

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
BATANGAS – MINDORO
500KV INTERCONNECTION
AND BACKBONE PROJECT
WITH PRAYER FOR THE
ISSUANCE OF
PROVISIONAL AUTHORITY**

ERC CASE NO. 2024-110 RC

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

Applicant.

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Promulgated:
October 09, 2024

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 09 September 2024, the National Grid Corporation of the Philippines (NGCP) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application* dated 19 August 2024, seeking the Commission’s approval of the Batangas – Mindoro 500kV Interconnection Project, with prayer for provisional authority.

The pertinent allegations in the said *Application* are hereunder quoted, as follows:

xxx

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 Republic Act No. 9136 (R.A. 9136), otherwise known as the “*Electric Power Industry Reform Act of*

2001” (EPIRA). It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated below.

2. Pursuant to Republic Act No. 9511 (R.A. 9511), 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 system¹ and is authorized to charge its customers at the rates approved by the Honorable Commission.

3. NGCP seeks authority from the Honorable Commission for the immediate implementation of the proposed Project pursuant to Section 9 (d) of R.A. 9136 or the EPIRA which directs NGCP to submit any plan for expansion or improvement of its facilities for approval by the Honorable Commission.

4. Mindoro is the seventh largest island in the Philippines, and is divided into two provinces: Occidental Mindoro and Oriental Mindoro. The Mindoro island is known as the Rice Granary and Fruit Basket of Southern Tagalog because it is rich and arable. Also, the Mindoro island is popular tourist destination for beaches, island hopping and deep-water diving.

5. The whole of Mindoro island has remained to be plagued by various power issues and immediate interconnection of Mindoro and Palawan to the Luzon Grid is recognized to ensure a reliable and sustainable supply of energy. Hence, on 08 July 2021, NGCP filed an Application before the Honorable Commission for the approval of the proposed interconnection project docketed as ERC Case No. 2021-051RC.

6. Consistent with the Philippine Energy Plan 2023-2050 Volume I² issued by the Department of Energy (DOE) and recent energy policy direction of the national government, however, it is now imperative to upgrade the design of the interconnection of Mindoro to the Luzon grid and implement a new scheme of the interconnection project that will provide a bigger transmission capacity at 500kV.

7. The upgraded interconnection project, now **Batangas – Mindoro 500kV Interconnection and Backbone Project (BMIBP)** is necessary in order to cater the Offshore Wind (OSW) projects promoted by the national government with a potential of 28 GW (28,000 MW) following the government’s call for improved energy security, compliance to low-carbon emission and reduced dependence on imported fossil fuels expressed in Executive Order No. 21 (dated 19 April 2023): *“DIRECTING THE ESTABLISHMENT OF THE POLICY AND ADMINISTRATIVE FRAMEWORK FOR OFFSHORE WIND DEVELOPMENT”*.

¹ At Section 1, R.A. 9511

² Page 100 of the Philippine Energy Plan 2023-2050 Volume I - a copy is attached as Annex “A”

8. The BMIBP will also encourage the development of power generation potential in Mindoro island, such as those renewable energy in the two (2) Competitive Renewable Energy Zones (CREZ), with an aggregate capacity of around 343 MW for Solar PV and 710 MW for Wind Farms. This will provide opportunity to power generation companies due to a wider market brought about by completion of the project.

9. The implementation scheme of the BMIBP will be composed of two stages:

9.1 **BMIBP – Stage 1:** involves the development of combination of overhead transmission lines and undersea/submarine cables from Pinamucan Substation in Batangas to the proposed Calapan Substation in Oriental Mindoro. The said transmission line is designed at 500kV but to be initially energized at 230 kV and includes the development of Calapan 500 kV Substation.

9.2 The estimated cost of BMIBP – Stage 1 is PhP 45,593.742 Mn.

9.3 Assuming a “best case scenario” where the necessary permits and licenses will be issued by different national government agencies and local government units without delay, and the necessary rights-of-way (ROW) are timely secured either through direct negotiation with the different landowners who would be affected by the project or through issuance of writs of possession (WOP) by the courts in expropriation proceedings, the estimated project implementation period is 66 months from commencement of pre-construction activities.

