

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, 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  
46 MW UNIVERSAL ROBINA  
CORPORATION  
-  
KABANKALAN BIOMASS-  
FIRED POWER PLANT TO THE  
VISAYAS GRID THROUGH THE  
TRANSMISSION SYSTEM OF  
THE NATIONAL GRID  
CORPORATION OF THE  
PHILIPPINES

ERC CASE NO. 2015-070 MC

UNIVERSAL ROBINA  
CORPORATION (URC),  
Applicant.

X -----X

DOCKETS  
Date: DEC 10 2015  
By: *[Signature]*

**O R D E R**

On October 15, 2015, Universal Robina Corporation (URC) filed an application for authority to develop and own or operate dedicated point to point limited transmission facilities to connect the 46 MW Universal Robina Corporation (URC) Kabankalan Biomass-fired Power Plant to the Visayas Grid through the transmission system of the National Grid Corporation of the Philippines (NGCP).

In the said application, URC alleged, among others, the following:

1. URC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with

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office address at 110 E. Rodriguez Avenue, Bagumbayan, Quezon City, Metro Manila;

2. URC is primarily engaged in the manufacture, production, processing, packing, preserving, distribution, and marketing, at wholesale, import and export of any and all goods, commodities, wares and merchandise of every nature and description, including but not limited to, all kinds of food and food related products. URC, likewise, seeks participation in generating, producing, selling, supplying and distributing electricity, including the exploration, development and utilization of renewable energy after the amendment of its Articles of Incorporation on January 24, 2013;

The copies of the corporate documents are attached to the application as Annexes "A" to "E", as follows:

<b>ANNEX</b>	<b>DOCUMENTS</b>
A	Amended Articles of Incorporation
B	Amended By Laws
C	Audited Financial Statements for Fiscal Year 2014
D	General Information Sheet for Fiscal Year 2015
E	Certificate of Non-Coverage issued by the Department of Environment and Natural Resources (DENR)

3. URC's 46 MW Biomass-Fired Power Plant (Power Facility) is located in Brgy. Camansi, Kabankalan, Negros Occidental. The Power Facility shall be a combination of 46 MW turbo-generators and shall have dual voltage capability of 69 kV and 13.8 kV. The plant will use bagasse, a sugarcane by-product from URC's sugar mill as feedstock. It intends to support the sugar milling operations of URC subsidiary Southern Negros Development Corporation (URC-SONEDCO) and help fill the demand for power in the area. The project likewise intends to ease and reduce the country's dependence on imported crude. Copies of the Final Facilities Study and the NGCP's Approval for the Interconnection Facilities Study are attached to the application as Annexes "F" and "F-1", respectively;

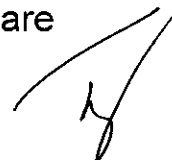


4. URC has applied with the Commission for the issuance of a Certificate of Compliance (COC) that will allow it to generate electricity from the Power Facility. A copy of the COC application dated July 14, 2014 is attached to the application as Annex "G";
5. To fully dispatch the power generated by the Power Facility, URC shall connect to the Visayas Grid through the 69 kV Mabinay-Kabankalan Line of the NGCP. The connection point to the Power Facility is from the 2x20/25 MVA transformer step-up substation with a line of more or less 4,300 meters long, single circuit, utilizing steel poles 336.4 MCM ACSR conductors and polymer suspension and/or post type insulators. A copy of the Certification of NGCP dated September 24, 2015, stating that the project is consistent with the transmission development plan is attached to the application as Annex "H";
6. The dedicated point-to-point limited transmission facilities are required only for the purpose of connecting to the Visayas Grid and shall be used solely by URC to connect the 46 MW Kabankalan Biomass Power Plant to NGCP's transmission system. A copy of the Connection Agreement is attached to the application as Annex "I";
7. The proposed connection to the 69 kV Kabankalan-Mabinay Line of the NGCP is the most feasible and most viable way to connect the Power Facility to the Visayas Grid, considering its proximity to the Kabankalan-Mabinay Feeder of the NGCP, requiring a transmission facility that is approximately 4,300 meters only. Copies of the Conceptual Designs and Drawings are attached to the application as Annexes "J", "K", "L", "M", "N" and "O" ;
8. URC conducted a System Impact Study (SIS) through a third party consultancy firm to determine the feasibility of the proposed dedicated point-to-point limited transmission facilities. The SIS revealed that the addition of the 46 MW Biomass-Fired power plant has no significant system impact to the stability, reliability, and operating characteristics of the Visayas Grid. No network upgrades are needed except those needed to interconnect the project to the grid. Attached to the application is a copy of the SIS dated July 2014 as Annex "P";



