

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO DEVELOP
AND OWN OR OPERATE
DEDICATED POINT-TO-
POINT LIMITED
TRANSMISSION
FACILITIES TO CONNECT
THE TANAY WIND POWER
PLANT PROJECT TO THE
LUZON GRID, WITH
PRAYERS FOR
PROVISIONAL AUTHORITY
AND CONFIDENTIAL
TREATMENT OF
INFORMATION**

ERC CASE NO. 2024-042 MC

**ALTERENERGY TANAY WIND
CORPORATION,**

Applicant.

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Promulgated:
October 07, 2024

O R D E R

On 04 September 2024, the Alternergy Tanay Wind Corporation (ATWC) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application* dated 25 July 2024, seeking the Commission’s approval of its application for authority to develop and own or operate dedicated point-to-point limited transmission facilities to connect the Tanay Wind Power Plant Project to the Luzon Grid, with prayers for provisional authority and confidential treatment of information.

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

I. The Applicant

1. ATWC is a generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at Level 3B 111 Paseo de Roxas Bldg., Paseo de Roxas cor. Legazpi St., San Lorenzo, Makati City. It is authorized to

engage in the business of developing renewable energy resources, and in the pursuit thereof, construct and operate electric generating plants, commercial houses and/or building, offices and such other edifices needed and necessary in the ordinary course of business.¹ It may be served with orders, notices, and other processes of this Honorable Commission through undersigned counsel at the address indicated below.

2. ATWC was incorporated in 2011 under its former name: “Alternergy Abra de Ilog Wind Corporation.”

3. On March 26, 2019, the SEC issued the Certificate of Filing of Amended Articles of Incorporation approving the change of name of Alternergy Abra de Ilog Wind Corporation to “Alternergy Tanay Wind Corporation.”² Alternergy Abra de Ilog Wind Corporation and ATWC are one and the same corporation.

Copies of the documents relating to ATWC’s corporate registration are attached as follows:

Annex	Document
A	Certificate of Incorporation dated August 25, 2011 of Alternergy Abra de Ilog Wind Corporation
B	Amended Articles of Incorporation dated March 26, 2019 (Change of name to Alternergy Tanay Wind Corporation)
C	Amended General Information Sheet submitted to the Securities and Exchange Commission on January 12, 2024

4. On March 15, 2017, the Department of Energy (“DOE”) and ATWC (formerly Alternergy Abra de Ilog Wind Corporation) executed Wind Energy Service Contract No. 2017-01-104 (the “WESC”). The WESC awarded ATWC the exclusive right to explore, develop, and utilize wind energy resources within the contract area situated in the City of Antipolo and Municipality of Tanay, Province of Rizal.³

Copies of the documents relating to ATWC’s registration as a generation company and authority to file this Application are attached as follows:

Annex	Document
D	Environmental Compliance Certificate (“ECC”) No. ECC-OL-R4A-2021-0701 issued by the Department of Environment and Natural Resources (“DENR”) on December 10, 2021 for the Tanay Wind Farm Project

¹ See ATWC’s Amended Articles of Incorporation, Second Article (Annex B).
² See ATWC’s Amended Articles of Incorporation, First Article (Annex B).
³ See WESC (Annex F), Technical Description of the WESC Contract Area.

Annex	Document
E	DOE Certificate of Registration No. WESC 2017-01-104 issued on March 13, 2017
F	The WESC dated March 15, 2017
G	DOE Certificate of Confirmation of Commerciality No. WCC-2024-03-025 issued on March 15, 2024
H	Secretary’s Certificate dated February 1, 2024, approving the TWPPP and the filing of the Application

II. Nature of the Application

5. Pursuant to Section 9 of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 (“EPIRA”) and Rule 5, Section 5(a)(i) of the EPIRA Implementing Rules and Regulations (“EPIRA IRR”), a generation company may develop and own or operate dedicated point-to-point limited transmission facilities that are consistent with the Transmission Development Plan (“TDP”), subject to prior authorization by this Honorable Commission.⁴

6. In this regard, ATWC has undertaken to construct and own or operate the Tanay Wind Power Plant Project (“TWPPP”) in the Municipality of Tanay, Rizal, together with associated ancillary and auxiliary equipment and connection facilities to connect the TWPPP to the Luzon Grid through a bus-in connection along the existing San Jose/Balsik – Tayabas 500 kV transmission line. Copies of the TWPPP’s Project Rationale and Description are attached as follows:

Annex	Document
I	TWPPP Project Rationale
J	TWPPP Project Description

III. Description of TWPPP and Interconnection Project

A. The TWPPP

⁴ SEC. 9. Functions and Responsibilities. – Upon the effectivity of this Act, the TRANSCO shall have the following functions and responsibilities:

*** *** ***

A generation company may develop and own or operate dedicated point-to-point limited transmission 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 by the generating facility, subject to prior authorization by the ERC: Provided, further, That in the event that such assets are required for competitive purposes, ownership of the same shall be transferred to the TRANSCO at a fair market price: Provided, finally, That in the case of disagreement on the fair market price, the ERC shall determine the fair market value of the asset.

7. The TWPPP is a 112-megawatt (“MW”) wind power plant with a dispatchable capacity of up to 99.2 MW. The project site is within the vicinity of YES City, which is owned by the Provincial Government of Rizal and located within Barangay San Andres and Barangay Cuyambay, Municipality of Tanay, Province of Rizal.

8. The proposed TWPPP is composed of fourteen (14) units of wind turbine generators (“WTGs”) with 8.0 MW each capacity and a rated voltage ratio of 1.14/33 kV. The generated power from the WTGs will be distributed through a collector system at a rated voltage of 33 kV and will be stepped up to 500 kV at the ATWC Substation (“ATWC SS”) using 2x60 MVA power transformers, four (4) bays of power circuit breakers (“PCBs”), and other high-voltage equipment.

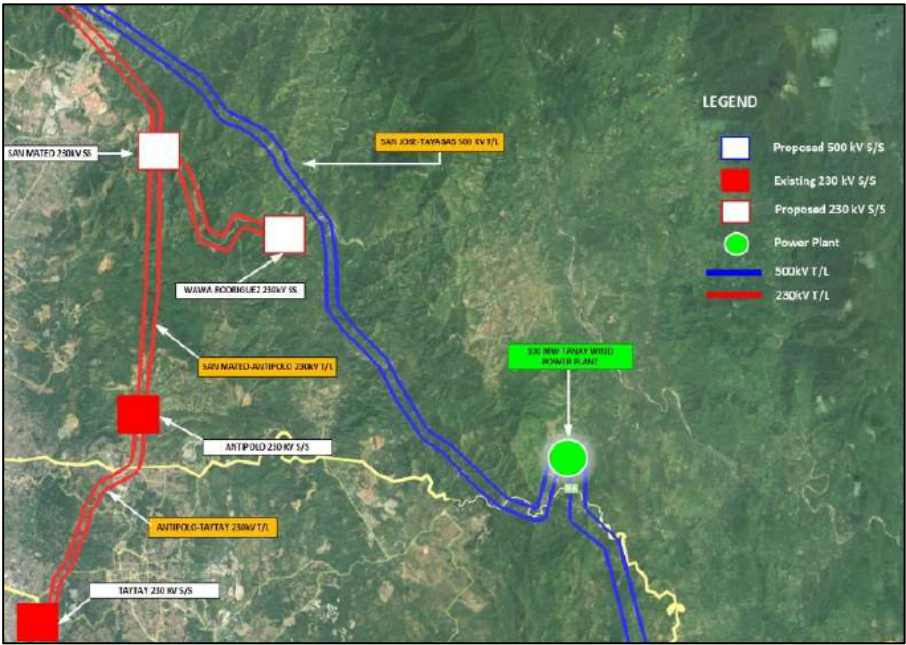


Figure 1. Geographical Location of the TWPPP⁵

⁵ See Interim FS (Annex O), at p. 2.

