

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
IMPLEMENTATION OF
CAPITAL EXPENDITURE
PROJECTS FOR LUZON,
VISAYAS, AND MINDANAO
(GROUP 1) FROM 2020-2025
AND BEYOND, WITH PRAYER
FOR THE ISSUANCE OF
PROVISIONAL APPROVAL**

ERC CASE NO. 2021-002 RC

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

Promulgated:
February 9, 2021

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NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 18 January 2021, the National Grid Corporation of the Philippines (NGCP) filed an *Application* dated 04 December 2020, seeking the Commission's approval of the implementation of capital expenditure projects for Luzon, Visayas, and Mindanao (Group 1) from 2020-2025 and beyond, with prayer for the issuance of provisional authority.

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

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

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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	Daraga-Bitano Transmission Line Project	69kV	<p>The project aims to cater the load growth in the Province of Albay and mitigate the projected overloading of the existing Daraga-Washington 69kV Transmission Line (T/L).</p> <p>The estimated cost of the project is PhP200.964Mn with an implementation period of 40 months.</p>
2	Abuyog Substation Project	230kV	<p>The project aims to cater the load growth in the Province of Sorsogon; address the reliability issue of the 40-year old Daraga-Sorsogon 69kV T/L; provide operational flexibility for SORECO I and II; and connection point for future generations in the area.</p> <p>The estimated cost of the project is PhP3,326.197Mn with an implementation period of 35 months.</p>

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 Purpose

² Id, Section 1;

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3	Castillejos 230kV Substation Project	<p>The project aims to cater the load growth in the Province of Zambales; provide N-1 provision for the Botolan-Castillejos and Olongapo-Cawag 69kV T/L; address the overloading of the Botolan 50MVA transformer during N-1 condition; and serve as the permanent connection point for the 2x300MW RP Energy Plant.</p> <p>The estimated cost of the project is PhP3,067.788Mn with an implementation period of 59 months.</p>
4	Tuguegarao-Enrile 69kV Transmission Line Project	<p>The project aims to address the anticipated overloading of the Tuguegarao—Tabuk 69kV Transmission Line brought by the continuous load growth in the franchise areas of CAGELCO I and KAELCO.</p> <p>The estimated cost of the project is PhP733.92Mn with an implementation period of 56 months.</p>
5	Dasol 230kV Substation Project	<p>The project aims to address the load growth in franchise areas of PANELCO I and ZAMELCO I; and to relieve the projected overloading of the Labrador- Bolinao and Botolan-Candelaria 69T/Ls along with the overloading of transformers in the Labrador and Botolan 230kV Substations.</p> <p>The estimated cost of the project is PhP2,115.93Mn with an implementation period of 60 months.</p>
6	Sampaloc 230Kv Substation Project	<p>The project aims to address the forecasted load growth in Nueva Ecija; relieve the heavy loading of the existing 69kV line from Cabanatuan to Pantabangan Load End; and address the voltage issues in the area.</p> <p>The estimated cost of the project is PhP1,717.99Mn with an implementation period of 36 months.</p>
7	Baler 230kV Substation Project	<p>The project aims to address the forecasted overloading of the Cabanatuan-Baler 69kV T/L.</p>

