



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

**IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO DEVELOP, OWN AND OPERATE A DEDICATED POINT TO POINT LIMITED TRANSMISSION LINE TO CONNECT THE 25MW SILAY SOLAR POWER PLANT TO THE NATIONAL GRID CORPORATION OF THE PHILIPPINES TALISAY - VMC 69KV LINE, WITH PRAYER FOR PROVISIONAL AUTHORITY,**

**ERC Case No. 2016-006MC**

**MEGAWATT CLEAN ENERGY, INC. (MCEI) AND SILAY SOLAR POWER, INC. (SSPI),**

Applicants.

X-----X

**DOCKETED**  
Date: **MAY 22 2018**  
By: *[Signature]*

**DECISION**

Before the Commission for resolution is the Application filed on 18 February 2016 by the Megawatt Clean Energy, Inc. (MCEI) for authority to develop, own and operate a dedicated point to point limited transmission line to connect the 25MW Silay Solar Power Plant to the National Grid Corporation of the Philippines' (NGCP) Talisay - VMC 69kV line.

Applicant Megawatt Clean Energy, Inc. (MCEI) is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at 20 N. Domingo St., 1112 Valencia, Quezon City<sup>1</sup>

<sup>1</sup> Application, par. 1

On 28 August 2015, MCEI, assigned to Silay Solar Power, Inc. (SSPI) all of its rights and obligations under the Service Contract, with the DOE Renewable Energy Management Bureau.

The instant Application is filed pursuant to the following Law, Rules and Regulations: (1) Section 9 (f)<sup>2</sup> of Republic Act No. 9136, otherwise known as “Electric Power Industry Reform Act of 2001” (EPIRA), and (2) Section 5, Rule 5<sup>3</sup> of EPIRA’s Implementing Rules and Regulations (EPIRA IRR).

### FACTUAL ANTECEDENTS

Megawatt Clean Energy, Inc. (MCEI) filed the instant Application on 18 February 2016 to seek the Commission’s authority to develop, own and operate a dedicated point to point limited transmission line to connect the 25MW Silay Solar Power Plant to the National Grid Corporation of the Philippines’ (NGCP) Talisay - VMC 69kV line.

MCEI is engaged in the development of clean or renewable energy sources for power generation facilities and was registered by the Department of Energy (DOE) as Renewable Energy Developer of the 25 MW Silay Solar Power Plant (SSPP) covered by Solar Service Energy Contract No. 201-04-225 (Service Contract)<sup>4</sup>. Likewise, MCEI has a pending application for Feed-in-Tariff (FIT) Eligibility with the DOE.

On 28 August 2015, MCEI, assigned to Silay Solar Power, Inc. (SSPI) all of its rights and obligations under the Service Contract, with the DOE Renewable Energy Management Bureau.

---

<sup>2</sup> 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>3</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.

xxx

<sup>4</sup> *id.*, par. 4

On 12 May 2016, MCEI filed a “Motion to Substitute Party” and manifested before the Commission the above-mentioned assignment.

Having found the said application compliant with the pre-filing requirements mandated under Section 2, Rule 6 of the ERPP<sup>5</sup>, the Commission issued an Order and a Notice of Public Hearing dated 18 May 2016 setting the same for jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on 16 June 2016. The said Order further directed Applicant to file its Pre-trial brief within five (5) days prior to the date of the hearing, to furnish all those who made a request for the copy of the application and its annexes, and to comply with the Commission’s jurisdictional requirements on posting and publication of the notice of hearing pursuant to Section 4, Rule 14 of ERPP during the initial hearing date.<sup>6</sup>

In partial compliance with the Order dated 18 May 2016, Applicant filed its “*Pre-trial Brief with Attached Judicial Affidavit*” on 10 June 2016.