9. The SIS indicates the following favorable results: (i) thermal loading of monitored transmission facilities and voltage levels of monitored substation are within acceptable limits during normal and contingency condition of the base cases of years 2014 and 2019; (ii) fault levels of the nearby substation are within acceptable limits prior to and upon connection of the Power Facility to the grid; (iii) dynamic simulation results shows that the loss of the Power Facility while supplying full capacity to the grid will not cause the frequency to drop or rise beyond acceptable limits; and (iv) for the dynamic stability assessment, the system shall remain stable and well damped following transient events considered;
10. For the design, installation, testing, and commissioning of the dedicated point-to-point limited transmission facilities, URC engaged the services of Asiaphil Manufacturing Industries, Inc. amounting to PhP140,000,000.00, for the detailed engineering and design, complete supply of materials and equipment including delivery, installation and commissioning. A copy of the Purchase Order to Asiaphil Manufacturing Industries Inc. for the 46 MW Biomass-Fired Cogeneration Power Plant Project and Services is attached to the application as Annex "Q";
11. URC, likewise, engaged the services of Power System Research and Consultancy Group for the supply of engineering services to conduct System Impact Study (SIS) for 46 MW Power Plant for URC amounting to PhP 896,000.00. A copy of the Purchase Order to Power System Research and Consultancy Group for the conduct of the System Impact Study is attached to the application as Annex "R";
12. Paragraph 3, Section 9 of the Electric Power Industry Reform Act (EPIRA), provides that:

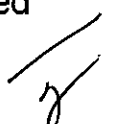
"A generation company may develop and own or operate dedicated point-to-point limited transmission facilities that are consistent with the TDP: Provided, That such facilities are required only for the purpose of connecting to the transmission system, and are used solely by the generating facility, subject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

In addition, the Implementing Rules and Regulations of the EPIRA provides the Rules for Dedicated Point Limited Transmission Facility in Part II, Rule 5, Section 5 which provides, as follows:

- i. Such dedicated point-to-point limited transmission facilities are required only for the purpose of connecting to the Grid which shall be used solely by the Generation Facility, and are not used to serve End- users or Suppliers directly;
  - ii. The facilities are included and consistent with the TDP as certified by TRANSCO or its Buyer or Concessionaire; and
  - iii Any other documents that may be required by the ERC.
13. Based on the EPIRA and in compliance with the above IRR, URC seeks to develop and own or operate the proposed dedicated point-to-point limited transmission facilities to connect the Power Facility to the Visayas Grid of the NGCP through a tap connection to the Mabinay-Kabankalan 69 kV line to immediately commence connection of said interconnection facilities;
14. URC shall, at its own cost and expense, be responsible for the operation and maintenance of the transmission facilities in accordance with the Philippine Grid Code (PGC) and/or other applicable laws or regulations and their interconnection agreements. Pursuant to this, URC likewise filed its Energization Request on October 3, 2014 with the NGCP. NGCP granted a Provisional Certificate of Approval to Connect and Certificate of Technical Compliance on November 24, 2014. Copies of the Provisional Certificate dated November 24, 2014, Certificate of Technical Requirements Compliance and Approved



Energization Request Forms are attached to the application as Annexes "S", "T" and "U", respectively;