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		The estimated cost of the project is PhP4,607.21Mn with an implementation period of 77 months.
8	San Fabian 230kV Substation Project	<p>The project aims to cater the load growth in the Provinces of Pangasinan and La Union; and serve as new drawdown substation for LUELCO, DECORP and CENPELCO.</p> <p>The estimated cost of the project is PhP3,096.47Mn with an implementation period of 48 months.</p>
9	Minuyan 115kV Switching Station Project	<p>The project aims to provide reliable connection of the industrial loads located in the Province of Bulacan and isolate the fault and will prevent power interruption to the other connected customers.</p> <p>The estimated cost of the project is PhP550.562Mn with an implementation period of 46 months.</p>
10	Plaridel 230 kV Substation Project	<p>The project will serve as an additional drawdown substation to address the continuous load growth in MERALCO's Bulacan Sector and serve as an N-1 provision to the 230/69kV transformers at San Rafael and Malolos 230kV Substations.</p> <p>The estimated cost of the project is PhP1,078.033Mn and the implementation period is 44 months.</p>
11	Kawit 230kV Substation Project	<p>The project aims to cater the load growth in the Cavite Sector of MERALCO and Rosario 115 kV Substation of NGCP; upgrade the Rosario 115 kV Substation to a double-bus GIS Substation; and address the projected overloading of the Rosario 115/34.5 kV transformers during N-1 condition.</p> <p>The estimated cost of the project is PhP8,806.817Mn with an implementation period of 41 months.</p>
12	San Jose 500Kv Substation Expansion Project	The project aims to address the load growth in Metro Manila and decongest the existing 4x750 MVA 500/230kV transformers at San Jose

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		500kV Substation. The estimated cost of the project is PhP299.716Mn with an implementation period of 8 months.
13	Olongapo 230kV Substation Upgrading Project	The project aims to improve the reliability of the substation; address overloading of the transformers during normal and N-1 condition; and establish a flood control program. The estimated cost of the project is PhP2,956.907Mn with an implementation period of 35 months.
14	Luzon Voltage Improvement Project - 5	The project aims to address the projected under voltage problem during peak load conditions at various NGCP load end substations in North Luzon. The estimated cost of the project is PhP2,598.838Mn with an implementation period of 24 months.
15	Marilao-Mexico 230kV Transmission Line Project	The project aims to address the overloading of the Quezon-Mexico 230kV T/L during N-1 condition. The estimated cost of the project is PhP2,542.010Mn with an implementation period of 66 months.

The *Project Application Documents, Group 1 Luzon Projects* is hereto attached as Annex "A".

PROJECT NAME (Visayas)		BRIEF JUSTIFICATION
1	Permanent Restoration of Colon-Samboan 138kV Lines 1 and 2 Affected by Landslide	The project aims to ensure the reliability and integrity of the Colon-Samboan 138kV Line; and involves the relocation the 50 tower structures of Colon- Samboan 138 kV Lines 1 and 2 to avoid the 1 km danger zone of the landslide area in Brgy. Tina-an, City of Naga, Cebu. The estimated cost of the project is PhP537.615Mn with an implementation period is 19 months.

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2	Tigbauan 138kV Substation Project	<p>The project aims to address the overloading of Sta. Barbara—San Jose 69 kV Line; maximize the capacity of Sta. Barbara—San Jose 138kV Transmission Corridor; address undervoltage and improve reliability in the Southern Panay; and avoid load curtailment during normal and N-1 conditions.</p> <p>The estimated cost of the project is PhP1,537.127Mn with implementation periods of 19 and 43 months for Stages 1 and 2, respectively.</p>
3	Bool 138kV Substation Project	<p>The project aims to ensure that the Corella-Tagbilaran 69 kV Line and the Corella 138 kV Substation are not overloaded, provide a new connection point for power customers in Tagbilaran and Panglao Island; and avoid load curtailment/power interruption during N- 1 contingency.</p> <p>The estimated cost of the project of PhP1,774.957Mn with implementation periods of 36 and 28 months for Stages 1 and 2, respectively.</p>
4	Visayas Substation Upgrading Project 2	<p>The project aims to comply with the single outage contingencies (N-1) criterion of the PGC; avoid load curtailment or power interruption; increase substation capacity and improve reliability; accommodate the load growth and incoming generation; and enable load shifting.</p> <p>The estimated cost of the project is PhP18,705.689Mn and the implementation period is 32 months.</p>
5	Negros-Panay 230 kV Interconnection Line 2 Project	<p>The project aims to cater to the incoming large power plants in Panay Island; and address the limited transfer capacity of the existing submarine cable between Negros and Panay Island; and avoid projected generation curtailment during Normal and N-1 contingency.</p> <p>The estimated cost of the project is PhP8,292.818Mn with an</p>

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	implementation period of 30 months.
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The *Project Application Documents, Group 1 Visayas Projects* is hereto attached as Annex “B”.