During the hearing on 16 June 2016, the following accounts transpired:

- a) Both MCEI and SSPI appeared through their respective counsels Atty. Rio Q. Balaba and Atty. Jasmin M. Sison, and manifested that MCEI have a pending “Motion to Substitute Party” in favor of

---

<sup>5</sup> Resolution No. 38, Series of 2006 –Rule 6. Section 2. Pre-filing Requirements for Rate Applications and Other Applications/Petitions for Relief Affecting the Consumers. - Before the Commission shall accept and docket rate applications and other applications or petitions for relief affecting the consumers, the applicant or petitioner must comply with the following requirements:

(a) The applicant or petitioner must furnish the Local Government Unit (LGU) Legislative Body (and not the Office of the Mayor) of the city or municipality where it principally operates, a copy of the application or petition, and not a mere notice of application/petition, with all its annexes and accompanying documents. If such principal place of operation is a component city or a municipality, the applicant or petitioner shall likewise furnish the LGU Legislative Body of the province of which such component city or municipality is part.

(b) The applicant or petitioner must cause the publication of the entire application or petition, excluding its annexes, and not a mere notice of filing or notice of application or petition, in a newspaper of general circulation within its franchise area or area where it principally operates.

<sup>6</sup> Section 4. Publication and Other Requirements. - The notice of hearing for any application or petition for rate adjustment or for any relief affecting the consumers shall be published by the applicant or petitioner, at its own expense, at least twice for two (2) successive weeks in two (2) newspapers of nationwide circulation, the last day of publication not to be later than ten (10) days before the scheduled hearing. In all other applications or petitions, the publication of the notice shall only be once in a newspaper of general circulation in the locality or localities where the applicant or petitioner operates its business, if there be any such local newspaper, or in a newspaper of nationwide circulation, at least ten (10) days before the scheduled hearing.

SSPI for the Commission's resolution. The then Hearing Officer (HO) Atty. Grace Lu-Santos resolved to consider both MCEI and SSPI as joint applicants;

- b) Thereafter, the HO required the applicants to present their compliance to the Commission's jurisdictional requirements. Following the said directive, Applicants presented the following documents in compliance with the jurisdictional requirements of the Commission: (1) Complete issues of Business World newspaper dated 3<sup>7</sup> June 2016 with page 12/S1<sup>8</sup>, showing the Notice of Public Hearing for the instant case dated 18 May 2016; (2) Affidavit of Edwin L. Monforte<sup>9</sup>, Billing and Collection Manager of Business World Publishing Corporation attesting to the publication of the said Notice of Public Hearing on Business World on 3 June 2016; (3) Affidavit of Service of the Order and Notice of Public Hearing dated 18 May 2016 to the Office of the Solicitor General<sup>10</sup>, Commission on Audit<sup>11</sup>, Senate Committee on Energy<sup>12</sup> and House of Representatives' Committee on Energy<sup>13</sup>; (6) Certificates of Posting showing that the Order and Notice of Public Hearing, both dated 18 May 2016, were posted in the Provincial Hall of Negros Occidental<sup>14</sup>, and City Hall of Silay City<sup>15</sup>, Negros Occidental; and (7) Affidavit of Service to the Office of the Mayor of Quezon City<sup>16</sup>, Metro Manila.
- c) The submitted jurisdictional requirements submitted were perused by the Clerk of the Commission (COC) Atty. Bmarc A. Canuto. The COC note that there was no certification of posting from Quezon City. In lieu of the certification, Applicants submitted an affidavit of service.
- d) The HO provisionally accepted the submitted jurisdictional requirements and required the

---

<sup>7</sup> Exhibit "LL-2"

<sup>8</sup> Exhibit "LL-1"

<sup>9</sup> Exhibit "LL"

<sup>10</sup> Exhibit "NN-1"

<sup>11</sup> Exhibit "NN-2"

<sup>12</sup> Exhibit "NN-3"

<sup>13</sup> Exhibit "NN-4"

<sup>14</sup> Exhibit "MM-2"

<sup>15</sup> Exhibit "MM"

<sup>16</sup> Exhibit "MM-3"

Applicants to submit the Certification of Posting from Quezon City within fifteen (15) days from 16 June 2016.