15. In further support of its application, URC submitted the following documents:

ANNEX	DOCUMENTS
V	The Single Line Diagram
W	Technical Capability of URC to operate Limited Transmission Facility
X	Options/Alternatives considered for the Transmission Project
Y	Projected Financial and Economic Costs Analysis
Z	Project Costs Estimates
AA	GANTT Chart Schedule of Proposed Projects
BB	Statement of Compliance and Compliance Plan
CC	Secretary's Certificate authorizing the development, construction and ownership or operation of the proposed dedicated point-to-point limited transmission facilities; the filing of an application with the Honorable Commission for authority to undertake the same; designating a representative to said application

16. URC prays that the Commission:

- a) Issue an Order for the publication of the application and setting the same for the presentation of evidence; and
- b) After due notice and hearing, issue a permanent authority to develop, own and operate the Dedicated Point-to-Point limited transmission facilities to connect the 46 MW Kabankalan Biomass-Fired Power Plant to the Visayas Grid through a tap connection along NGCP's Mabinay-Kabankalan 69 kV Line

Finding the said application to be sufficient in form and in substance with the required fees having been paid, the same is hereby set for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on **January 20, 2016**



**(Wednesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

URC is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, with the date of the publication to be made not later than ten (10) days before the scheduled date of initial hearing. It is also directed to inform the consumers, by any other means available and appropriate, of the filing of the instant application, its reasons therefor, and of the scheduled hearing thereon.

Let copies of the application, this Order and the attached Notice of Public Hearing be furnished 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 at the scheduled hearing.

Likewise, let copies of this Order and the attached Notice of Public Hearing be furnished the Offices of the Mayors of Quezon City and Kabankalan, Negros Occidental, for the appropriate posting thereof on their respective bulletin boards.

URC is hereby directed to furnish all those making requests therefor with copies of the application and its attachments, subject to reimbursement of reasonable photocopying costs.

On the date of the initial hearing, URC must submit to the Commission its written Compliance with the jurisdictional requirements attaching therewith, methodically arranged and duly marked, the evidences on the actual posting and publication of the Notice of Public Hearing consisting of certifications issued to that effect, signed by the Mayors and or their duly authorized representatives, bearing the seals of their offices, and the affidavit of the Editor or Business Manager of the newspaper where the said Notice of Public Hearing was published together with the complete issue of the said newspaper, and such other proofs of compliance with the requirements of the Commission.

URC and all interested parties are directed to submit, at least five (5) days before the date of initial hearing and pre-trial conference, their respective Pre-trial Briefs containing, among others:

- a) A summary of admitted facts and proposed stipulation of facts;



- b) The issues to be tried or resolved;
- c) The documents or exhibits to be presented, stating the purposes and proposed markings therefore; and
- d) The number and names of the witnesses, with their written testimonies in an individual affidavit form, to be attached to the Pre-trial Brief.

Failure of URC to submit the required Pre-trial Brief and Judicial Affidavits of its witnesses within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from said date of cancellation.

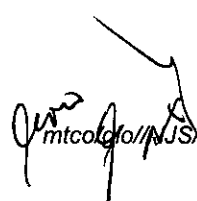
As part of the pre-trial conference, URC must also be prepared to make an expository presentation of its application, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, what the application is all about and the reasons and justifications being cited in support thereof.

**SO ORDERED.**

Pasig City, November 26, 2015.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**JOSE VICENTE B. SALAZAR**  
Chairman and CEO

  
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**ERC**  
Office of the Chairman



L-2015-004-02037



**Copy Furnished:**

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2. **The Office of the Solicitor General**  
134 Amorsolo Street, Legaspi Village, Makati City  
Metro Manila
3. **The Commission on Audit**  
Don Mariano Marcos Avenue  
Diliman, Quezon City, Metro Manila
4. **The Senate Committee on Energy**  
Senate of the Philippines  
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
5. **The House Committee on Energy**  
House of Representatives  
Batasan Hills, Quezon City, Metro Manila
6. **Office of the City Mayor**  
Quezon City
7. **Office of the Mayor**  
Kabankalan City  
Negros Occidental
8. **National Grid Corporation of the Philippines (NGCP)**  
NGCP Building, Quezon Avenue cor. BIR Road  
Diliman, Quezon City, Metro Manila