

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



**IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO DEVELOP AND OWN DEDICATED POINT-TO-POINT LIMITED FACILITIES TO CONNECT THE SAN MARCELINO SOLAR POWER PLANT PROJECT TO THE LUZON GRID VIA THE PROPOSED 230KV CASTILLEJOS SUBSTATION OF THE NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP), WITH PRAYER FOR APPROVAL OF AN INTERIM CONNECTION TO THE NEW HERMOSA SUBSTATION OF THE NGCP THROUGH THE 500KV HERMOSA-CASTILLEJOS LINE, AND FOR ISSUANCE OF PROVISIONAL OR INTERIM RELIEF**

**ERC CASE NO. 2021-032 MC**

**SANTA CRUZ SOLAR ENERGY INC. (SCSEI)**

**Applicant.**

**X-----X**

**Promulgated:**

January 13, 2022

**ORDER**

On 09 December 2021, Santa Cruz Solar Energy Inc. (SCSEI), filed an *Application* dated 18 November 2021 seeking the Commission's approval of authority to develop and own dedicated point-to-point limited facilities to connect the San Marcelino Solar Power Plant Project to the Luzon grid via the proposed 230KV Castillejos Substation of the National Grid Corporation of the Philippines (NGCP), with prayer for approval of an interim connection to the new Hermosa substation of the NGCP through the 500KV

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Hermosa-Castillejos line, and for issuance of provisional or interim relief.

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

**I. THE APPLICANT**

1. SCSEI is a corporation duly organized and existing by virtue of and under the laws of the Republic of the Philippines, with principal office address at Emerald Arcade, F.C. Ledesma St., San Carlos City, Negros Occidental. It is primarily engaged in the business of exploration, development and utilization of renewable energy projects.

Copies of SCSEI's Certificate of Incorporation, Articles of Incorporation, Certificate of Filing of Amended Articles of Incorporation, By-Laws, and the latest General Information Sheet are attached hereto and made integral parts hereof as **Annexes "A", "B", "B-1", "C" and "D"**, respectively.

2. SCSEI may be served orders and other processes through the undersigned Firm.

**II. NATURE OF THE APPLICATION**

3. This *Application* is submitted to this Honorable Commission pursuant to *Section 9 (f) of Republic Act No. 9136*, otherwise known as the "*Electric Power Industry Reform Act of 2001*" (EPIRA)<sup>1</sup>, *Rule 5, Section 5 (a) of the EPIRA Implementing Rules and Regulations*<sup>2</sup>, and *Section 4.2 of Resolution No. 23, Series of 2016* or the "*Resolution Adopting Amended Rules on the Definition and Boundaries of Connection Assets for Customers of Transmission Providers*"<sup>3</sup> for its consideration

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<sup>1</sup> Section 9. Functions and Responsibilities.

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(f) xxx

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: xxx

<sup>2</sup> 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:

(i) 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;

(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.

<sup>3</sup> 4.2. Connection Assets for Generation Customers of Transmission Provider

Connection Assets for generation customers of Transmission Provider include those assets from the last Single Mechanical Connection of a User System or Equipment of a Generation Company,

and approval of SCSEI's proposed development, ownership, and/or operation of interconnection facilities ("**Dedicated Facility Project**") that will connect the San Marcelino Solar Power Plant Project with a capacity of approximately 500 MW DC (400 MW<sub>AC</sub>) ("**San Marcelino Solar Power Plant Project**") located in San Marcelino, Zambales, to the Luzon Grid through the proposed 230kV Castillejos Substation to be constructed and operated by the National Grid Corporation of the Philippines ("**NGCP**").

4. The proposed 230kV Castillejos Substation shall then be connected to NGCP's existing New Hermosa Substation.
5. Pending construction of the 230kV Castillejos Substation and its connection to the Luzon Grid, SCSEI, likewise, considered developing an **Interim Connection Facility** that will allow the San Marcelino Solar Power Plant Project to be directly connected to the Luzon Grid through the existing NGCP New Hermosa Substation. This is the most convenient and economical connection that is feasible and available when the plant becomes operational in 2023, given that NGCP's target completion of the 230kV Castillejos Substation and related transmission facilities is set to 2024 per its latest Transmission Development Plan ("**TDP**")<sup>4</sup>, though actual date of completion remains indeterminable as of this time.
6. SCSEI's Board of Directors approved the Dedicated Facility Project and Interim Connection Facility, and authorized the filing of the instant *Application*, appointing therefor, SCSEI's authorized representatives and legal counsel to the case, as attested to in a Secretary's Certificate, attached hereto and made an integral part hereof as **Annex "E"**.

