

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City



IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO DEVELOP, OWN AND OPERATE A DEDICATED POINT-TO-POINT LIMITED TRANSMISSION LINE TO CONNECT THE 18MW MARIVELES SOLAR POWER PLANT TO THE NATIONAL GRID CORPORATION OF THE PHILIPPINES GN POWER MARIVELES-AFAB 69KV LINE, WITH PRAYER FOR PROVISIONAL AUTHORITY

ERC CASE NO. 2016-007 MC

NEXT GENERATION POWER TECHNOLOGY CORP. (NGPTC),

Applicant.

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D O C K E T E D
Date: APR 26 2016
By: [Signature]

ORDER

On 29 February 2016, the Next Generation Power Technology Corp. (NGPTC) filed an application for authority to develop, own and operate a dedicated point-to-point limited transmission line to connect the 18 MW Mariveles Solar Power Plant to the National Grid Corporation of the Philippines GN Power Mariveles-AFAB 69 kV Line, with prayer for provisional authority.

On 18 March 2016, NGPTC filed its "Urgent Motion to Set Application for Hearing".

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

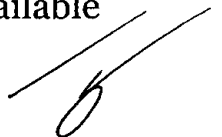
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dedicated point-to-point limited transmission facilities (collectively, Dedicated Facility):

- i. 69 kV Mariveles Solar Power Plant cut-in substation at Structure 36 of NGCP GN Power Mariveles-AFAB 69 kV line;
 - ii. 69 kV transmission line with an approximate length of 0.8 km. using 336.4 MCM ACSR with a rated capacity of 20 MVA; and
 - iii. 69 kV take-off substation inside the MSPP site;
7. Prior to the filing of the application, alternative interconnection schemes were considered. A technical evaluation was conducted, and it was assessed that the distance of the Point of Interconnection (POI) to the GN Power substation is more or less two (2) kilometers and from the POI to NGPTC's substation is about 1 kilometer;
8. Taking into consideration the distance mentioned above and the existing line protection, difficulty in its relay coordination is inevitable. Due to this reason an alternate connection scheme was considered, that instead of the direct connection to the existing 69 kV line, a cut-in type of connection will be made as illustrated in Single Line Diagram 2 (SLD2). Copy of the SLD 2 is attached to the application as **Annex "I"**.

With such scheme, the relay coordination will be easier to do. The line protection between the GN Power and NGPTC will isolate the line in case of fault, and then the line protection of the (Peninsula Electric Cooperative (Penelco) line will be at the NGPTC substation. The breaker arrangement is a "Ring Bus" type, which will allow the shutdown for maintenance of each circuit breaker without interrupting the system;

9. Below is a detailed comparison of the alternatives available to the NGPTC:



Item	Option 1	Option 2
Lot	Acquisition of 500 sqm.	None, it will be within the NGPTC plant
Number of CB's	2 CB's one @NGPTC S/S and one @ POI	3 CB's to complete the ring bus
Power supply	To be provided	Integrated in the substation
Control room	To be provided	Integrated in the substation
Transmission line	Single circuit, 336.4 ACSR	Additional circuit for the outgoing line. Double circuit single pole.
Metering	At the connection point.	At NGPTC substation, which is a more secured place.
Line Protective relay	2 sets, 1 @POI & 1 @NGPTC S/S	2 sets, 1 for line to GN Power, 1 for line to PENELCO
Protective relay coordination	T-connection at the POI will be difficult to be coordinated with the lone protection	No difficulty in coordinating the line protective relays using distance relays
Interruption	Any fault from GN Power Substation to Penelco will isolate the MSPP	A fault on the line from GN Power to NGPTC S/S can be isolated, the supply to Penelco from NGPTC is uninterrupted. A fault from NGPTC to Penelco will isolate Penelco, the supply of NGPTC to the grid through GN Power S/S is uninterrupted.

10. Based on the technical evaluation stated above, Option 2 will be a better alternative as it does not require the acquisition of a lot for the switching station and it will be more flexible, efficient and reliable in the operation;
11. The construction and installation of the Dedicated Facility has an estimated cost of Ninety-Four Million Two Hundred Ninety-Six Thousand and Forty Pesos (PhP94,296,040.00). The financial requirement thereof will be supported by equity and external financing. Copies of the Bill of Quantities are attached to the application as **Annex "J"**, inclusive of sub-markings;
12. As required under existing regulations, NGPTC commissioned a Third Party System Impact Study to determine technical feasibility of connecting the MSPP to the NGCP grid. In a letter dated 17 April 2015, NGCP approved the integration of the MSPP to the GN Power Mariveles-AFAB 69 kV Transmission Line. Copies of the Third Party System Impact Study, NGCP Review Report, and NGCP letter are attached to the application as **Annexes "K", "L" and "M"**, respectively;
13. After the issuance by the Commission to NGPTC of the authority to develop and own the Dedicated Facility subject of this application, NGPTC will engage the services of NGCP to undertake the operation, service and maintenance of the Dedicated Facility involving, among others, periodic inspection of the point-to-point interconnection facilities, regular assessment of pole and wire conditions;
14. NGPTC will apply with the Commission for the issuance of the FIT Certificate of Compliance (FIT-COC) after the DOE shall have issued a Certificate of Endorsement (COE) to MSPP and the Dedicated Facility is completed;
15. In further support of the application, NGPTC hereby submits copies of the following documents:

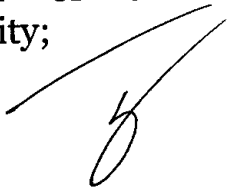
Annex	Documents
"N"	Gantt Chart;
"O"	2015 Balance Sheet and Income Statement of NGPTC;
"P"	Secretary Certificate attesting that NGPTC