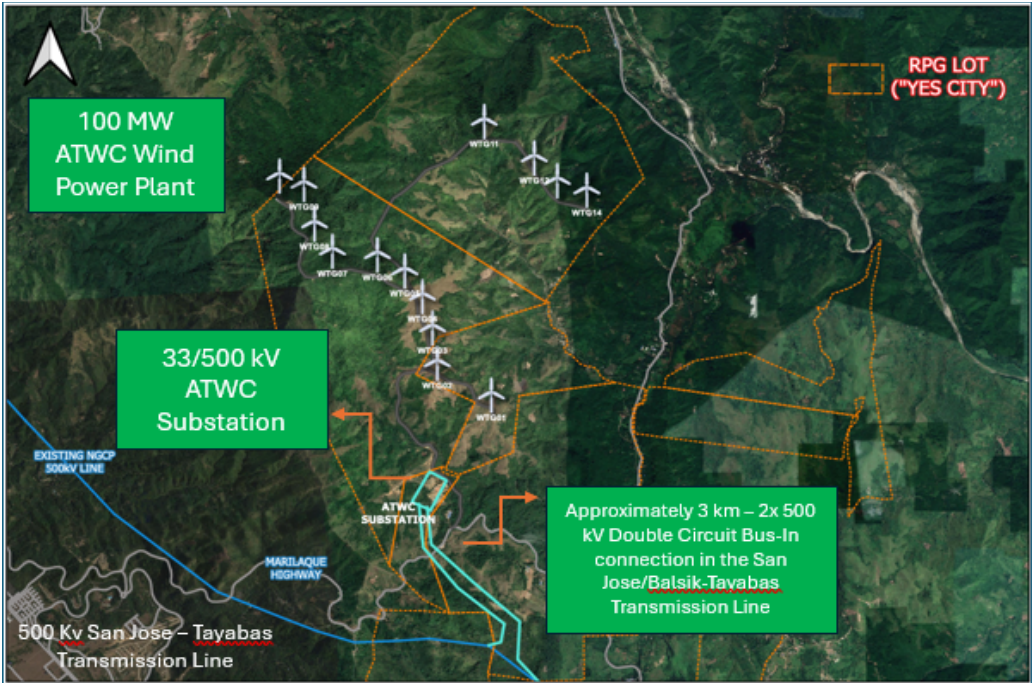


Figure 2. The TWPPP Layout⁶

B. The First Proposed Connection

9. The first proposed connection of the TWPPP to the Luzon Grid was through a direct connection to the proposed Baras Substation (“NGCP Baras SS”) of the National Grid Corporation of the Philippines (“NGCP”). The connection would involve the development of a 0.4 km double circuit connection line utilizing a 1-795 MCM ACSR conductor and will utilize 2x60 MVA 34.5/230 kV step-up transformers.

10. Based on the first proposed connection, the NGCP conducted and issued the first System Impact Study (“SIS”) in January 2024, SIS Final Report dated February 2, 2024, and ATWC Facilities Study (“FS”) dated February 2024, copies of which are attached as follows:

Annex	Document
K	NGCP’s SIS dated January 2024 (the “ <i>First SIS</i> ”)
L	NGCP’s Letter to ATWC dated February 2, 2024 (KAP-CAD-RRA-2024-02-011) Re: System Impact Study Final Report for the 99.2 MW Tanay Wind Power Plant Project
M	ATWC Facilities Study dated February 2024 (“ <i>First FS</i> ”)

C. The Interim Connection

⁶ See Project Description (Annex J).

11. In the First SIS, the NGCP concluded that “the proposed connection of the [99.2 MW TWPPP] to the Luzon Grid requires the completion of the proposed Baras 500 kV Substation Project.”⁷ However, in March 2024, ATWC learned that based on NGCP’s latest Transmission Development Plan (“TDP”), the NGCP Baras SS, which was the TWPPP’s original connection point, is scheduled to be completed only by 2034,⁸ or nine (9) years after the target commercial operations date of the TWPPP in 2025.

12. Thus, ATWC sought an interim connection scheme because the first proposed connection of the TWPPP was not technically feasible by 2025 due to the construction timeline of the NGCP Baras SS.

13. In March 2024, ATWC proposed to NGCP an interim connection for the TWPPP through a bus-in connection along the existing NGCP San Jose/Balsik - Tayabas 500 kV transmission line.⁹ The proposed interim bus-in connection was considered acceptable by the NGCP in its March 13, 2024 SIS report for the interim connection (the “Interim SIS”),¹⁰ which states that:

Overall, the interim bus-in connection for the [TWPPP] is acceptable. However, ATWC must ensure that its connection line should have the same capacity as the existing San Jose-Tayabas 500 kV Transmission Line to avoid transmission line congestion. Subsequently, once the proposed Baras 500 kV Substation is completed, ATWC must transfer to the final connection scheme which will be subject to a new conduct of System Impact Study. It should be noted that the location of the Baras 500 kV Substation is yet to be finalized.¹¹

⁷ First SIS (Annex K), at p. 3.

⁸ See Interim FS (Annex O), at p. 1.

⁹ Interim SIS (Annex N), at p. 1.

¹⁰ Id.

¹¹ Emphasis and underscoring supplied.

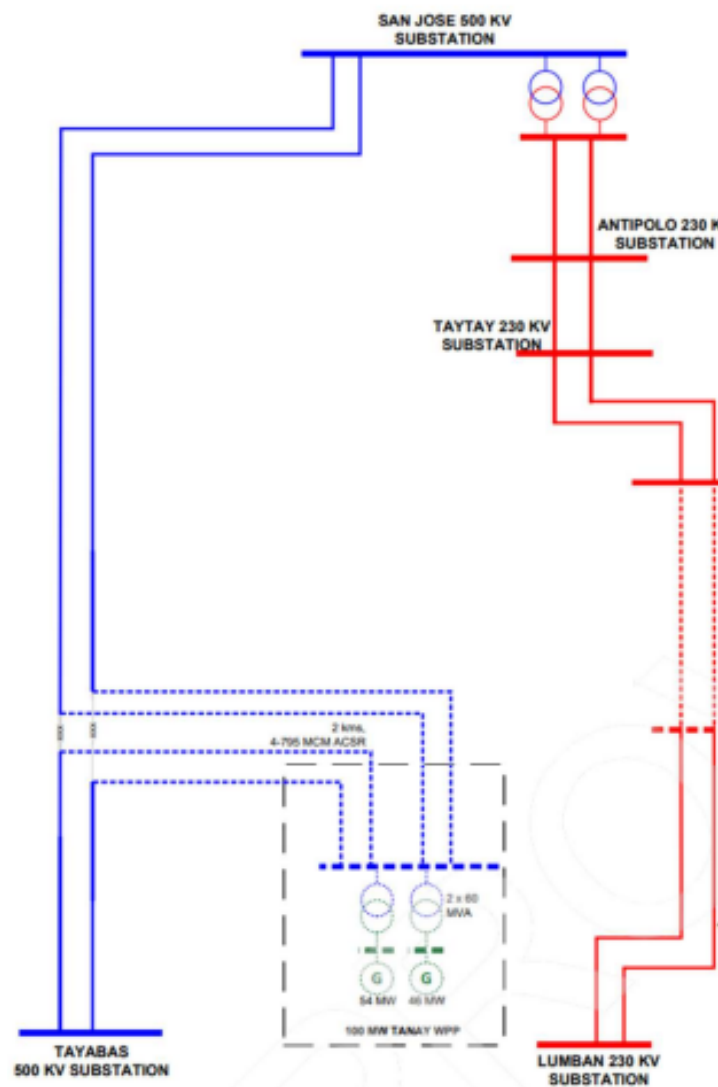


Figure 3. Interim SIS - SLD of the Proposed Interim Connection¹²

14. In March 2024, ATWC also submitted to NGCP an FS Report for the interim connection (the “Interim FS”). On May 8, 2024, the NGCP issued its FS Review Report on the Interim FS (the “Interim FS Review Report”).