### III. STATEMENT OF FACTS

7. SCSEI is a duly registered renewable energy developer of solar energy resources and is the holder of a Solar Energy Service Contract No. SESC No. 2020-01-660 ("**Service Contract**"), executed between the Republic of the Philippines, through the Department of Energy ("**DOE**"), and SCSEI on 13 February 2020.

Copies of the Certificate of Registration issued by the DOE and the Service Contract are attached hereto and made integral parts hereof as **Annexes "F"** and **"G"**, respectively.

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at its Connection Point, to the last Single Mechanical Connection which is not shared with another Customer within the Grid

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A Generation Company may develop and own or operate a dedicated point-to-point limited facilities 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.

<sup>4</sup> See Table 9.1, page 108, 2021-2040 TDP Consultation Draft

8. The Service Contract grants SCSEI the exclusive right to explore, develop, and utilize the Solar Energy Resources within the Contract Area<sup>5</sup> located in San Marcelino, Zambales (“**Project Site**”). Pursuant to the Service Contract, SCSEI is developing the San Marcelino Solar Power Plant Project in San Marcelino, Zambales.
9. To connect the San Marcelino Solar Power Plant Project to the Luzon Grid, SCSEI shall develop and construct the Dedicated Facility Project, a dedicated point-to-point limited transmission facility to be used solely by the San Marcelino Solar Power Plant Project for its dispatch. SCSEI intends that power generated by the plant will be sold to the market on a merchant basis.
10. The 500MW DC (400MW AC) San Marcelino Solar Power Plant Project shall be constructed in two (2) phases. Phase 1, which is approximately 280MW DC, is expected to be operational in 2023. Meanwhile, Phase 2, which is approximately 220MW DC, is expected to begin commercial operation in 2024.

The Project Description and SCSEI Company Profile including Demand-Supply Scenario are attached hereto and made integral parts hereof as **Annexes “H”** and **“I”**, respectively.

#### **IV. TECHNICAL AND FINANCIAL CAPABILITY OF SCSEI**

11. The San Marcelino Solar Power Plant Project will connect to the Luzon Grid by tapping to the proposed NGCP 230kV Castillejos Substation, which is planned to connect to NGCP’s existing New Hermosa 230/500kV Substation through related transmission facilities, particularly, a 500kV transmission line that will initially be operated at 230 kV (the “**500 kV Hermosa-Castillejos Line**”). The 500kV Hermosa-Castillejos Line comprises the initial phase (“**Stage 1**”) of NGCP’s planned Western Luzon Backbone<sup>6</sup> and is in a 4-410 mm<sup>2</sup> TACSR steel tower double circuit (“**ST-DC**”) configuration with a capacity per circuit of over 4,000 MW. Stage 1 should have been completed as of June 2021<sup>7</sup>, but as per the latest TDP of the NGCP, the construction of that line is still at 64.79% completion.<sup>8</sup>
12. The estimated target completion of NGCP’s 230kV Castillejos Substation and related transmission facilities will be by year 2024, per NGCP’s latest TDP<sup>9</sup>. The actual completion date, however, is still indeterminable.

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<sup>5</sup> Refers to the certain area comprised of 1,134 hectares in the Province of Zambales with metes and bounds exclusively reserved by the DOE and SCSEI, as RE Developer. See Annex A of the Service Contract attached hereto as Annex “G” for the Contract Area’s Technical Description and Map.