BMIBP – Stage 1				
Transmission	Length	Voltage	Conductor	Type of Structure
Pinamucan–Lobo CTS 500 kV Transmission Line (initially energized at 230 kV)	23.0 km	500 kV	4-410 mm ² TACSR	ST-DC
Lobo CTS–Parang CTS 500 kV Submarine Cable (initially energized at 230 kV)	28.5 km	500 kV	1-2,500 mm ² XLPE	Double-circuit Submarine Cable
Parang CTS–Calapan 500 kV Transmission Line (initially energized at 230 kV)	8.5 km	500 kV	4-410 mm ² TACSR	ST-DC
Calapan “cut-in” to NPC SPUG Calapan–Calangatan 69 kV Transmission Line	4.5 km	69 kV	1-795 MCM ACSR	ST-DC
Calapan “cut-in” to NPC SPUG Calapan–Naujan 69 kV Transmission Line	4.0 km	69 kV	1-795 MCM ACSR	ST-DC

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BMIBP – Stage 1											
Substation	Transformer		Line Reactor		Shunt Reactor		Shunt Capacitor		New PCB		
	Qty	MVA	Qty	MVAR	Qty	MVAR	Qty	MVAR	500 kV	230 kV	69 kV
Pinamucan 230 kV Substation	-	-	2	70	-	-	-	-	-	4	-
Calapan 230 kV Substation	2	100	2	70	3	25	-	-	-	11	-
Calapan 69 kV Substation	-	-	-	-	-	-	-	-	-	-	10
Total	2	200	4	280	3	75	-	-	-	15	10

9.4 **BMIBP – Stage 2:** involves the energization to 500 kV of the overhead transmission lines and submarine cables from Pinamucan to Calapan 500 kV Substations and the full development of the Calapan 500 kV Substation. Additionally, the 500 kV interconnection system (under Stage 1) will be extended to the southern part of Mindoro Island through the development of Calapan-Magsaysay 500 kV Transmission Line and Magsaysay 500 kV Substation to serve the loads in Occidental Mindoro and to accommodate the potential OSW projects in the southern part of the island.

9.5 The estimated cost of BMIBP – Stage 2 is PhP 45,062.374 Mn.

9.6 Assuming a “best case scenario” where the necessary permits and licenses will be issued by different national government agencies and local government units without delay, and the necessary rights-of-way (ROW) are timely secured either through direct negotiation with the different landowners who would be affected by the project or through issuance of writs of possession (WOP) by the courts in expropriation proceedings, the estimated project implementation period is 70 months from commencement of preconstruction activities for this stage.

BMIBP – Stage 2				
Transmission	Length	Voltage	Conductor	Type of Structure
Calapan–Magsaysay 500 kV Transmission Line	133.1 km	500 kV	4-410 mm ² TACSR	ST-DC
Magsaysay “cut-in” to San Jose–NPC OMPCPC 69 kV Transmission Line	20.9 km	69 kV	1-795 MCM ACSR	ST-DC

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BMIBP – Stage 2											
Substation	Transformer		Line Reactor		Shunt Reactor		Shunt Capacitor		New PCB		
	Qty	MVA	Qty	MVAR	Qty	MVAR	Qty	MVAR	500 kV	230 kV	69 kV
Pinamucan 500 kV Substation	-	-	2	150	2	90	-	-	6	-	-
Calapan 500 kV Substation	2	750	2	150	3	90	-	-	15	-	-
Magsaysay 500 kV Substation	2	750	2	90	2	90	-	-	10	-	-
Magsaysay 230 kV Substation	2	100	-	-	-	-	3	50	-	9	-
Magsaysay 69 kV Substation	-	-	-	-	-	-	-	-	-	-	6
Total	6	3,200	6	780	7	630	3	150	31	9	6

10. The Project is exhaustively discussed in its *Project Application Document* on the proposed Batangas-Mindoro 500 kV Interconnection and Backbone Project attached as **Annex “B”**.