15. According to the Interim FS Review Report, the method of interconnection of the TWPPP to the Luzon Grid is via double bus-in connection to the existing San Jose/Balsik – Tayabas 500kV transmission line of NGCP through a 4-795 ACSR transmission line which is approximately three (3) kilometers long (the “Transmission Line”).¹³

16. However, upon final survey and to minimize the project cost, ATWC informed NGCP that the proposed ATWC SS will be relocated one (1) km away from the existing 500 kV San Jose/Balsik – Tayabas transmission line.

¹² See Interim SIS (Annex N), at p. 2.
¹³ See Interim FS Review Report (Annex O-1), at p. 1.

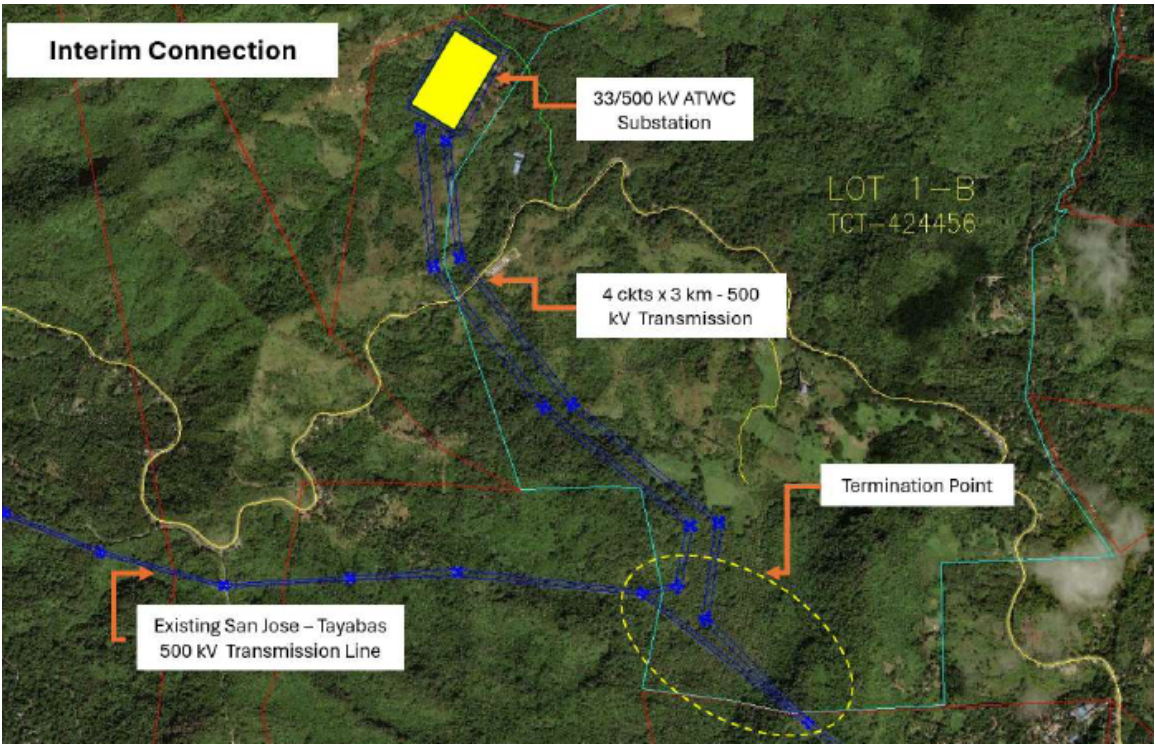


Figure 4. The Proposed Interim Connection¹⁴

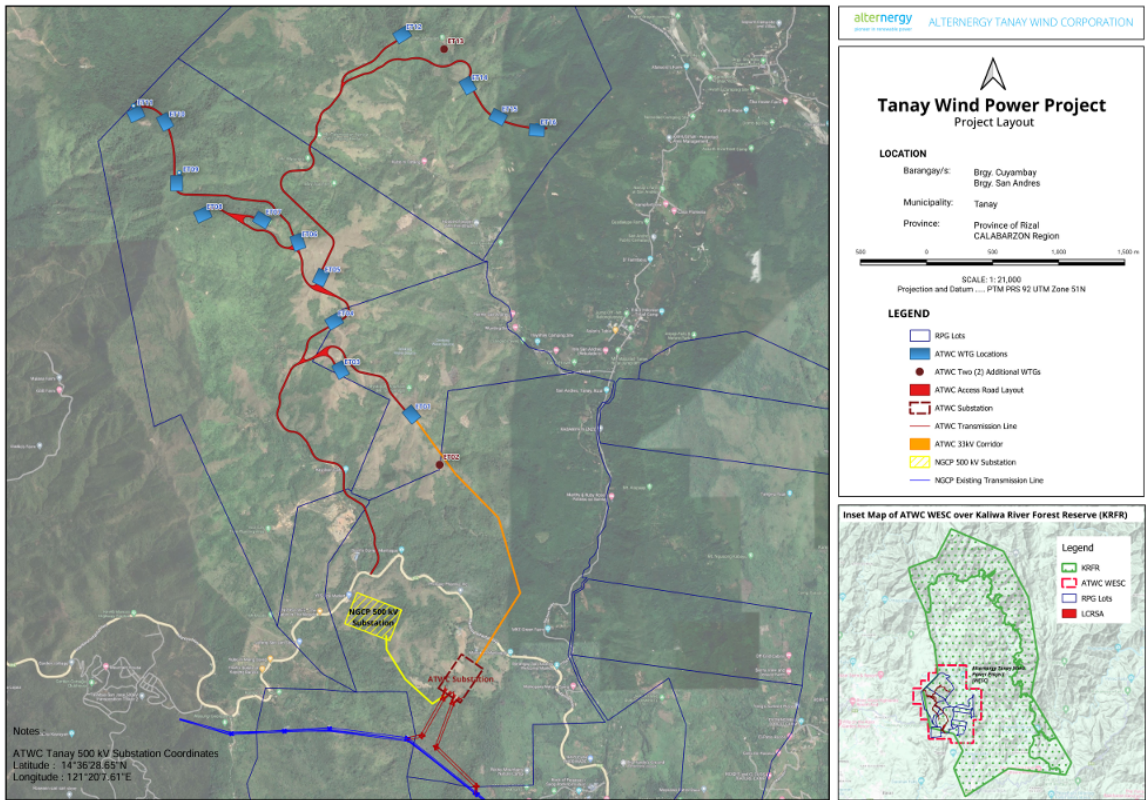


Figure 5. New Location of the Proposed ATWC SS¹⁵

17. In the Interim FS Review Report, NGCP stated that the standard essential components were considered in the Interim FS Report as follows:¹⁶

¹⁴ See Interim FS (Annex O), at p. 3.

¹⁵ See ATWC’s letter dated May 28, 2024 to the NGCP informing it of the new location of the proposed ATWC SS (Annex O-2), at p.2.

¹⁶ Id.

- 1. The Project's 2x60MVA, 34.5/230 kV step-up Power Transformers having a winding configuration of Wye_{gnd} (high-side/500kV) – Delta (low-side/33kV).
- 2. Plant's RTU/Gateway is provided for monitoring purposes.
- 3. Main 1 and Main 2 Transformer Differential Protection (87T) with built-in function of non-directional overcurrent protection (50/51, 50/51N) for the main transformer unit.
- 4. The 125 V_{DC} and 48 V_{DC} Distribution System at the plant side is fully redundant for reliability (i.e., DC1 & DC2 with corresponding Battery Bank1 & Battery Bank2 and Charger1 & Charger2). Main 1 and Main 2 protection systems shall be powered using DC1 and DC2 and shall be wired to Trip Coil1 and TripCoil2 of the associated Power Circuit Breaker.