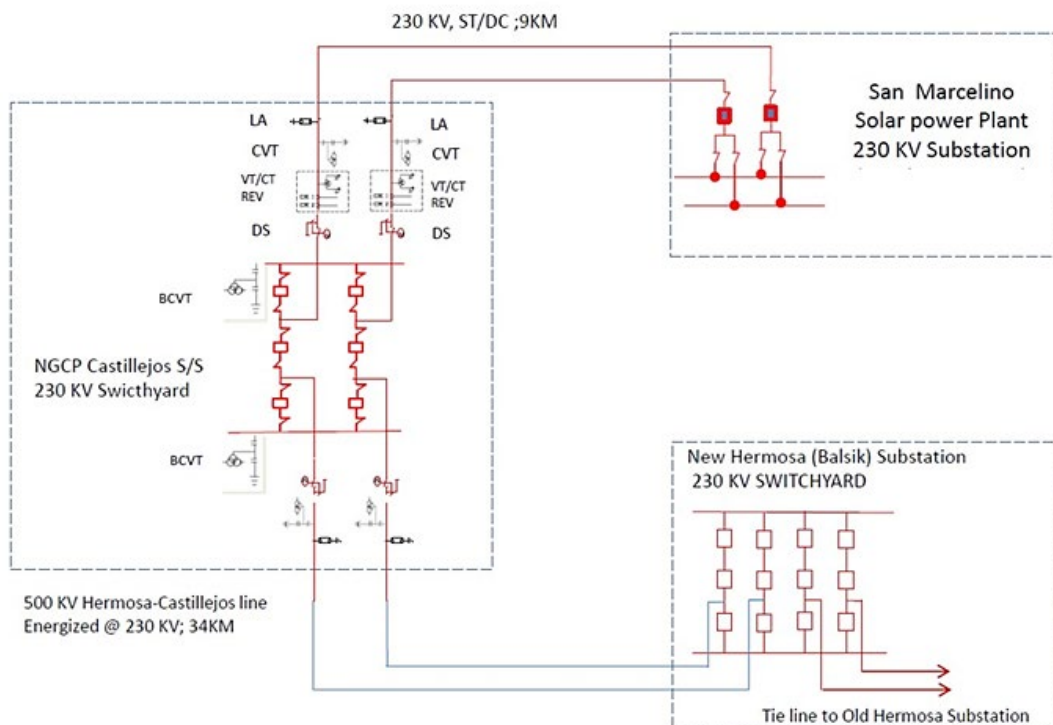
<sup>6</sup> See Chapter 8.1.9, page 82, 2021-2040 TDP Consultation Draft

<sup>7</sup> See Table 8.1, page 71, 2021-2040 TDP Consultation Draft

<sup>8</sup> *Ibid.*

<sup>9</sup> See Table 9.1, page 108, 2021-2040 TDP Consultation Draft

13. The Dedicated Facility Project in its final permanent configuration shall be composed of two (2) main parts, namely, the 230kV SCSEI Transmission Line and the 230kV SCSEI Substation located at the Project Site.
- 13.1. SCSEI will construct a 230 kV 2-410 mm<sup>2</sup> TACSR ST-DC transmission line approximately 9 km long to make this connection;
- 13.2. The SCSEI Substation is being designed as gas-insulated type with a double-bus-single-breaker (“DBSB”) arrangement. SCSEI will install 2x100 MVAR 230 kV capacitor banks to maintain the voltage regulation in the area;
- 13.3. The construction of the Dedicated Facility Project, including both civil and electromechanical works, is estimated to be completed by Q4 of 2022; and
- 13.4. The figure below shows the Single Line Diagram from SCSEI’s proposed dedicated point-to-point limited transmission facility up to the connection point at NGCP’s Castillejos Substation:



A copy of the Detailed Single Line Diagram is attached hereto and made an integral part hereof as **Annex “J”**.

14. The cost of the construction of the Dedicated Facility Project is estimated to be ₱1,277,810.57. It will be funded privately by SCSEI and will, therefore, not result in any unregulated charges.

The Summary of Price Schedule for the Final Connection is attached hereto and made an integral part hereof as **Annex “K”**.

15. The direct connection to the proposed 230kV Castillejos Substation is currently the option approved by the NGCP to connect the San Marcelino Solar Power Plant Project to the Luzon Grid per the System Impact Study (“**SIS**”) it issued in 2020. The proposed 230kV Castillejos Substation is the nearest NGCP substation, requiring an approximately 9-kilometer transmission line between SCSEI’s switchgear and the tapping point of the proposed 230kV Castillejos Substation. The Castillejos Substation is significantly nearer than the NGCP Olongapo Substation, the other available connection option, which is approximately 23 kilometers away.

A brief discussion on the Alternative Connection Points for the Plant is attached hereto and made an integral part hereof as **Annex “L”**.

16. Based on the approved SIS Report prepared and issued by the NGCP in 2020, the connection of the 500 MW<sub>p</sub> (400 MW<sub>AC</sub>) San Marcelino Solar Power Plant Project to the Luzon Grid via direct connection to the proposed 230kV Castillejos Substation is technically feasible based on the following assessments:

- 16.1. Thermal assessment on the proposed connection scheme indicated that when the proposed 230kV Castillejos Substation is considered in place by year 2022, the simulation results show that the Castillejos - Balsik 500kV Transmission Line (initially energized at 230kV) is sufficient to accommodate the full dispatch of the San Marcelino Solar Power Plant Project. No overloading is detected on the 230 kV transmission lines by reason of the connection of the San Marcelino Solar Power Plant Project;

- 16.2. As regards the voltage analysis, SCSEI is required to install 2x100 MVAR 230kV Capacitor at the 230kV switchyard to maintain the voltage regulation in the area;

- 16.3. The increase in fault level in the 230kV and 500kV substations associated to the entry of the proposed San Marcelino Solar Power Plant Project are within acceptable limits and will not breach the Interrupting Capacity of the PCBs to be installed in years 2022 and 2027; and

- 16.4. With the connection of the Solar Project, the transient stability studies conducted show that there will be no stability problem from three-phase faults during normal and delayed fault clearance time for years 2022 and 2027 peak load condition.

