

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO DEVELOP,
OWN AND/OR OPERATE
DEDICATED POINT- TO-
POINT FACILITIES TO
CONNECT THE 50 MW_{AC}
ARAYAT SOLAR POWER
PLANT TO THE NATIONAL
GRID CORPORATION OF
THE PHILIPPINES 69 KV
MEXICO-CLARK LINE,
WITH PRAYER FOR
PROVISIONAL AUTHORITY**

ERC CASE NO. 2021-029 MC

**GRENCORE POWER
SOLUTIONS 3 INC.,**
Applicant.

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Promulgated:

October 29, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 13 October 2021, Grencore Power Solutions 3, Inc. (GPS3I) filed an *Application* dated 14 September 2021, seeking the Commission's approval of its authority to develop, own and/or operate dedicated point-to-point limited facilities to connect the 50 MW_{AC} Arayat Solar Power Plant to the National Grid Corporation of the Philippines' (NGCP) 69 KV Mexico-Clark Line, with prayer for provisional authority.

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

THE APPLICANT

1. GPS3I is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal

office address at Lot 4 Magalang-Arayat Road, Barangay San Antonio, Arayat, Pampanga, Philippines.

2. GPS3I may be served orders and other processes through the undersigned counsel.

NATURE OF THE APPLICATION

3. This Application is submitted to this Honorable Commission pursuant to Section 9(f) of Republic Act 9136 or the “Electric Power Industry Reform Act of 2001”¹ for its consideration and approval of GPS3I’s proposed development, ownership, and operation of interconnection facilities which shall connect the Arayat Solar Power Project (the “Project”) located within the vicinity of Barangay San Antonio, Arayat and Barangay Buenavista, Mexico, Pampanga to the Luzon Grid through the Mexico-Clark 69kV line.

STATEMENT OF FACTS

4. GPS3I is the holder of Solar Energy Service Contract No. 2019-12-558,² as amended by the Solar Energy Service Contract No. 2019-12-558-AFI dated 23 December 2019 (collectively, the “Service Contract”) and the new Department of Energy Certificate of Registration (DOE-COR) by virtue of which it was granted the exclusive right to explore, develop and utilize solar resources within an area approximately Three Hundred Twenty-Four Hectares (324 Has.) (the “Contract Area”).
5. Pursuant to the Service Contract, GPS3I is developing the Project, which is targeted to commence commercial operations in the first half of 2022. Notably, Republic Act No. 9513, otherwise known as the “*Renewable Energy Act of 2008*,” (“RE Law”) mandates that the GPS3I shall enjoy the benefit of priority dispatch as a generating unit utilizing an intermittent renewable energy resource.³
6. In order to test, commission, and dispatch from the Project, GPS3I shall develop and construct a dedicated point-to-point facility which will connect the Project to the Luzon Grid through NGCP’s Mexico-Clark 69 kV line.

6.1. The interconnection of the Project to the Luzon Grid involves the construction along the public road of three (3) phase 69 kV line, using 1-795 MCM Aluminum Conductor Steel Reinforce (ACSR) via Steel Pole measuring 19.2 meters in height. The said 3-phase 69 kV line is approximately fifty (50) meters away, from the proposed Switchyard and

¹ “Section 2.9.2 CONNECTION ASSETS AND FACILITIES

“A generation company may develop and own or operate dedicated point-to-point limited facilities provided, that such facilities are required only for the purpose of connecting to the distribution system, and are used solely by the generating facility, subject to prior authorization by the ERC. xxxx”

² The Service Contract was previously awarded to CREC before the DOE approved assignment of the Service Contract to GPS3I on 24 February 2021.

³ RE Law, Section 20.

Substation (the “Dedicated Facility Project”). The Dedicated Facility Project will be owned, operated, maintained, and used exclusively by GPS3I for connection of the Mexico-Clark 69kV line to the Luzon Grid.

6.1.1. The Dedicated Facility Project will be exclusively funded by GPS3I and will, therefore, not impact any regulated charges.

6.1.2. The breakdown of the major cost components of the Dedicated Facility Project is as follows:

PROJECT COMPONENTS	AMOUNT
Switchyard	137,174,424.02
Transmission Line	3,041,397.60
TOTAL PROJECT COST	140,215,821.62

7. GPS3I considered two (2) options for the connection of the Mexico-Clark 69kV to the Luzon Grid, to wit:

7.1. Option 1: Connection to the Mexico Substation through overhead 69kV transmission line using SP-SC, 1-795 MCM ACSR conductor. The length of the transmission line is approximately fifteen (15) kilometers via steel poles. Since this will be a new transmission line connection, it will require a switching station near the Mexico Substation. Further, considerable right-of-way and easement rights must also be acquired for the 69kV transmission line and the poles, which rights are difficult to obtain.

7.2. Option 2: Tapping connection along the existing Mexico-Clark 69kV Line 1 of Mexico Substation. The proposed Solar Power Plant facility is approximately less than fifty (50) meters away from the tapping point using SP-SC, 1-795 MCM ACSR. Hence, no need to provide switching station and the right-of-way and easement will not be an issue.

Hence, the applicant finds Option 2 to be more feasible in terms of project cost and implementation.

8. NGCP, on the other hand, has recommended the Dedicated Facility Project as the only option for the connection of the Project to the Luzon Grid under the System Impact Study it issued to GPS3I.
9. In a letter dated 22 July, 2020, NGCP informed GPS3I⁴, that it is technically feasible to connect the Project to the Luzon Grid and that the Dedicated Facility Project is consistent with its Transmission Development Plan.

⁴ The Service Contract was previously awarded to CREC before the DOE approved the Service Contract Assignment to GPS3I on 24 February 2021.