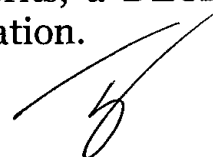
	authorized the construction of the Dedicated Facility;
“Q”	Department of Environment and Natural Resources (DENR) Environmental Compliance Certificate No. R03-1408-0391 for MSPP and Dedicated Facility;
“R”	Sworn Statement of NGPTC authorized representative;
“S”	Facility Study;
“T”	List of Key Management Officials; and
“U”	Financial Ratios;

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

16. NGPTC is applying for inclusion under the FIT system for the second round of Solar FIT (revised 500 MW solar installation target) at the rate of Php8.69/kWh, which is valid upon full subscription thereof or until 15 March 2016, whichever comes earlier;
17. The need for a provisional authority to develop and own a Dedicated Facility to connect NGPTC to the NGCP grid is vital and urgent because of the first-come, first-served policy implemented on the revised 500 MW solar installation target. Only those projects that are fully connected to the grid or a distribution utility, and thus capable of exporting power thereto, are eligible under the said first-come, first-served policy;
18. As provided under Section 6 of the DOE Circular No. DC 2013-05-0009 (Guidelines for the Selection Process of Renewable Energy Projects under Feed-In Tariff System and the Award of Certificate for Feed-In Tariff Eligibility), the DOE will nominate the eligibility of the project under the FIT system to the Energy Regulatory Commission for the processing of the Certificate of Compliance under the FIT System only upon its confirmation of the Electromechanical Completion of the project and successful commissioning, and provided further that the interconnection facility is fully in place. Such confirmation of Electromechanical Completion and successful commissioning requires prior validation by the DOE through inspection of the solar plant and the interconnection facility;



19. The MSPP is scheduled to be commissioned in time for the 15 March 2016 deadline to ensure its inclusion in the revised 500 MW solar installation target;
20. The inclusion of the MSPP for the second round of the Solar FIT is crucial because the plant is designed and planned for inclusion under the FIT System, while the third round of FIT for solar power projects is still uncertain as of this juncture;
21. MSPP's qualification for the second round of the Solar FIT is crucial to its financial viability. The energy produced by the MSPP cannot be immediately contracted to a distribution utility because ERC Resolution No. 13, Series of 2015 mandates all distribution utilities to conduct a competitive selection process in the procurement of their supply to the captive market, which would leave NGPTC as a price taker on the WESM unless it immediately qualifies for the FIT;
22. It is thus very important for NGPTC to secure a Provisional Authority to develop and own and operate a Dedicated Facility to connect its solar plant to the Luzon Grid before the said target date;
23. In further support of the prayer for issuance of provisional authority, an Affidavit of Merit is attached to the application as **Annex "V"**;
24. NGPTC prays to the Commission that:
 1. Upon filing of the application, and pending hearing thereon, an ORDER be issued granting PROVISIONAL AUTHORITY to NGPTC to develop, own and operate a Dedicated Facility that will connect the Mariveles Solar Power Plant (MSPP) to the NGCP Grid through the GN Power Mariveles-AFAB 69 kV Line; and
 2. After hearing thereon on the merits, a DECISION be rendered APPROVING the Application.



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 initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **May 12, 2016 (Thursday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

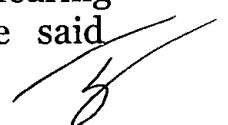
NGPTC is hereby directed to cause the publication of the attached Notice of Public Hearing, at its own expense, once (1x) in a newspaper of general circulation in the Philippines, with the date of the publication to be made not later than ten (10) days before the scheduled date of initial hearing. It is also directed to inform the consumers within its franchise area, 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 Governor of the Province of Bataan, Mayors of Quezon City, Metro Manila, Municipality of Mariveles, Bataan, Administrator of the Freeport Area of Bataan, and Peninsula Electric Cooperative, Inc. (PENELCO) for the appropriate posting thereof on their respective bulletin boards.

NGPTC 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, NGPTC 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 afore-mentioned Governor, Mayors, Administrator 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.

NGPTC 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 NGPTC 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, NGPTC 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, 13 April 2016.

ERC
Office of the Chairman



D-2016-007-OC-02375

FOR AND BY AUTHORITY
OF THE COMMISSION:

Jose Vicente B. Salazar
for: **JOSE VICENTE B. SALAZAR**
Chairman

Copy Furnished:

1. **Attys. Rio Q. Balaba and Jasmin M. Sison**
Counsel for Applicant
20 N. Domingo St.
1112 Valencia, Quezon City
2. **NEXT GENERATION POWER TECHNOLOGY CORP. (NGPTC)**
20 N. Domingo St., Barangay Valencia, Quezon City
3. **Office of the Solicitor General**
134 Amorsolo Street, Legaspi Village
Makati City, Metro Manila
4. **Commission on Audit**
Commonwealth Avenue
Quezon City, Metro Manila
5. **Senate Committee on Energy**
GSIS Bldg., Roxas Blvd., Pasay City
Metro Manila
6. **House Committee on Energy**
Batasan Hills, Quirino City, Metro Manila
7. **Office of the President-PCCI**
Philippine Chamber of Commerce and Industry (PCCI)
3RD Floor ECC Building
Sen. Gil Puyat Avenue, Makati City
8. **Office of the City Mayor**
Quezon City, Metro Manila
9. **Office of the Municipal Mayor**
Mariveles, Bataan
10. **Office of the Punong Barangay**
Alas-Asin, Mariveles, Bataan
11. **Office of the Administrator of the Freeport Area of Bataan**
2/F AFAB Administration Building
The Freeport Area of Bataan
Mariveles, Bataan 2106
12. **Office of the Provincial Governor**
Province of Bataan
13. **NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP)**
NGCP Building, Quezon Avenue cor. BIR Road
Diliman, Quezon City, Metro Manila