16.5. The results of frequency assessment show that the loss of the Solar Project while supplying full capacity to the grid will cause the frequency of the system to drop below 59.2 Hz and will trigger Automatic Load Dropping (ALD).

16.6. Overall, the 500 MW DC (400 MW<sub>AC</sub>) San Marcelino Solar Power Plant Project will require the completion of the Castillejos 230 kV Substation and Balsik (Hermosa)–San Jose 500 kV Transmission Line.

A copy of NGCP's System Impact Study Report for the 500 MWp (400 MW AC) San Marcelino Solar Power Plant Project is attached hereto and made an integral part hereof as **Annex "M"**.

17. SCSEI engaged Theodore A. Ortiz to conduct the Facilities Study for the San Marcelino Solar Power Plant Project to ensure that the equipment to be installed will satisfy the recommendations of the SIS and that the Dedicated Facility Project complies with the Philippine Grid Code. The Facilities Study was reviewed and approved with recommendations by the NGCP as indicated in its letter dated 28 June 2021.

A copy of the Facilities Study for the 500 MWp (400 MW<sub>AC</sub>) San Marcelino Solar Power Plant Project is attached hereto and made an integral part hereof as **Annex "N"**, while attached as **Annex "N-1"** hereof is NGCP's letter dated 28 June 2021 where it stated its technical findings on the Facilities Study.

18. Considering that the NGCP has evaluated the system impact of connecting the San Marcelino Solar Power Plant Project to the Luzon Grid, SCSEI requested a certification that it is already in the process of securing Service Agreements, including the Connection Agreement, from the NGCP. Copies of SCSEI's letter to NGCP dated 26 July 2021 and NGCP's reply dated 16 August 2021 that the parties have agreed, in principle, to the general terms and conditions of the Connection Agreement and are now finalizing the same, are attached hereto and made integral parts hereof as **Annexes "O" and "O-1"**.

19. Likewise, SCSEI requested a certification that the San Marcelino Solar Power Plant Project is consistent with NGCP's TDP. Copies of SCSEI's letter to NGCP dated 26 July 2021 and NGCP's reply dated 16 August 2021 confirming that SCSEI's Project will be included in the formulation of the succeeding TDP update, are attached hereto and made integral parts hereof as **Annexes "O-2" and "O-3"**.

20. Relative thereto, SCSEI requested the DOE for the inclusion of its project in the list of committed/initiated private sector power projects since projects included in the TDP are aligned with the DOE's List of Private Sector Initiated Power Projects.

A copy of SCSEI's Letter to the DOE dated 26 July 2021 is attached hereto and made an integral part hereof as **Annex "P"**.

21. Furthermore, Meralco Industrial Engineering Services Corporation ("**MIESCOR**") was contracted by SCSEI for the turnkey design and construction of the transmission line of the Dedicated Facility Project, while it intends to engage the services of NGCP for the operation and maintenance thereof.

A copy of the Corporate Profile of MIESCOR is attached hereto and made an integral part hereof as **Annex "Q"**, while SCSEI's intention to secure the NGCP's O&M services is included in the above **Annex "O-2"**.

22. As of date, SCSEI has secured or is in the process of securing the necessary permits, licenses and authority from regulatory agencies. In fact, the Department of Environment and Natural Resources ("**DENR**") issued an Environmental Compliance Certificate ("**ECC**") to SCSEI's San Marcelino Solar Power Plant Project for a 174MW DC capacity including Substation on 22 September 2020 and an ECC for the Transmission Line on 3 December 2020. SCSEI will amend the ECC of San Marcelino Power Plant to reflect the planned 500MW DC capacity.

A copy of the Sworn Statement of SCSEI's authorized representative, Anabele R. Natividad, as to the filing of applications with all other concerned agencies is hereto attached as **Annex "R"**, while copies of the ECCs dated 22 September 2020 and 3 December 2020 issued by DENR are attached hereto and made integral parts hereof as **Annexes "S"** and **"S-1"**, respectively.

