of Danny Caro

* Subject to a Motion for Confidential Treatment of Information

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
PROVISIONAL AUTHORITY OR INTERIM RELIEF**

22. 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".

23. Further, Section 6, Chapter III of the RE Act mandates that the stakeholders in the electric power industry contribute to the growth of the renewable energy industry of the country.
24. NSRI's construction of the San Marcelino FSPP is in furtherance of the RE Act and consistent with the implementation of the Renewable Portfolio Standards by the DOE. In order to fulfill such a mandate, permits must be secured, and construction and commissioning must be accomplished immediately.
25. NSRI needs to immediately test, commission, and dispatch the San Marcelino FSPP upon its completion to avoid unnecessary delays that can lead to opportunity costs and contribute to the rising demand growth. Thus, it is necessary for NSRI's San Marcelino FSPP to be connected to the grid, through the Dedicated Facility Project, at the earliest possible opportunity.

A copy of the Affidavit executed by Mr. Danny Caro in support of the prayer for issuance of provisional authority is hereto attached and made an integral part hereof as Annex "W".

26. Considering the foregoing, NSRI 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 NSRI to connect the San Marcelino FSPP to the Luzon Grid, pending the Honorable Commission's issuance of its decision on the instant Application.

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

27. 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, NSRI prays for the confidential treatment of Annexes "F", "H", "J", "K" to "K-3", "L", and "M", and the information contained therein and to not disclose the same except to the officers and staff of the Honorable Commission.
28. NSRI respectfully manifests that Annexes "F", "H", "J", "K" to "K-3", "L", and "M" of the instant Application contain valuable, non-public information, and data and insight, or are covered by the Data Privacy Act of 2012², that should be treated as confidential. These confidential documents contain privileged and sensitive information that, if unduly disclosed, will seriously prejudice NSRI's competitiveness.

- 28.1. Annex "F" contains transmission options, line route, previous projects' engineering design such as

² Republic Act No. 10173

wire specifications, and other details considered pertaining to the San Marcelino FSPP that reflect management/ business strategies;

- 28.2. Annex “H” contains the detailed project cost of the San Marcelino FSPP based on the engineering design that also reflect management/ business strategies;
 - 28.3. Annex “J” refer to conceptual engineering design and drawings having proprietary value and constitute trade secrets of NSRI;
 - 28.4. Annexes “K” to “K-3” contain personal information and data that are subject to protection under the Data Privacy Act of 2012; and
 - 28.5. Annexes “L”, and “M” refer to commissioned studies and related reports, including study assumptions, models, and assessments used in arriving at the study’s results, that have proprietary value and constitute trade secrets of NSRI.
29. Considering that NSRI has actual and valuable proprietary interest to protect with respect to such information, Annexes “F”, “H”, “J”, “L”, and “M” fall within the bounds of “trade secrets”, which are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.
30. In the case of Air Philippines Corporation vs. Pennswell, Inc.,³ 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 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.)

31. Clearly, the Honorable Commission recognizes the importance of treating trade secrets as confidential in order to ensure the

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

competitiveness of the generation sector. The information in Annexes “F”, “H”, “J”, “L”, and “M” therefore falls within the definition of a trade secret as defined by jurisprudence, and merits the confidential treatment provided for under Rule 4 of the ERC Rules of Practice and Procedure.

32. Further, the treatment of the information contained in Annexes “F”, “H”, “J”, “L”, and “M” as confidential information is consistent with the Honorable Commission’s Updated Matrix of Confidential and Non-Confidential Document and Information (as of 16 October 2024) (Matrix).
 - 32.1. In the Matrix, commissioned studies such as Facilities Studies (Annex “M”) and the assumptions, models, and assessments used in the SIS (Annex “L”) are treated with confidentiality because they have proprietary value that constitute trade secrets.
 - 32.2. Annexes “F” and “H”, on the other hand, are documents reflecting management/ business strategies that should also be treated with confidentiality because they are also recognized as having proprietary value that constitute trade secrets.
 - 32.3. Furthermore, the Matrix also considers conceptual engineering designs and drawings (Annex “J”) as information with proprietary value that must also be treated with confidentiality.
 - 32.4. As regards Annexes “K” to “K-3”, NSRI is obligated to protect the personal information contained therein pursuant to the Data Privacy Act of 2012.
 - 32.5. In view of the foregoing, NSRI respectfully requests that the documents attached as Annexes “F”, “H”, “J”, “K” to “K-3”, “L”, and “M” 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.
33. Accordingly, NSRI respectfully submits the instant Application for the Honorable Commission’s urgent and utmost consideration.

PRAYER

WHEREFORE, premises considered, Applicant NORTHERN SUN RADIANCE, INC. (NSRI) respectfully prays that the Honorable Commission:

1. Issue an Order granting provisional authority or interim relief for the implementation of the development, ownership and operation of the Dedicated Facility Project by NSRI to connect the San Marcelino FSPP to the Luzon Grid;

2. Issue an Order treating Annexes “F”, “H”, “J”, “K” to “K-3”, “L”, and “M” 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
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 hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, and Pre-trial Conference⁴ on **06 February 2025 (Thursday) at nine o’clock in the morning (9:00 A.M.)**, through **MS Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020⁵ and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure).⁶

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 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, 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 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 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:

⁴ In the Commission’s *Advisory* dated 26 July 2023, the Commission adopted the Summary Proceedings in accordance with Rule 17 of the Commission’s Revised Rules of Practice and Procedure (ERC Revised RPP) in the filing, processing and evaluation of the applications for authority to develop and own or operate dedicated point-point limited transmission facilities, in the following instances: (1) Applications without intervenors, or uncontested applications; and (2) Applications with intervenors, provided all parties have agreed to subject the application to summary proceedings. Under the said summary proceedings and in accordance with Rule 17 of the ERC Revised RPP, the Applicant’s presentation of evidence is through the submission and offering of the affidavits of its witnesses and other pieces of evidence within the time allowed by the Commission.

⁵ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

⁶ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

- 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, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at **least five (5) calendar days** prior to the 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 person mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

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Finally, all interested persons may be allowed to join the scheduled virtual hearing 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 hearing.

WITNESS, the Honorable Chairperson and CEO **MONALISA C. DIMALANTA**, and Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 2nd day of January 2025 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:



KRISHA MARIE T. BUELA
Director III, Legal Service