18. In the Interim FS Review Report, the NGCP also enumerated the following essential requirements which shall be considered prior to the implementation of the interconnection project:¹⁷

- 1. *** *** ***
- 2. ATWC's take-off substation shall be breaker-and-a-half configuration.
- 3. NGCP shall further conduct an Operational Assessment to further determine the operational impact that the proposed interim bus-in connection may introduce to the Luzon Grid.
- 4. ATWC shall inform NGCP on the exact bus-in point of ATWC's Project along the San Jose-Tayabas 500 kV line. ATWC shall submit to NGCP the necessary transmission line drawings relative to the said bus-in point.
- 5. The Main 1 and Main 2 Line Differential Protection System at both ends shall have the same brand/model/version. However, it shall come from different manufacturers to avoid possible common mode of failure. Existing line protection relays to be matched for the bus-in connection are as follows:

A. Bus-in along San Jose-Tayabas 500 kV line

*** *** ***

B. Bus-in along San Jose-Tayabas 500 kV line (if the cut-in of Balsik 500 kV is realized)

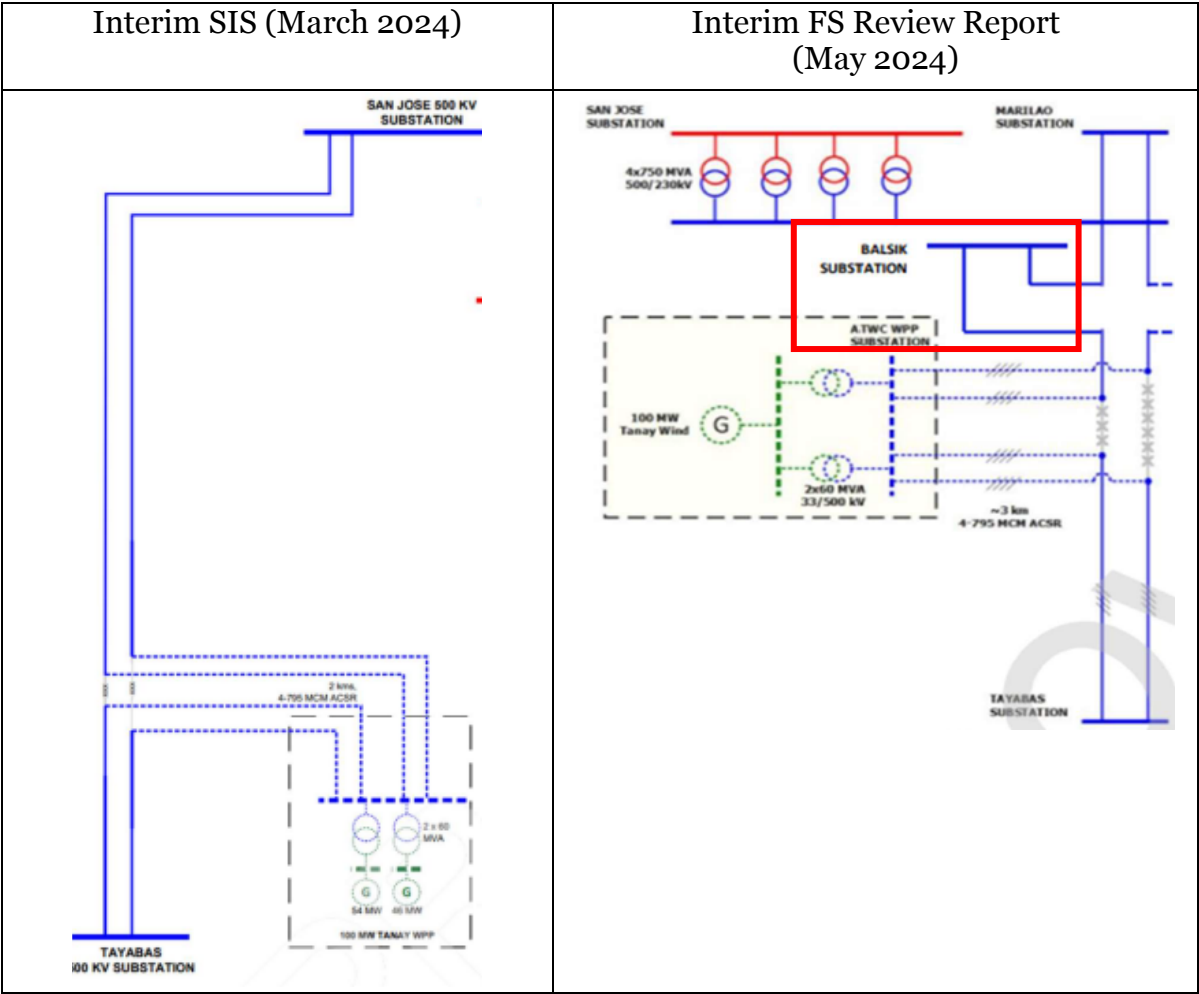
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¹⁷ Interim FS Review Report (Annex O-1), at p. 2.

C. Bus-in along San Jose-Tayabas 500 kV line (if the cut-in of Balsik 500 kV or Taguig 500 kV is realized)

*** *** ***18

19. The Interim FS Review Report also modified the single line diagram (“SLD”) of the proposed interim connection in the Interim SIS by adding the cut-in of NGCP’s Balsik 500 kV substation, as shown below:



¹⁸ Emphasis and underscoring supplied.