23. SCSEI is also presently studying the feasibility of increasing the capacity of the San Marcelino Solar Power Plant and/or the connection of its future projects to the Dedicated Facility Project. Accordingly, it has programmed the Dedicated Facility Project, particularly the 230kV SCSEI Transmission Line, to accommodate up to about 950 MW<sub>AC</sub> of capacity per circuit. This line capacity will allow SCSEI to readily respond with additional capacity as NGCP may be willing to accept, subject to NGCP-approved SIS and FS for such future increased capacity, and subject further to *Section 9* of the EPIRA that in the event that the Dedicated Facility Project shall be eventually required for competitive purposes, ownership thereof shall be transferred to NGCP at a fair market price. SCSEI undertakes to submit additional documents, whenever required, to support any adjustments to the design of the Dedicated Facility Project.

#### **V. INTERIM CONNECTION FACILITY**

24. Meanwhile, considering that NGCP's 230kV Castillejos Substation and related transmission facilities may not yet be



ready when Phase 1 of the San Marcelino Solar Power Plant is completed and energized by 2023, SCSEI is constrained to first implement and develop a dedicated interim connection that is the most viable, economical, and feasible option for the power plant to inject power to the grid through the New Hermosa Substation of the NGCP until such time that the said NGCP facilities required for the permanent connection are completed.

25. In April 2020, SCSEI requested NGCP to consider an interim connection scheme, in addition to herein subject permanent interconnection at the 230 kV Castillejos Substation, whereby the San Marcelino Solar Power Plant would connect directly to the finished portion of the 500kV Hermosa-Castillejos Line until such time as the NGCP Castillejos Substation is completed (the “**Interim Connection Facility**”). While the proposal to implement said interim connection was not considered by NGCP in the approved SIS it issued, there was neither a formal denial of the same.

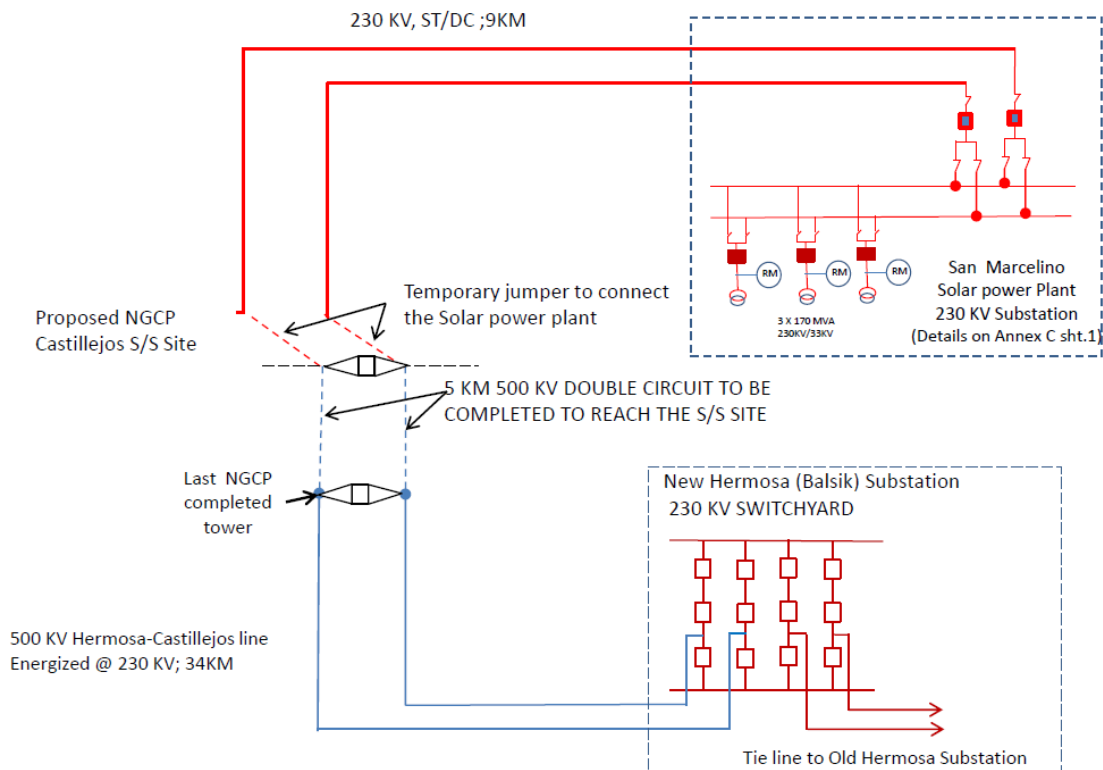
Copies of SCSEI and NGCP letters relevant to the proposed interim connection are attached hereto as **Annexes “T” to “T-6”**.