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10. GPS3I is currently processing its Connection Agreement (CA) for the interconnection of the Project to NGCP's distribution system through the Dedicated Facility Project, subject to prior approval by this Honorable Commission.
11. In light of the foregoing, GPS3I respectfully seeks the confirmation and approval that the connection to NGCP's Mexico-Clark 69kV through the Dedicated Facility Project as proposed under the System Impact Study is the most viable option for connecting the Project to the Luzon Grid.
12. GPS3I has determined the National Grid Corporation as a possible contractor to operate and maintain the Dedicated Facility Project. GPS3I has also determined that MN Electro Industrial Supply & Services, Inc. ("MN Electro") is a possible contractor for supplying the necessary equipment, material, labor, and services to complete the Project. NCGP and MN Electro undertakes to submit their respective agreements with GPS3I once they are executed.
13. As of date, GPS3I has filed or is in the process of filing an application for approval of the Dedicated Facility Project with all the concerned agencies that may have an interest therein. GPS3I further undertakes to file an Application for a Certificate of Compliance with this Honorable Commission for the Project in accordance with ERC Resolution No. 16, Series of 2014.

Copies of the following documents are hereto attached and made integral parts hereof, as follows:

ANNEX	DOCUMENT
"A"	Solar Energy Service Contract No. 2019-12-558
"B"	New Department of Energy Certificate of Registration (DOE-COR)
"C"	NGCP letter dated 22 July, 2020
"D"	GPS3I and NGCP Proof of Correspondence
"E"	Description of the Dedicated Facility Project
"F"	Options considered for the connection of the Project to the Luzon Grid
"G"	System Impact Study
"H"	Facility Study
"I"	Single Line Diagram for the Dedicated Facility Project
"J"	Conceptual Engineering Designs and Drawings
"K"	Dedicated Facility Project Cost Estimate
"L"	Relevant Dates and Gantt Chart Construction Schedule
"M"	Secretary's Certificate approving the filing of the instant Application
"N"	Sworn statement of GPS3I's President stating that GPS3I has filed or shall file an application for approval of the Dedicated Facility Project with all concerned agencies

“O”	GPS3I’s Latest General Information Sheet ⁵
“P”	GPS3I’s SEC Certificate of Registration
“Q”	GPS3I’s Articles of Incorporation
“R”	GPS3I’s By-Laws
“S”	GPS3I’s Latest Audited Financial Statements ⁶
“T”	Department of Environment and Natural Resources (DENR) with an Environmental Compliance Certificate (ECC) No. ECC-OL-R03-2020-0558
“U”	Letter to NGCP on the TDP and Letter of Intent for O&M Services, with Proof of Correspondence between GPS3I and NGCP
“V”	Company Profile of MN Electro
“W”	2020 DOE Power Demand and Supply Highlights

ALLEGATIONS IN SUPPORT OF THE PRAYER
FOR PROVISIONAL AUTHORITY

14. Given the RE Law’s objective to accelerate the development of the country’s renewable energy resources and increase the utilization of renewable energy, it is in the interest of the government to help RE developers such as GPS3I achieve commerciality and commence operations at the soonest practicable time. Manifestly, the construction of the Dedicated Facility Project is a pre-requisite for the testing and commissioning, and ultimately, the commercial operations of the GPS3I. A provisional authority is needed to enable GPS3I to achieve the target commercial operations date of the Project in the first half of 2021 and avoid adverse consequences to GPS3I.

15. Moreover, generation of electricity from renewable energy resource contributes to the reduction of carbon and greenhouse gas emissions to the atmosphere through the displacement of power generated from bunker and other fossil fuel, while at the same time augmenting existing supply in the Luzon Grid. GPS3I is committed to maintaining the environmental integrity of the surrounding area, hence it applied and was issued by the Department of Environment and Natural Resources (DENR) with an Environmental Compliance Certificate (ECC) No. ECC-OL-R03-2020-0558 on 13 November 2020, while at the same time producing clean energy for sustainable development and inclusive growth.

16. The issuance of a provisional authority will allow GPS3I to immediately start construction of the Dedicated Facility Project, thus preventing any delay in the commercial operations of the Project.

⁵ The General Information Sheet identifies the key management officials of GPS3I.

⁶ The Audited Financial Statements contain information necessary for determining financial ratios pertinent to this Application.

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17. Given the foregoing, there is clear and sufficient basis to consider imperative the issuance of a provisional authority or interim relief pending the issuance of a final order or decision in the instant Application.

A copy of the Affidavit executed by GPS3I's President, Mr. Oliver Y. Tan, in support of the prayer for issuance of provisional authority is hereto attached.

18. In view of all the foregoing, Applicant respectfully submits the instant Application for this Honorable Commission's urgent and utmost consideration.

PRAYER

WHEREFORE, premises considered, it is respectfully prayed to this Honorable Commission that:

1. An Order be issued granting PROVISIONAL AUTHORITY for GREENCORE POWER SOLUTIONS 3, INC.'s development, ownership and operation of the Dedicated Facility Project to allow the connection of GPS3I's Project to the Luzon Grid; and
2. After hearing on the merits, a DECISION be rendered APPROVING the instant Application.

Other reliefs that are just and equitable under the premises are likewise prayed for.

The Commission hereby sets the instant *Application* 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 2020⁷ dated 24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)⁸:

Date	Platform	Activity
25 November 2021 (Thursday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Determination of compliance with jurisdictional requirements and expository presentation

⁷ Entitled: "A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission".

⁸ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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09 December 2021 (Thursday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams	Pre-Trial Conference and Presentation of Evidence
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Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, any person who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may likewise file through e-mail at doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name, mailing address, and e-mail address of such person;

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- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing by providing the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 22nd day of October 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO


LS: SQD/LSP/MCCG