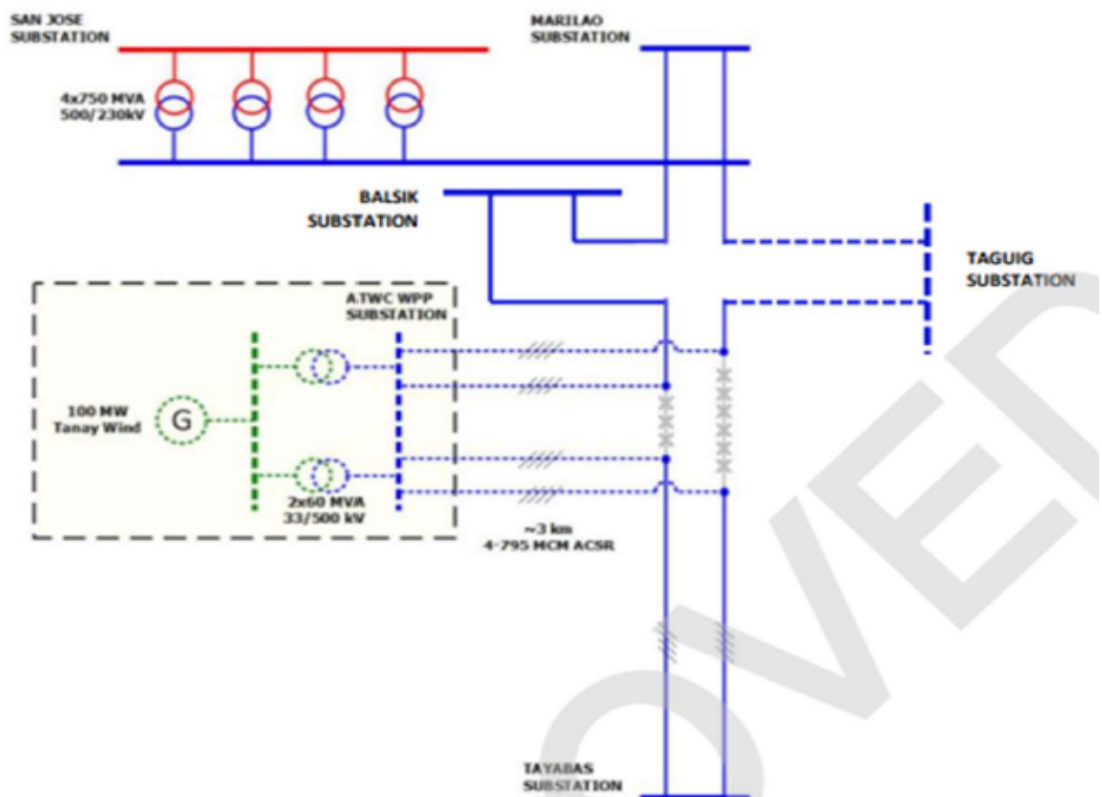


Figure 6. FS Review Report SLD of the Proposed Interim Connection¹⁹

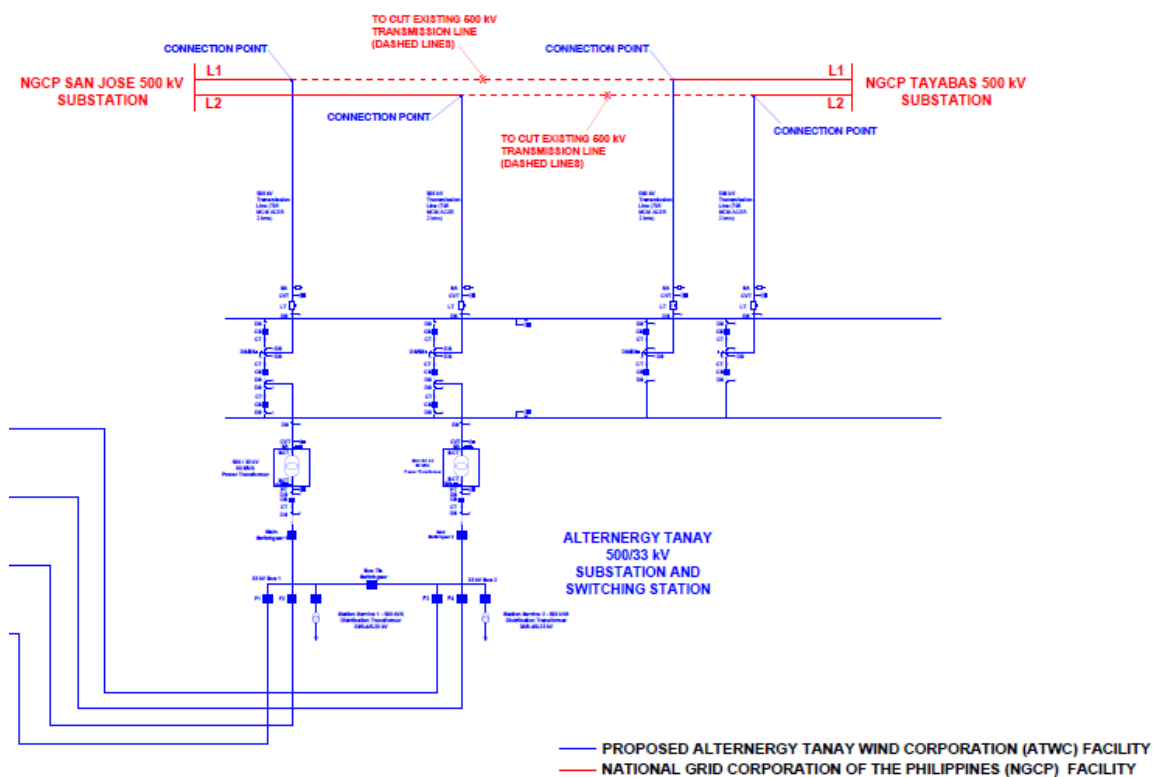


Figure 7. Detailed SLD of Interim Connection²⁰

Copies of the documents relating to the Interim Connection are attached as follows:

¹⁹ See FS Review Report, Annex A - Figure 1 (Annex O-1).

²⁰ See Project Description (Annex J) and SLD of Interim Connection (Annex T).

Annex	Document
N	Interim SIS dated March 2024
O	Interim FS dated March 2024
O-1	Interim FS Review Report dated May 8, 2024
O-2	ATWC’s May 28, 2024 Letter to the NGCP

D. The Interim Connection – Major Equipment

20. The major equipment that will be implemented to accommodate the interim interconnection of the 99.2 MW Tanay Wind Power Plant via bus in the connection scheme at proposed ATWC’s 500/33kV Substation are as follows:²¹

- a. Power Circuit Breaker (PCB)
- b. Disconnect Switch (DS)
- c. Disconnect Switch with Earthing Switch (DS/ES)
- d. Capacitor Voltage Transformer (CVT)
- e. Current Transformer (CT)
- f. Surge Arrester (SA)
- g. Instrument Transformer (Revenue Metering Facility)
- h. Line Protection System
- i. Breaker Failure Protection System
- j. Network Disturbance Monitoring Equipment (NDME)
- k. Substation Automation System (SAS)

21. The installation, testing, and commissioning of the following essential components shall be implemented at NGCP Tayabas and NGCP San Jose 500 kV Substation prior to the interim connection of the project power plant facility at the said substations.

(a) For NGCP Tayabas 500 kV Substation:²²

- (i) Integration of the Main 1 and 2 Line Differential Protection Relay (87L) for Tayabas-ATWC 500 kV Line 1 at ATWC 500 kV Substation; and
- (ii) Integration of the Main 1 and 2 Line Differential Protection Relay (87L) for Tayabas-ATWC 500 kV Line 1 at ATWC 500 kV Substation.

(b) For NGCP San Jose 500 kV Substation:²³

- (i) Integration of the Main 1 and 2 Line Differential Protection Relay (87L) for Tayabas-ATWC 500 kV Line 1 at ATWC 500 kV Substation; and

²¹ See Interim FS (Annex O), at p. 8.

²² See Interim FS (Annex O), at pp. 8-9.

²³ See Interim FS (Annex O), at p. 9.

- (ii) Integration of the Main 1 and 2 Line Differential Protection Relay (87L) for Tayabas-ATWC 500 kV Line 2 at ATWC 500 kV Substation.

22. The required transmission asset equipment to allow the Interim Connection of the TWPPP are as follows:

- (a) Fiber Optic Terminal Equipment (FOTE), complete with panel and required accessories – 1 set (ATWC Side); and
- (b) Remote Terminal Unit (RTU)/Gateway DNP 3.0 TCP/IP, complete with panel and required accessories – 1 set (ATWC Side).

E. The Final Connection

23. Once the proposed NGCP Baras SS is completed, ATWC will transfer to the final connection scheme. As of March 2024, the proposed final connection will connect the TWPPP to the Luzon Grid through direct connection to the NGCP Baras SS. The connection involves the development of an approximately 1-km, double circuit connection line utilizing a 4x795 MCM ACSR conductor. Likewise, the TWPPP will utilize 2x60 MVA 33/500 kV step-up transformers.

24. The final connection scheme is at the 500 kV side of the Baras 230/500 kV Substation, however, as stated by the NGCP in the Interim SIS, “once the proposed Baras 500 kV Substation is completed, ATWC must transfer to the final connection scheme which will be subject to a new conduct of System Impact Study.”²⁴

²⁴ Emphasis and underscoring supplied.