- e) Thereafter, the hearing proceeded with the expository presentation wherein Applicants provided a comprehensive discussion of their Application. The presentation was conducted by Engr. Edwin A. Josef.
- f) After the said presentation, the Commission's technical Staff, Engr. Rhea Garcia was allowed to ask various clarificatory questions from the presenter.
- g) In view of the absence of any other intervenor or oppositor, Applicants moved that an order of general default be issued. The same was granted by the HO.
- h) The hearing proceeded with the Pre-trial Conference. However, in view of the absence of any intervenors and oppositors, the matters contained in the Applicants Pre-trial Brief were adopted and the Pre-trial conference was terminated.
- i) Thereafter, Applicants presented Engr. Edwin A. Josef as their sole witness in support of the instant Application. In the course of Engr. Josef's direct examination, several documents were identified and marked as exhibits.
- j) After the direct examination, the hearing officer directed the applicants to submit the certificate of posting from Quezon City within fifteen (15) days from 16 June 2016. Likewise, Applicants were directed to submit within thirty (30) days from 16 June 2016, the following; (1) National Grid Corporation of the Philippines (NGCP) issued System Impact Study Final Review Report; and (2) NGCP issued Facilities Study Review Report (Interconnection Facilities Study for the 20MW Silay Solar Power Project).
- k) Thereafter, the hearing was adjourned.

In accordance with the directive given during the 16 June 2016 hearing, Applicants filed the following submissions: (1) “*Compliance*” dated 1 July 2016 with the attached Certificate of Posting from Quezon City’s Office of the Mayor<sup>17</sup> - filed on 5 July 2016; (2) “*Partial Compliance with Motion for Additional Time to Submit Compliance*” dated 13 July 2016 submitting the required NGCP issued Facilities Study Review Report (Interconnection Facilities Study for the 20MW Silay Solar Power Project) – filed on 13 July 2016; and (3) “*Compliance*” dated 20 July 2016 submitting NGCP issued System Impact Study Final Review Report<sup>18</sup> - filed on 20 July 2016.

On 30 August 2016, Applicants MCEI and SSPI filed their “Formal Offer of Exhibits.”

On 2 May 2017, the Commission issued an Order dated 18 April 2017, to wit:

“xxx the Applicant seeks to develop, own and operate a dedicated point to point limited transmission line to connect the 25MW Silay Solar Power Plant to the National Grid Corporation of the Philippines’ (NGCP) Talisay-VMC 69kV line.

An initial evaluation of the instant Application shows that while the tapping point **Talisay-VMC 69kV line is owned by National Transmission Corporation (TRANSCO)**, the said line is connected to another line owned by **Central Negros Electric Cooperative, Inc. (CENECO), that is, Bacolod-Silay 69kV line, with both assets forming one continuous line.**

The subject lines are likewise interconnected to VMC-Silay 69kV line, and the Cadiz-VMC 69kV line, forming a loop between NGCP’s Cadiz and Bacolod Substations. Furthermore, connected to VMC-Silay 69kV line is another power plant, that is, Hawaiian Philippine Company’s (HPCo) Bagasse-Fired Biomass Power Plant .

Considering the foregoing observations, an **issue may arise in the operation of the point-to-point facility subject of this application in**

---

<sup>17</sup> Exhibit “QQ”

<sup>18</sup> Exhibit “SS”

**relation to the Bacolod-Silay 69 kV line owned by CENECO.** Moreover, the fact that there are now two (2) power plants connected to the loop necessitates the reclassification of the Bacolod-Silay 69 kV line to a Transmission Asset for operational efficiency and in compliance with existing rules and regulations.

WHEREFORE, premises considered, CENECO is hereby directed to file its comment on the possible operational issues and reclassification of the Bacolod-Silay 69 kV line as Transmission Asset within fifteen (15) days from receipt hereof.”

