

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE CAPAS
230KV SUBSTATION, PORAC
230KV SUBSTATION, NORTH
LUZON SUBSTATION
UPGRADING II PROJECTS,
AND ACQUISITION OF
TRANSMISSION ASSETS
WITH PRAYER FOR THE
ISSUANCE OF PROVISIONAL
APPROVAL**

ERC Case No. 2021-005 RC

**NATIONAL GRID
CORPORATION OF THE
PHILIPPINES (NGCP),**
Applicant.

Promulgated:
February 17, 2021

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 25 January 2021, the National Grid Corporation of the Philippines (NGCP) filed an *Application* dated 09 December 2020 for the approval of the Capas 230 kV Substation, Porac 230 kV Substation, North Luzon Substation Upgrading II Projects, and acquisition of transmission assets, with prayer for the issuance of provisional approval.

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

The Applicant

1. NGCP is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner B.I.R. Road, Diliman, Quezon City. It is the concessionaire, which was granted the rights and obligation to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair, refurbish, and replace

ERC CASE NO. 2021-005 RC
NOTICE OF VIRTUAL HEARING/01 February 2021
PAGE 2 of 6

the Transmission Assets pursuant to R.A. 9136, otherwise known as the “*Electric Power Industry Reform Act of 2001*” (EPIRA).

2. Pursuant to R.A. 9511¹, NGCP was granted the franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through a high-voltage backbone system of interconnected transmission lines, substations and related facilities, system operations, and other activities that are necessary to support the safe and reliable operation of the transmission system² and is authorized to charge its customers at the rates approved by the Honorable Commission.

3. This Application is filed pursuant to paragraph d, Section 9 of the EPIRA, which directs the transmission operator to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in the pursuit of its mandate to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.

4. Notwithstanding the absence of the Final Determination for the 4th and 5th Regulatory Periods, NGCP is mandated to ensure and maintain the quality, reliability, adequacy, security, stability and integrity of the nationwide grid. Hence, NGCP seeks authority from this Honorable Commission for the immediate implementation of the following capital expenditure projects:

PROJECT NAME (Luzon)		BRIEF JUSTIFICATION
1	Capas 230kV Substation Project	The project aims to cater the load growth in Tarlac particularly in the franchise areas of TARELCO II and the connection of New Clark City in Capas. The estimated cost of the project is PhP2,605.108Mn with an implementation period of 32 months.
2	Porac 230kV Substation Project	The project aims to address the projected load growth in the Province of Pampanga; and to cater load growth in the franchise areas of PELCO II, CEDC, AEC and SFELAPCO. The estimated cost of the project is PhP6,384.293Mn with an implementation period of 57 months.

¹ An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-bone System or Interconnected Transmission Lines, Substations and Related Facilities, and For Other Purposes;

² Id, Section 1;

3	<p>North Luzon Substation Upgrading Project II</p>	<p>The project aims to cater the load growth and provide N-1 provision in various NGCP substations in North Luzon.</p> <p>The estimated cost of the project is PhP9,929.011Mn with an implementation period of 24 months.</p>
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The *Project Application Documents* for the Capas 230kV Substation Project; Porac 230kV Substation Project; and North Luzon Substation Upgrading II Project, are hereto attached as **Annexes “A” to “C”**, respectively.

5. Moreover, NGCP seeks approval from the Honorable Commission of the acquisition of the assets reclassified in ERC Case No. 2014-062RC in the amount of PhP671.92Mn. The *Project Application Document* for acquisition of costs on transmission assets as **Annex “D”**.

Justifications for the Issuance of Provisional Approval

6. To reiterate, NGCP is required under paragraph d, Section 9 of the EPIRA to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in relation to its authority and responsibility to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.
7. Along with its responsibility for the planning, construction and centralized operation and maintenance of its high voltage transmission facilities, it is indispensable for NGCP to ensure a reliable and high-performance operation of the transmission system. Thus, to avoid disruption of operation and ensure continuous compliance with NGCP’s mandate under the EPIRA as the transmission operator, it is imperative that the implementation of the proposed CAPEX projects be immediately approved.
8. Lastly, to ensure the timely completion of the proposed projects, NGCP seeks the indulgence of the Honorable Commission to approve this Application within the timeframe provided in Section 1, Rule 9, Part III of the Department of Energy Department Circular No. DC2019-05-0007.
9. In support of this application, NGCP submits the Judicial Affidavits of Engr. Eufemio C. Buluran, Jr., Regional Transmission Planning Manager of the Luzon System Planning Division, attached as **Annex “E”**; and of Engr. Rolando E. Santos, Head of the Network Access and Customer Account Services Division, attached as **Annex “F”**;

PRAYER

WHEREFORE, NGCP most respectfully prays this Honorable Commission to:

1. Immediately **ISSUE** an Order provisionally authorizing the implementation of the proposed CAPEX projects; and
2. **APPROVE**, after notice and hearing, the proposed CAPEX projects.

NGCP prays for other equitable relief.

The Commission has set the instant *Application* for the 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 2020³, dated 24 September 2020:

Date	Platform	Activity
15 April 2021 (Thursday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and Expository Presentation
22 April 2021 (Thursday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and Presentation of Evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled initial virtual hearing, via electronic mail (e-mail) at legal@erc.ph and records@erc.gov.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, all persons 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 and records@erc.gov.ph, copy furnish the Legal Service through legal@erc.ph, a verified Petition to Intervene at

³ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the 2006 ERC 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 file through e-mail at docket@erc.ph and records@erc.gov.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 2006 ERC 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;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.


All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same prior to the date of the initial virtual hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, through any of the available modes of service, upon their agreement, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours. In the alternative, those persons who wish to have an electronic copy of the *Application* may request the Commission for the e-mail addresses of the Applicant by sending an e-mail to docket@erc.ph and records@erc.gov.ph, copy furnish the Legal Service through legal@erc.ph. Nonetheless, any person may also access the *Application* as posted by the Commission on its official website at www.erc.gov.ph.

ERC CASE NO. 2021-005 RC
NOTICE OF VIRTUAL HEARING/01 February 2021
PAGE 6 of 6

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through 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 hearings.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN, FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 1st day of February 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO


LS: IHH/ARG/MCCG