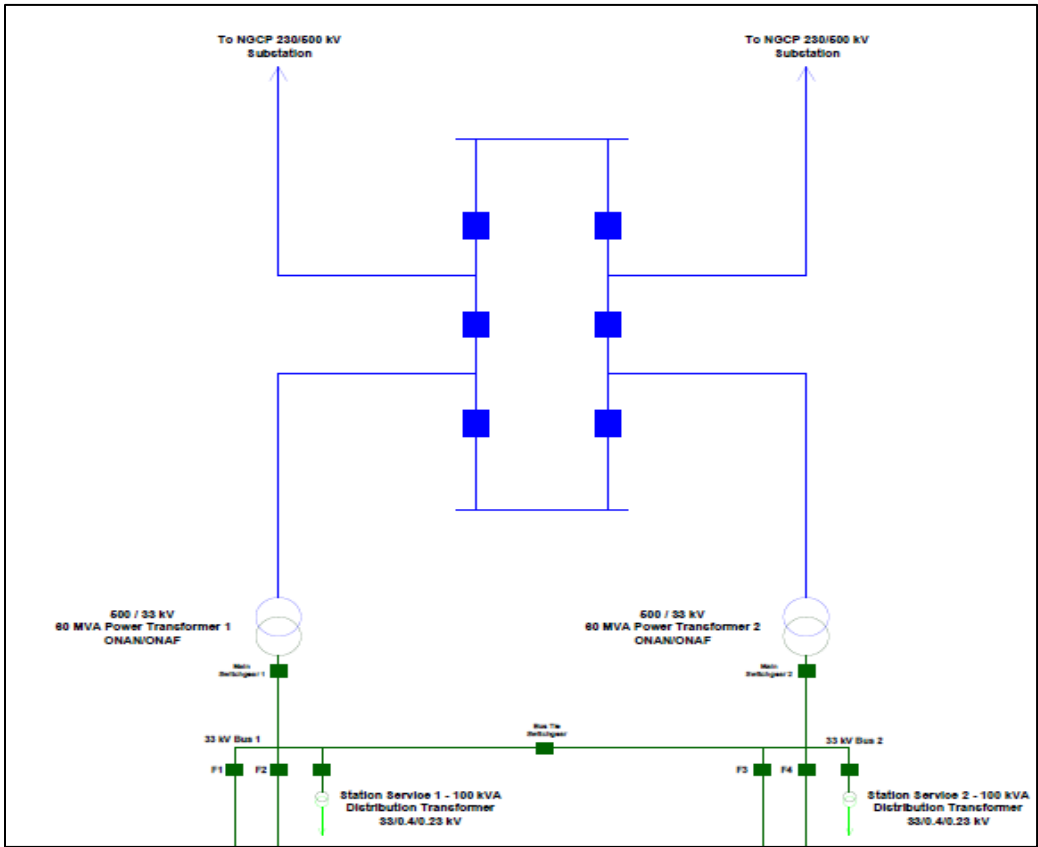


Figure 8. Proposed Final Connection of the TWPPP²⁵

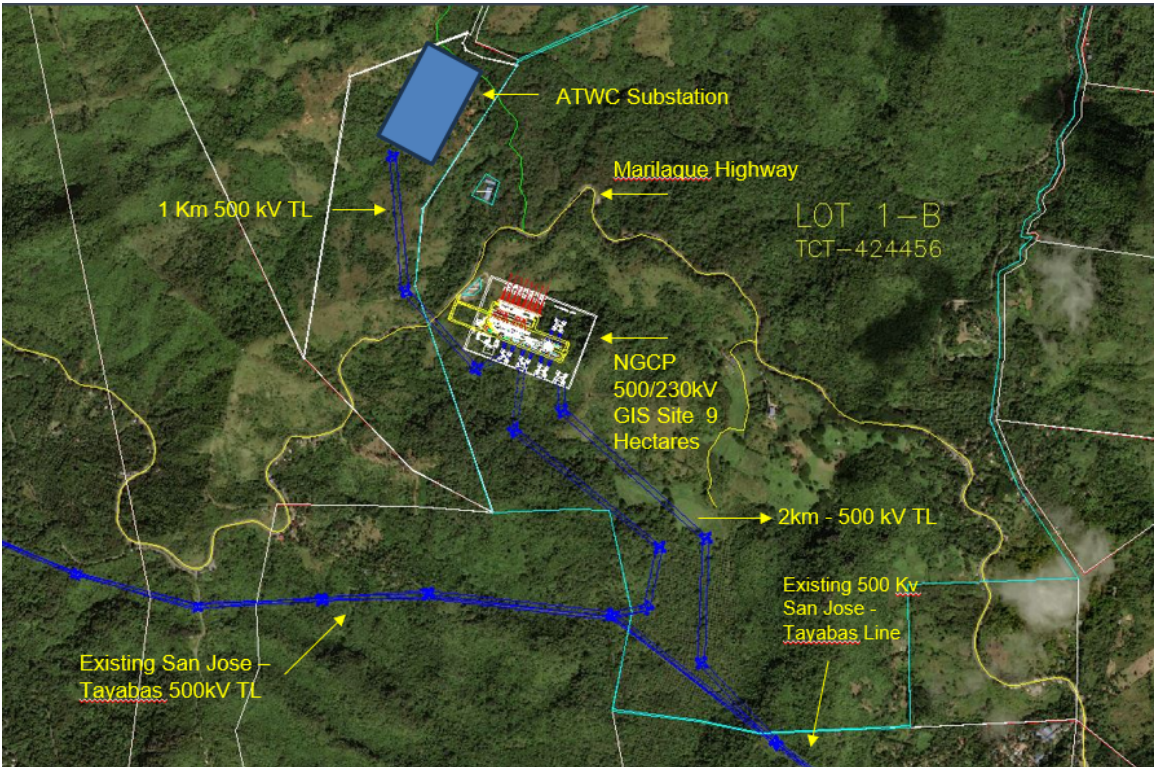


Figure 9. Proposed Geographical Location of the Final Connection²⁶

IV. Statement of Facts

²⁵ See First SIS (Annex K).

²⁶ See First SIS (Annex K).

A. The Interim and Final Connection Schemes

25. As discussed above, in the Interim SIS, the NGCP concluded that the interim bus-in connection for the TWPPP is acceptable, subject to the conduct of another SIS for the final connection once the NGCP Baras SS is completed. Thus:

The initial assessment results shows that the San Jose-ATWC Tanay-Tayabas 500 kV Transmission Line, are sufficient to accommodate the entry of the [TWPPP]. However, the simultaneous dispatch of the Project together with the existing and all other proposed power plants in Laguna and Quezon areas causes overloading at San Jose-ATWC Tanay kV Transmission Lines during single outage contingency (N-1) condition.

Overall, the interim bus-in connection for the Project is acceptable. However, ATWC must ensure that its connection line should have the same capacity as the existing San Jose-Tayabas 500 kV Transmission Line to avoid transmission line congestion. Subsequently, once the proposed Baras 500 kV Substation is completed, ATWC must transfer to the final connection scheme which will be subject to a new conduct of System Impact Study. It should be noted that the location of the Baras 500 kV Substation is yet to be finalized.²⁷

B. Transmission Development Plan and Options Considered

26. The construction of the Interconnection Project to connect the TWPPP to the Luzon Grid is consistent with the TDP. The TWPPP is included:

- (a) As one of the Indicative Power Plants in the Private Sector Initiated Power Projects (“PSIPP”) in Luzon as of 31 December 2021 in the TDP 2022-2040;²⁸ and
- (b) In the DOE’s Luzon Indicative Power Projects as of March 31, 2022.²⁹

Copies of the relevant TDPs are attached as follows:

Annex	Document
P	Appendix 4, PSIPP Table 1: Private Sector Initiated Power Projects in Luzon as of 31 December 2021 of the TDP 2022-2040 (p. 216)
Q	DOE’s Luzon Indicative Power Projects as of 31 March 2022 ³⁰

²⁷ Interim SIS (Annex N).
²⁸ See TDP 2022-2040, Appendix 4, Table 1: Private Sector Initiated Power Projects in Luzon as of 31 December 2021 (Annex P), at p. 216.
²⁹ See DOE’s Luzon Indicative Power Projects as of 31 March 2022 (Annex Q), at p. 4.
³⁰ Available at:
https://www.doe.gov.ph/sites/default/files/pdf/electric_power/luzon_indicative_2022-mar-31-

27. A comparison of interconnection options for the TWPPP shows that the 3km – 500 kV Bus-In Interim Connection is the best connection scheme while the NGCP Baras SS is not yet completed. Once completed, the final connection scheme involving the direct connection of the TWPPP to the 500 kV NGCP Baras SS will be subject of a new SIS by the NGCP.