In compliance with the said Order, CENECO filed its “*Comment*” on 6 July 2017. In the said “*Comment*”, CENECO manifested that “CENECO’s Bacolod-Silay 69kV Line, TRANSCO’s Silay-VMC 69kV Line and Northern Negros Electric Cooperative, Inc. (NONECO’s) Cadiz-VMC 69kV Line do not form a loop between NGCP’s Cadiz 50 MVA and Bacolod 100 MVA substations” and that the said assets have never been operated as a loop circuit.<sup>19</sup>

On 5 November 2017, the Commission admitted Applicants’ FOE and declared that the Application is submitted for resolution.

## **PROJECT OVERVIEW**

The instant application seeks to develop, own and operate a dedicated point to point limited transmission line to connect the 25MW Silay Solar Power Plant to the National Grid Corporation of the Philippines’ (NGCP) Talisay - VMC 69kV line.

The said connection facility is necessary for the 25MW Silay Solar Power Plant (SSPP) to deliver its generated power to the Visayas Grid.

### ***Project Description***

Applicants propose to transmit the generated power to the Visayas Grid of the National Grid Corporation of the Philippines (NGCP) via a tap connection at Talisay VMC 69 kV line, through the

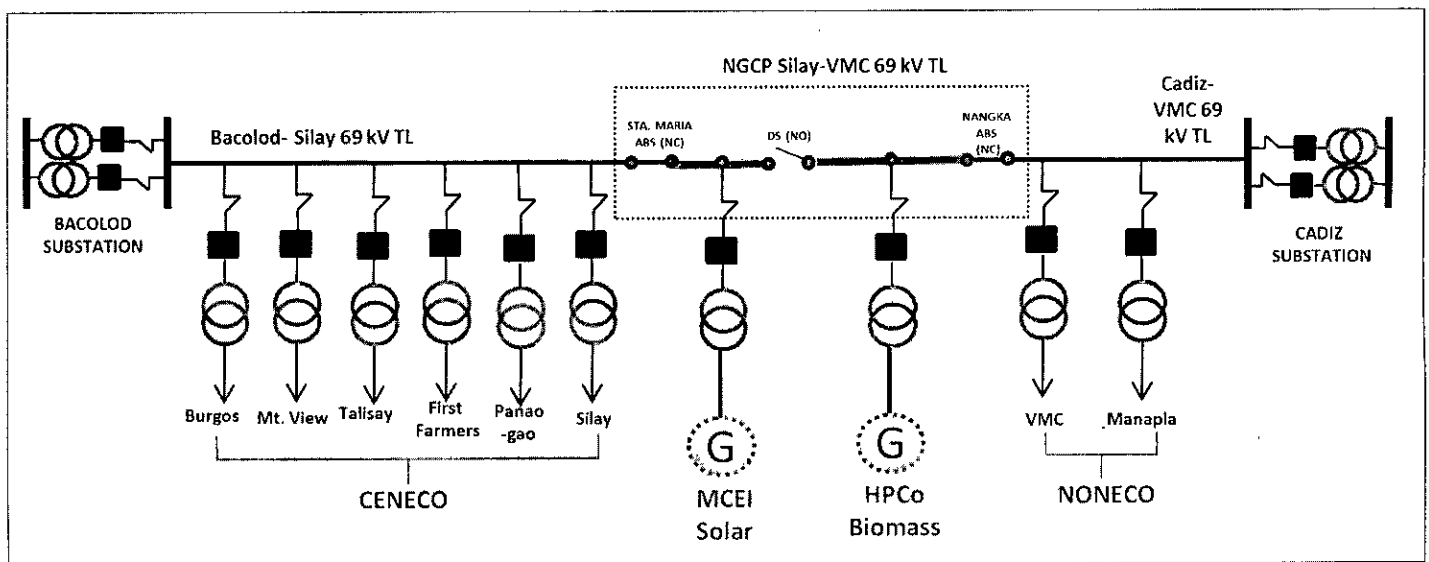
---

<sup>19</sup> CENECO’s Comment dated 26 June 2017, par. 6

construction of the dedicated point to point limited transmission facilities with the following composition:

- a) 69 kV switch bay along the NGCP Talisay-VMC 69 kV line;
- b) 69 kV transmission line with an approximate length of 2.1 km using 336.4 MCM ACSR; and
- c) 25 MVA take-off Substation located inside the SSPP site.