PROJECT NAME (Mindanao)	BRIEF JUSTIFICATION
1 Villanueva-Kinamlutan 230kV TL Project	<p>The project aims to increase the power transfer capacity of the transmission corridor towards the northeastern Mindanao; relieve the overloading of the Villanueva-Jasaan 138kV T/L; and starting point in implementing the 230kV transmission backbone in Eastern Mindanao.</p> <p>Technical</p> <p>The estimated cost of the project is PhP7,873.393Mn with an implementation period of 37 months.</p>
2 Laguindingan 230kV Substation Project	<p>The project aims to provide MORESCO I and the Laguindingan Technopark the needed highpower transmission corridor; replace power circuit breakers in Tagoloan Substation due to their low interrupting capacity.</p> <p>The estimated cost of the project is PhP2,353.912Mn with an implementation period of 33 months.</p>
3 Polanco-Oroquieta Switching 138kV Transmission Line Project (Initially Energized at 69kV)	<p>The project aims to provide additional power supply capacity for the projected load requirement and line reinforcement and improvement of power quality.</p> <p>The estimated cost of the project is PhP4,039.20Mn and the implementation period is 50 months.</p>
4 Mindanao Substation Upgrading 2 Project	<p>The project aims to augment the loading capacity of the Balo-i, Tagoloan, Jasaan, Kibawe, Butuan, Davao, Toril, Bunawan, Kidapawan and General Santos substations; and provide continuous and reliable power delivery that provides additional substation capacity to support the fast-increasing power demand in the area.</p>

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		The estimated cost of the project is PhP5,556.906Mn and the implementation period is 27 months.
5	Mindanao Substation Expansion 4 Project	<p>The project aims to augment the loading capacity of the existing substations in Mindanao to accommodate the projected demand; provide continuous and reliable power delivery even during an outage of a transformer; and provide additional capacity to support the fast-increasing demand in the area.</p> <p>The estimated cost of the project is PhP3,524.761Mn with an implementation period of 27 months.</p>
6	Eastern Mindanao Voltage Improvement Project	<p>The project aims to provide voltage mitigating facilities to augment the MVAR requirement needed for the voltage improvement of various substations in Caraga Region.</p> <p>The estimated cost of the project is PhP868.435Mn with an implementation period of 21 months.</p>

The *Project Application Documents, Group 1 Mindanao Projects* is hereto attached as Annex "C".

Justifications for the Issuance of Provisional Approval

5. 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.
6. 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.
7. 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

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Section 1, Rule 9, Part III of the Department of Energy Department Circular No. DC2019-05-0007.

8. In support of this application, NGCP submits the following Judicial Affidavits of:
- a. Engr. Eufemio C. Buluran, Jr., Regional Transmission Planning Manager of the Luzon System Planning Division, attached as Annex “D”;
 - b. Engr. Christian B. Ereno, Regional Transmission Planning Manager of the Visayas System Planning Division, attached as Annex “E”; and
 - c. Engr. Fernando S. Javier, Regional Transmission Planning Manager of the Mindanao System Planning 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 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
06 April 2021 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and Expository Presentation for Luzon Stakeholders
13 April 2021 (Tuesday) at nine	Microsoft Teams Application	Expository Presentation for

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

Date	Platform	Activity
o'clock in the morning (9:00 A.M.)		Visayas Stakeholders
20 April 2021 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams Application	Expository Presentation for Mindanao Stakeholders
27 April 2021 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams Application	Pre-Trial Conference and Presentation of Evidence
04 May 2021 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams Application	Presentation of Evidence

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, 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 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 the Applicant that they be furnished with the same prior to the date of the initial hearing. The 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 address 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 in its 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.**

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BALDO-DIGAL and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 26th day of January 2021 in Pasig City.




AGNES YST DEVANADERA
Chairperson and CEO


LS: VMA/LSP/MCCG