26. Given the results of the SIS, the interim connection to New Hermosa Substation is the most feasible connection until such time that the Castillejos Substation is completed. SCSEI intends to implement and develop the Interim Connection Facility for its dedicated use, which it will utilize pending the completion of NGCP’s 230kV Castillejos Substation, by:
- 26.1. Constructing the SCSEI Substation and an approximately 9km double circuit 230 kV line using 2-410 mm<sup>2</sup> TACSR from the SCSEI Substation to the proposed site of the Castillejos Substation (the same 230kV SCSEI Transmission Line and 230kV SCSEI Substation required for the permanent Dedicated Facility Project); and
- 26.2. Constructing an approximately 5-kilometer 500kV 4-410mm<sup>2</sup> TACSR ST-DC line (to be initially energized at 230kV) connecting the last tower of the 230kV SCSEI Transmission Line to the substantially completed portion of the 500 kV Hermosa-Castillejos Line, particularly, to the last existing tower thereof. A temporary jumper on a temporary 230kV steel tower located within a portion of the Castillejos Substation site will be installed to complete the connection.
- 26.3. The revenue meters will be installed at the high side of the main 170 MVA transformers in the SCSEI Substation because the connection to NGCP will be on an unsecured transmission tower location. The proposed location of the revenue meters for the interim connection will be relocated to the proposed NGCP

Castillejos Substation once constructed, to serve as the revenue meters for the permanent connection.

A copy of the Facilities Study for the interim connection scheme is herewith attached as **Annex “U”**.

27. The interim connection is illustrated as follows:



28. The cost of constructing the Interim Connection Facility is estimated at ₱1,644,017,056.18. The Summary of Price Schedule for the Interim Connection is attached hereto and made an integral part hereof as **Annex “V”**.
29. SCSEI is currently acquiring the site where its Interim Connection Facility will be constructed, which site was initially discussed with NGCP to be advanced by SCSEI for its proposed Castillejos Substation. This site is indispensable for SCSEI to ensure that the Interim Connection Facility to be developed will be fully utilized in accordance with the approved SIS and FS for the final connection.
30. If approved, SCSEI will secure the services of a qualified EPC construction company to construct the Interim Connection Facility, and the services of NGCP for the operation and maintenance thereof.
31. Meanwhile, considering that the Interim Connection Facility would merely bypass the non-existent Castillejos Substation by putting at its proposed site a temporary jumper strung from a temporary 230kV steel tower, but still allowing SCSEI to dispatch power through the existing New Hermosa

Substation by constructing its own connection facilities to connect to the substantially completed NGCP 500 kV Hermosa-Castillejos Line, it is submitted that the SIS conducted and issued by NGCP is still relevant and may be used in assessing the impact to the Luzon Grid of the San Marcelino Solar Power Plant Project even via the Interim Connection Facility. Otherwise, SCSEI implores the Honorable Commission to require NGCP to conduct a re-run of the SIS to include the Interim Connection Facility and to evaluate and approve the relevant Facilities Study therefor.

32. The SIS Report conducted and issued by the NGCP in 2020 contemplated the completion of the 230 kV Castillejos Substation by year 2022<sup>10</sup>. However, NGCP’s estimated target of completion for its proposed 230kV Castillejos Substation and the completion of the 500 kV Hermosa-Castillejos Line have been pushed back to year 2024, per its latest TDP<sup>11</sup>. With no update on its actual completion available as of this time, SCSEI had to implement the Interim Connection Facility to immediately dispatch power to the Luzon Grid as soon as the San Marcelino Solar Power Plant Project is constructed and energized in 2023, with an expected capacity of approximately 280 MW DC. By 2023, in time for the San Marcelino Solar Power Project’s entry to the grid, the country’s power demand is projected to reach 18,211MW, 13,125MW of which will be from Luzon alone.<sup>12</sup> The Interim Connection Facility will ensure the earliest possible injection of capacity from the San Marcelino Solar Power Plant Project to the Luzon Grid, thus, enhancing the Luzon Grid’s stability and reliability, without awaiting energization of NGCP’s 230kV Castillejos Substation.
33. Once the 230kV Castillejos Substation is constructed, SCSEI will migrate to its final connection scheme. The temporary 230 kV jumper conductors installed for the interim connection will be de-energized in favor of the final section of the 230kV SCSEI Transmission Line connecting to the 230 kV Castillejos Substation and the temporary 230 kV steel tower will be removed.
34. SCSEI undertakes to submit other supporting documents relevant to the Interim Connection Facility for the due consideration of the Honorable Commission and pending hearing on the merits.
35. To fully support herein *Application*, the following attached documents are, likewise, being submitted for the Honorable Commission’s consideration.