A copy of the table below, showing the comparison of the interconnection options for the TWPPP, is attached as Annex R:

Options for Connection Point	Advantages	Disadvantages
1. 1 Km - 230 kV Transmission Line connection to the proposed 500 kV NGCP Baras Substation	• Short Transmission Line • Minimum ROW acquisition	• High Opex Cost • Advance construction of the 500 kV substation by Alternergy • High construction cost for the 500 kV substation • There is a potential risk of delay in the construction schedule due to the limited timeline.
2. Approximately 30 Km 115 kV Transmission Line connection to the 230 kV NGCP Antipolo Substation.	• Transmission line is accessible by using the DPWH national road for right of way. • The use of 115 kV equipment is more cost efficient compared to using 230 kV equipment.	• ROW issues • Additional Step-Up Transformer and protection devices are needed at NGCP Antipolo Substation • Long transmission line route • Various landowners will be affected by the transmission line ROW acquisition • High O&M cost for transmission line
3. 12 Km embedded connection at the 115 kV Malaya-Teresa Meralco Line	• The use of 115 kV equipment is more cost efficient compared to using 230 or 500 kV equipment.	• Possible curtailment due to limited capacity of 115 kV Malaya – Teresa line of Meralco • Various landowners will potentially be affected by transmission line ROW acquisition • ROW issues • Long transmission line route
4. 1 Km – 500 kV Bus-In Interim Connection	• Short distance transmission line • No need to construct the 500 kV NGCP Substation • Construction schedule is achievable	• High CAPEX and OPEX cost (500 kV system)

C. The Interconnection Project’s Design, Construction, Cost, and Technical Information

28. The total estimated cost of the Interconnection Project is PhP2,205,879,510.95.

29. The construction of the Interconnection Project shall be undertaken by Power Construction Corporation of China, Ltd. (“PCCCL”) or China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd. (“GEDI”).

30. Considering that the interim connection involves a bus-in along NGCP’s 500 kV San Jose/Balsik – Tayabas transmission line, ATWC intends for NGCP to operate the high-voltage equipment in the 500 kV ATWC SS.

31. Finally, the TWPPP is targeted to be operational by year 2025.³¹ Hence, there is an urgent need for the immediate issuance of a provisional authority to start the construction of the Interconnection Project.

Copies of the documents relating to the Interconnection Project’s design, construction, cost, and technical information are attached as follows:

Annex	Document
S	PCCCL Company Profile
S-1	GEDI Company Profile
T	Detailed SLD of Interim Connection
T-1	Detailed SLD of Final Connection
U	Conceptual Engineering Design and Drawing – Interim
U-1	Conceptual Engineering Design and Drawing – Final
V	Gantt Chart Schedule of the TWPPP
V-1	TWPPP Relevant Dates
W	Affidavit of Compliance with the Philippine Grid Code
X	Sworn Statement/Manifestation
Y	Historical and Forecasted Demand-Supply Scenario
Z	[Confidential] Substation and TL Cost Estimate

³¹ See First SIS (Annex K), at p. 1.

ALLEGATIONS IN SUPPORT OF
THE PRAYER FOR PROVISIONAL AUTHORITY

32. Under Rule 14, Section 1 of the Revised Rules of Practice and Procedure of the ERC (the “Revised ERC Rules”),³² this Honorable Commission is authorized to issue provisional authority or interim relief prior to a final decision, provided that the facts and circumstances alleged warrant such remedy.

33. The facts and circumstances in this Application warrant the issuance by this Honorable Commission of the provisional authority prayed for. Indeed, provisional authority is needed to prevent a delay in the construction of the TWPPP. Republic Act No. 9513, otherwise known as the Renewable Energy (“RE”) Act of 2008 (the “RE Act”), aims to accelerate the development of the country’s renewable energy resources and increase the utilization of renewable energy, thus, it is in the interest of the government to help RE developers such as ATWC to achieve commerciality and commence operations at the soonest practicable time.

34. The construction of the Interconnection Project is a prerequisite for the testing and commissioning, and ultimately, the commercial operations of the TWPPP. A provisional authority is, thus, urgently needed to enable TWPPP to achieve the target COD and avoid adverse consequences to ATWC.

35. In fact, the RE Act has declared it the policy of the State to “[a]ccelerate the exploration and development of renewable energy resources 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 dependence on fossil fuels and thereby minimize the country’s exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy.”³³ It is in support of this policy that ATWC was established to generate, transmit, and distribute power derived from wind energy resources.

36. Moreover, generation of electricity from renewable energy resources, such as wind energy, contributes to the reduction of carbon and greenhouse gas emissions to the atmosphere through lessened usage of power generated from bunker and other fossil fuels.

37. ATWC is one with DOE’s vision of boosting the generation of electricity from renewable sources and reducing the environmental impact brought by use of traditional fossil fuels. The issuance of a provisional authority will allow ATWC to immediately start construction of the Project, thus, preventing any delay in the TWPPP’s commercial operations.

³² Revised Rules of Practice and Procedure of the Energy Regulatory Commission, Resolution No. 01, Series of 2021.

³³ RE Act, Section 2(a); underscoring supplied.

38. As early as January of 2022, the NGCP already issued warnings of thinning power reserves due to the increased demand brought by the new normal.³⁴

39. In fact, on May 8, 2023, the Luzon Grid was placed under red alert despite the DOE's earlier forecast that no red alert was foreseen in the Luzon Grid in 2023.³⁵ The NGCP issued both red and yellow alert notices that day following the tripping of Bolo-Masinloc 230kV Line 2 which forced outages and de-rating of power plants.³⁶

40. On July 12, 2023, the NGCP issued another yellow alert notice to the Luzon Grid because the modules of one of the power plants tripped causing a decline in grid frequency. In turn, this caused service interruption to MERALCO's customers in parts of Metro Manila, Bulacan, Cavite, Laguna, Rizal, and Quezon.³⁷

41. On December 18, 2023, in an Executive Committee Meeting by the DOE with its attached agencies, it was agreed to map out vital infrastructures of the country that could be affected by the supply of electricity to be able to quickly provide interventions. These infrastructure areas include government hospitals, blood banks, banks, and water pumping stations among others.³⁸

42. The construction of the TWPPP, together with the Interconnection Project which will connect it to the Luzon Grid, will help alleviate possible power shortages in the future. Considering the foregoing, ATWC respectfully submits that there is basis for this Honorable Commission to grant a provisional authority for ATWC to develop and own or operate the Interconnection Project.

³⁴ See: NGCP warns of thin supplies during summer season, appeals for efficient energy use, published by NGCP on January 18, 2022, available at: <https://www.ngcp.ph/article?cid=16516> (last accessed 6 February 2024).

³⁵ See: No red alerts seen in Luzon grid in 2023: DOE, published by the Philippine News Agency on January 9, 2023, available at: <https://www.pna.gov.ph/articles/1192332> (last accessed 6 February 2024). See also: Plants' forced outages plunge Luzon grid to 'red alert' published by Manila Bulletin on May 8, 2023, available at: <https://mb.com.ph/2023/5/8/plants-forced-outages-plunge-luzon-grid-to-red-alert> (last accessed 6 February 2024).

³⁶ See: NGCP calls for holistic solution, better coordination within energy supply chain, published by NGCP on May 12, 2023, available at: <https://ngcp.ph/article?cid=16645> (last accessed 3 February 2024). See also: Luzon grid placed on red alert after 5-plant outage, published by BusinessWorld on May 8, 2023, available at: <https://www.bworldonline.com/economy/2023/05/08/521594/luzon-grid-placed-on-red-alert-after-5-plant-outage/> (last accessed 6 February 2024).