Justifications for the Issuance of Provisional Approval

11. NGCP is mandated to plan and construct transmission facilities to ensure reliable transmission service to its customers. Thus, it needs adequate transmission capacity to foster economic growth and serve growing demand of the load customers. Considering that planning, site development, right-of-way concerns and construction of the transmission facilities would take several years to develop and complete, it is critical for NGCP to act immediately and address issues early by undertaking the abovementioned projects.

12. The present power system of Mindoro Island is composed of 69 kV transmission lines connected to various load-end substations and being operated by Small Power Utilities Group (SPUG) of the National Power Corporation (NPC), and Independent Power Producers (IPP). BMIBP will be able to provide a reliable interconnection facility that can deliver sufficient power from the Luzon Grid to immediately address the present and foreseen supply deficiency on the island. It will be done through the development of drawdown substations linked to the existing 69 kV network in Oriental and Occidental Mindoro.

13. With the forecasted increase in demand for Mindoro Island, the current source of power can no longer accommodate the future load requirements. The implementation of the interconnection of the Luzon Grid to the Mindoro Grid will resolve this issue by providing Mindoro with an access to a more reliable and competitive generation sources in the Luzon Grid. When Mindoro Island’s power system is connected to the main grid that also serves as a 500 kV transmission backbone, the system reliability issues which result to frequent power interruptions experienced by the customers will be addressed, while generation development will be

encouraged due to available transmission capacity and a wider market for power generation companies.

14. Other benefits that BMIBP will provide: Mindoro Island will have alternative sources of energy from other Luzon generation companies that can offer enough capacity at reasonable cost to support the island's fast growing economy and participation in the wholesale electricity spot market (WESM); BMIBP will serve as a transmission backbone in the island to encourage further generation development as Mindoro has the highest concentration of OSW potential; it will also serve as an interconnection facility with increased capacity to ensure transmission of excess power generation from Mindoro to Luzon Grid; and BMIBP will provide a connection point for future interconnection projects.

15. Finally, the immediate approval of this Application would enable NGCP to commence the ROW activities and file the necessary expropriation cases, if necessary.

16. In support of this application, NGCP submits the Judicial Affidavit of Engr. Vicente N. Loria, Senior Manager, Transmission Development Division, Transmission Planning Department of NGCP attached as **Annex "C"**.

PRAYER

WHEREFORE, premises considered, NGCP most respectfully prays that this Honorable Commission:

1. Immediately **ISSUE** an Order **PROVISIONALLY AUTHORIZING** the implementation of Batangas-Mindoro 500kV Interconnection and Backbone Project; and

2. After notice and hearing, **APPROVE** the Application for the implementation of the Batangas-Mindoro 500kV Interconnection and Backbone Project.

NGCP prays for other equitable relief.

The Commission sets 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 09, Series of 2020³ and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure)⁴:

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

⁴ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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Date	Platform	Activity
18 November 2024 (Monday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and expository presentation
20 November 2024 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)		Pre-Trial Conference and presentation of evidence

Applicant NGCP is directed to host the virtual hearings at **NGCP's principal office located at NGCP Building, Quezon Avenue cor. BIR Road, Diliman, Quezon City**, as the designated venue for the conduct thereof, and ensure that the same is open to the public. Moreover, Applicant shall guarantee that in the conduct of the expository presentation, the participation of the public shall not be impaired.

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 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 has 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 copy furnishing 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. The verified Petition must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case and state 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 copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment **at least five (5) calendar days** prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. 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 interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgement receipt e-mail sent by the Commission.

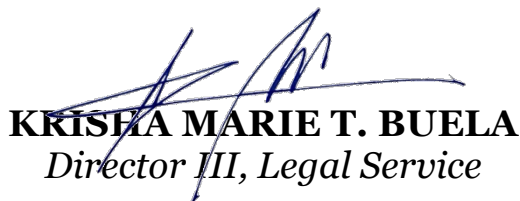
Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

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

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WITNESS, the Honorable Officer-in-Charge Chairperson **JESSE HERMOGENES T. ANDRESS**, and Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 9th day of October 2024 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


KRISHA MARIE T. BUELA
Director III, Legal Service


LS: ADGS/ARG