<b>ANNEX</b>	<b>DOCUMENT</b>
<b>“W”</b>	Vicinity Map and Proposed Site of Project

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<sup>10</sup> Executive Summary, NGCP’s System Impact Study for 500 MWp (400 MWac) San Marcelino Solar Power Plant Project (Annex “M” hereof)

<sup>11</sup> See Table 9.1, page 108, 2021-2040 TDP Consultation Draft

<sup>12</sup> See Table 3.3, page 34. 2021-2040 TDP Consultation Draft

“W-1”	Vicinity Map and Proposed Site of Project for the Interim Connection
“X”	Conceptual Engineering Design and Drawings for the Final Connection
“X-1”	Conceptual Engineering Design and Drawings for the Interim Connection
“Y”	Gantt Chart for both final and interim connections
“Z”	Relevant Dates of Dedicated Point to Point Application, for both final and interim connections
“AA”	Affidavit of Compliance with Philippine Grid Code and Philippine Distribution Code

**VI. PRAYER FOR ISSUANCE OF PROVISIONAL AUTHORITY OR INTERIM RELIEF**

36. All the foregoing allegations are herein re-pleaded by reference in support of this *Prayer* for the issuance of a provisional authority or interim relief.
37. Connecting the San Marcelino Solar Power Plant Project to the proposed 230kV Castillejos Substation is a prerequisite to the commercial operations of the San Marcelino Solar Power Plant Project scheduled in the first quarter of 2023. However, due to NGCP’s timeline for the construction of the 230kV Castillejos Substation and its related transmission facilities with target completion in 2024 per its latest TDP, but with no updates yet to date, by the time the San Marcelino Power Plant Project (Phase I) is completed in 2023, it will be unable to dispatch power to the Luzon Grid unless it is also allowed to construct and use its proposed Interim Connection Facility.
38. In view thereof, SCSEI most respectfully seeks authority to immediately pursue and implement its Interim Connection Facility, with a provisional authority or interim relief that will direct NGCP to conduct a re-run of the SIS, *if still necessary*, and to confirm the FS therefor; likewise, to allow SCSEI to commence construction activities at the soonest possible time thereby ensuring commercial operations of the San Marcelino Solar Power Plant Project as scheduled.
39. In the alternative, to ensure that NGCP’s proposed transmission assets are ready and available to transmit to the Luzon Grid power from the San Marcelino Solar Power Plant Project upon construction and energization in 2023, provisional authority or interim relief is also sought for the Honorable Commission to direct NGCP to immediately construct and ensure that the 230 kV Castillejos Substation and its related transmission facilities are ready and available to transmit to the Luzon Grid power from the San Marcelino Solar Power Plant Project upon construction and energization in 2023.
40. After all, Republic Act No. 9513, also known as the Renewable Energy Act of 2008 (RE Act), has declared that it is the policy of the State to “*accelerate 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".<sup>13</sup>*

41. Further, the subject matter of this *Application* is analogous to the Honorable Commission's approval of electric capital projects. Thus, insofar as the grant of a provisional authority or interim relief, *ERC Resolution No.13, Series of 2006*, as amended<sup>14</sup>, is hereby invoked. It is provided that:

***"ARTICLE II  
APPLICATIONS AND REQUIREMENTS***

**2.3 *Evaluation and Approval***

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*Upon filing of the application, the Commission may, on its own or upon motion, grant the issuance of a Provisional Authority (PA) based on the allegations of the application and on such other documents attached thereto or submitted by the parties. The Commission, if necessary, may schedule a hearing for the issuance of a PA not later than thirty (30) days from the filing of the application. Thereafter, the Commission shall issue a ruling either granting or denying the PA stating clearly the reasons therefore, within seventy five (75) days from the filing of the application.xxx."*

[Emphasis ours.]