³⁷ See: Luzon grid placed on yellow alert, published by the Philippine Star on July 12, 2023, available at: <https://www.philstar.com/nation/2023/07/12/2280408/luzon-grid-placed-yellow-alert> (last accessed 6 February 2024). See also: 'Yellow alert' in Luzon as San Lorenzo power plant trips published by the Philippine News Agency on July 11, 2023, available at: <https://www.pna.gov.ph/articles/1205358> (last accessed 6 February 2024).

³⁸ See: Expand and deepen the practice of energy and conservation, DOE urges households and business sector amid El Nino published by the DOE on December 20, 2023, available at: <https://www.doe.gov.ph/press-releases/expand-and-deepen-practice-energy-and-conservation-doe-urges-households-and-business> (last accessed 6 February 2024).

³⁸ In the Commission's Advisory dated 26 July 2023, the Commission adopted the Summary

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

ATWC respectfully requests that the information contained in the Substation and TL Cost Estimate (Annex Z) be treated as confidential information pursuant to Rule 4 of the Revised ERC Rules.³⁹

43. This document should not be disclosed to any other party or third person because the information contained therein are confidential and proprietary to ATWC. ATWC has an actual and valuable proprietary interest to protect the information contained in this document, which are not generally available to the public. These details are part of ATWC's competitive advantage in the power generation industry with an economic value (actual or potential) derived from not being generally known to, and not being readily ascertainable by, other persons such as ATWC's competitors, who can obtain economic value from the disclosure of the pieces of information to the detriment of ATWC.

44. This document pertains to sensitive information regarding TWPPP's technologies and technical specifications, as well as the Project's cost breakdown, which, if disclosed to the public, might adversely affect ATWC's competitiveness in future projects. Furthermore, the information contained in this document is in the possession of this Honorable Commission only on a confidential basis and has not been declared as non-confidential in any previous decision or policies by the Commission.

45. Considering the foregoing, ATWC hereby respectfully asks that Annex Z be treated as confidential information during the pendency of this Application and any time thereafter, and that these be used solely for the purpose of evaluating this Application. ATWC also respectfully moves that this document be the subject of a Protective Order pursuant to Rule 4, Section 2 of the Revised ERC Rules.

46. ATWC hereby submits one (1) copy of the foregoing confidential document in a sealed envelope, with the envelope and each page of the document marked with the word "Confidential."

PRAYER

Wherefore, in view of the foregoing, ATWC respectfully prays that this Honorable Commission:

- (a) Upon initial review of the Application and pending trial on the merits, GRANT ATWC PROVISIONAL AUTHORITY to develop and own or operate the Interconnection Project;

³⁹ Revised Rules of Practice and Procedure of the Energy Regulatory Commission, Resolution No. 01, Series of 2021.

- (b) After trial on the merits, GRANT ATWC PERMANENT AUTHORITY to develop and own or operate the Interconnection Project;
- (c) DECLARE Annex Z as CONFIDENTIAL INFORMATION within the purview of Rule 4 of the Revised ERC Rules; and
- (d) ISSUE A PROTECTIVE ORDER treating Annex Z as confidential information pursuant to Rule 4, Section 2 of the Revised ERC Rules and prescribing the guidelines for the protection thereof.

Other just and equitable reliefs are likewise prayed for.

Finding the said *Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same for hearing for determination of compliance with the jurisdictional requirements, expository presentation, and Pre-Trial Conference⁴⁰ on **13 November 2024 (Wednesday), 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 2020⁴¹ and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure).⁴²

RELATIVE THERETO, ATWC is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, at least ten (10) calendar days before the date of the scheduled hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governor, the Mayors, and the Local Government Unit (LGU) legislative bodies of the area affected by the project for the

⁴⁰ 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.

⁴¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

⁴² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

appropriate posting thereof on their respective bulletin boards;

- 3) Inform the consumers within the affected area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire to send their duly authorized representatives and attend the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

No later than ten (10) calendar days prior to the date of initial virtual hearing, ATWC must submit to the Commission through the EVOSS portal and via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, the scanned copies of its written compliance with the aforementioned jurisdictional requirements attaching the following methodically arranged and duly marked documents:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of affidavit of the Editor or Business Manager of the newspaper where the said *Notice of Virtual Hearing* was published, and the complete issue of the said newspaper;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governor, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by the Applicant to inform the consumers within the affected area of the filing

of the *Application*, the reasons therefor, and of the scheduled hearing thereon;

- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Moreover, ATWC is hereby required to post on its bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publication and certifications issued by the concerned Offices of the Provincial Governor, Mayors, and LGU legislative bodies, and to submit proof of posting thereof.

Applicant ATWC and all interested parties are also required to submit to the Commission via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the date of the scheduled virtual hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor, which should also be attached to the Pre-Trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-Trial Brief.

Applicant ATWC must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission **at least five (5) calendar days** before the date of the

scheduled virtual hearing and Pre-Trial Conference pursuant to the preceding paragraph.

Failure of Applicant to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing.

Applicant ATWC must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Application* must be cited in support thereof.

Applicant ATWC is hereby directed to file a copy of its Expository Presentation via e-mail at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior to the scheduled virtual hearing. Applicant shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, **at least five (5) calendar days** prior to the scheduled virtual hearing.

Applicant ATWC is further directed to submit, through personal service, registered mail or ordinary mail/private courier, one (1) set of the original or certified true hard copies of its Jurisdictional Compliance, Expository Presentation, Pre-Trial Brief, and Judicial Affidavits of witnesses, **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.

Moreover, the National Grid Corporation of the Philippines (NGCP) is hereby impleaded as a necessary party to this *Application*. Accordingly, NGCP is hereby directed to submit its **Verified Comment** via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the date of the scheduled virtual hearing.

NGCP is further directed to submit, through personal service, registered mail, or ordinary mail/private courier, one (1) set of the original or certified true hard copies of its **Verified Comment**, **within five (5) workings days** from the date that the same were

electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Finally, Applicant ATWC, including its authorized representatives and witnesses, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, their e-mail addresses upon receipt of this *Order*. The Commission will send the access link to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 07 October 2024.

FOR AND BY AUTHORITY
OF THE COMMISSION:


KRISHA MARIE T. BUELA
Director III, Legal Service

LS:  JRBC/ARG

Copy Furnished:

1. Alternergy Tanay Wind Corporation (ATWC)
Applicant
Level 3B, 111 Paseo De Roxas Building,
Paseo De Roxas cor Legazpi Street, San Lorenzo
Makati City
2. Gatmaytan Yap Patacsil Gutierrez & Protacio
Atty. Sophia P. Inoturan
30/F 88 Corporate Center
Sedeno corner Valero Streets
Salcedo Village Makati
3. National Grid Corporation of the Philippines (NGCP)
Necessary Party
NGCP Building, Quezon Avenue cor. BIR Road
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litigation®ulatory@ngcp.ph; corpcom@ngcp.com.ph
4. Office of the City Mayor
Makati City
5. Office of the Sangguniang Panlungsod
Makati City
6. Office of the Provincial Governor
Province of Rizal
7. Office of the Sangguniang Panlalawigan
Province of Rizal
8. Office of the City Mayor
Antipolo City, Rizal
9. Office of the Sangguniang Panlungsod
Antipolo City, Rizal
10. Office of the Municipal Mayor
Tanay, Rizal
11. Office of the Sangguniang Pambayan
Tanay, Rizal
12. The Office of the Solicitor General (OSG)
Amorsolo St., Legaspi Village, Makati City
docket@osg.gov.ph
13. The Commission on Audit (COA)
Don Mariano Marcos Avenue, Diliman, Quezon City
citizensdesk@coa.gov.ph
14. The Senate Committee on Energy
Senate of the Philippine
GSIS Bldg., Roxas Blvd., Pasay City
senateenergycommittee@gmail.com
15. The House Committee on Energy
House of Representatives, Batasan Hills, Quezon City
Committee.energy@house.gov.ph
16. Regulatory Operations Service (ROS)
Exquadra Tower, Jade Drive, Ortigas Center, Pasig City
ros@erc.ph