42. A copy of the Affidavit executed by SCSEI's authorized representative in support of the prayer for issuance of provisional authority or interim relief is hereto attached and made an integral part hereof as **Annex "BB"**.
43. Considering the above, there is clear and sufficient basis for the issuance of a provisional authority or interim relief pending the issuance of a final decision.
44. In view of all the foregoing, Applicant SCSEI respectfully submits the instant *Application with Prayer for Interim Connection* for the Honorable Commission's urgent and utmost consideration.

**PRAYER**

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<sup>13</sup> Section 2 (a)

<sup>14</sup> A Resolution Adopting the Guidelines to Govern the Submission, Evaluation and Approval of Electric Capital Projects, as amended by *Resolution No. 18, Series of 2008* and *Resolution No. 26, Series of 2009*.

**WHEREFORE**, premises considered, SCSEI respectfully prays unto the Honorable Commission:

- A. To **RENDER** a *Decision* **APPROVING with FINALITY** both the:
- i. Interim Connection Facility that will connect SCSEI's San Marcelino Solar Power Plant to the Luzon Grid via NGCP's New Hermosa Substation by constructing a 5-kilometer 500 kV line to connect to the substantially completed portion of the 500 kV Hermosa-Castillejos Line of the NGCP, particularly, to the last existing tower thereof, to be used solely by SCSEI pending completion by NGCP of its 230 kV Castillejos Substation and until such time that SCSEI can connect thereto, including the site where the Interim Connection Facility will be located; and
  - ii. Permanent Dedicated Connection Facility that will connect SCSEI San Marcelino Solar Power Plant to the Luzon Grid via NGCP's 230kV Castillejos Substation;
- B. To **REQUIRE** NGCP, *if still needed*, to conduct a re-run of the System Impact Study to include SCSEI's proposed Interim Connection Facility, to evaluate and approve the Facilities Study conducted for the Interim Connection Facility, and to issue other documents relevant to the same, as may be necessary for the Honorable Commission's evaluation and approval thereof; and
- C. Pending hearing on the merits, to **ISSUE** a **PROVISIONAL AUTHORITY** or **INTERIM RELIEF** approving both the Interim Connection Facility and Permanent Dedicated Connection Facility as described herein and afore-cited.

Other just and equitable reliefs are, likewise, prayed for.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>15</sup> dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):<sup>16</sup>

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<sup>15</sup>Entitled: *A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission*;

<sup>16</sup> *A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission*.

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>17 February 2022</b> (Thursday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams</b>	Determination of compliance with the jurisdictional requirements and expository presentation
<b>24 February 2022</b> (Thursday) at two o'clock in the afternoon (2:00 PM)	<b>Microsoft Teams</b>	Pre-trial Conference and presentation of evidence

**RELATIVE THERETO**, SCSEI 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, the date of publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governor, the City and Municipal Mayors, and the Local Government Unit (LGU) legislative bodies within SCSEI's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within SCSEI's franchise area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon, by any other means available and appropriate;
- 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 at the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if

any, and reimbursement of reasonable photocopying costs.<sup>17</sup>

Within five (5) calendar days prior to the date of the virtual hearing, SCSEI must submit to the Commission via electronic mail (e-mail) at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), the scanned copies of their written compliance with the aforementioned jurisdictional requirements attaching therewith, methodically arranged and duly marked the following:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of the 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 SCSEI to inform the consumers within the affected area of the filing of the *Application*, its 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 by all those making requests therefor, except those covered by any motion for confidential treatment of information, if any; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, SCSEI 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 Office of the Mayors, or

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<sup>17</sup> For the e-mail address of the applicant, please see page 19.



Provincial Governor and Local Legislative Bodies, and to submit proof of its posting thereof.

SCSEI and all interested parties are also required to submit via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

SCSEI 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 initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of SCSEI to comply with the above requirements 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 the said date of cancellation.

SCSEI 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* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

SCSEI is further directed to file a copy of its Expository Presentation via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days prior to the scheduled virtual hearing. SCSEI 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.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.


SCSEI is further directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, 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. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

Finally, SCSEI, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

**SO ORDERED.**

Pasig City, 04 January 2022.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

**ERC**

Office of the Chairperson



\*AVSTD-2022-01-510-0028\*

  
LS: EDR/CLB/MCCG

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Copy Furnished:

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4. Office of the Local Government Unit (LGU) legislative body  
Province of Negros Occidental
5. Office of the Mayor  
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6. Office of the Local Government Unit (LGU) legislative body  
San Carlos City, Negros Occidental
7. Office of the Governor  
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8. Office of the Local Government Unit (LGU) legislative body  
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13. Commission on Audit (COA)  
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14. Senate Committee on Energy  
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15. House Committee on Energy  
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