### Single Line Diagram



It is worthy to note that the configuration is a special or unique case. The line where the solar power plant will be connected is operated by NGCP. The said line is connected at one end to the Silay-Bacolod line owned and operated by Central Negros Electric Cooperative, Inc. (CENECO), while the other end is connected to VMC-Cadiz line owned and operated by Northern Negros Electric Cooperative, Inc. (NONECO). Thus, the power generated by the plant could be delivered through the line of either NONECO or CENECO.

### System Impact Study (SIS) conducted by NGCP

As required under existing regulations, MCEI and SSPI commissioned Power System Research and Consultancy Group to conduct the SIS to determine the technical feasibility of connecting the SSPP to the Visayas Grid.



The SIS revealed that there will be no significant system impact to the stability, reliability and operating characteristics of the Visayas Grid if the SSPP will inject its 25 MW capacity.

On October 2015, NGCP released its *Review of the Third Party System Impact Study* and the system simulation with the following results:

- a) Load flow assessment: the review confirms that the loading of the monitored transmission facilities and the voltage levels of the monitored substations are within the acceptable limits; and
- b) Fault level assessment: the connection of the power plant will have a negligible effect in the fault current at the associated 138 kV and 69 kV substations.

Overall, the system simulation result shows that the entry of the 25 MW SSPP to the Visayas Grid is technically feasible.

Likewise, on 02 March 2016, NGCP approved the *Interconnection Facilities Study* submitted by the applicants. NGCP further mentioned that it finds the facilities for the interconnection of the Solar Power Plant in accordance with the results of the System Impact Study conducted.

## **DISCUSSION**

In determining the merits of the Application, the Commission evaluated the same based on six (6) aspects: (1) Necessity of the Project; (2) Other Options/Alternatives Considered by the Applicants; (3) Technical Configuration of the Project; (4) Distribution Wheeling Charges; (5) Technical and Financial Capability of the Applicants; and (6) Project Cost.

### ***Necessity of the Project***

As stated in the application and as manifested during the hearing, the dedicated point-to-point limited facility will be utilized by Silay Solar Power Plant to deliver its generated power to the Visayas Grid through NGCP's Talisay - VMC 69 kV line.

### ***Other Options/Alternatives Considered by the Applicants***

The applicants considered two options or routes before identifying the final connection scheme:

- a) Utilization of the existing 69 kV line owned by CENECO was ruled out since the existing structures will not be able to support the additional lines in view of physical constraints of the poles, height and stability, among others.
- b) Direct connection to the NGCP Bacolod Substation was not likewise considered seeing that it is more expensive to construct 25 km transmission line compared to the proposed connection scheme.

### ***Technical Configuration of the Project***

In order for the Applicants to dispatch its generated power to the grid, it should connect its solar power plant to the Visayas Grid. By default, NGCP is mandated by law to provide connection to generation companies, distribution utilities and suppliers requiring transmission services. However, Section 9(f) of the Electric Power Industry Reform Act of 2001 (EPIRA), provided the generation companies the option to develop, own and operate their dedicated point-to-point limited facilities, to wit:

*“xxx. A generation company may develop and own or operate dedicated point-to-point limited 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

Hence, the instant Application was filed.

Having a capacity of 25 MW, the Silay Solar Power Plant shall be classified as large generator consistent with the provisions of Philippine Grid Code (PGC) and should comply with the provisions of the same, to wit:

#### 4.4.1.1 Requirements Relating to the Connection Point

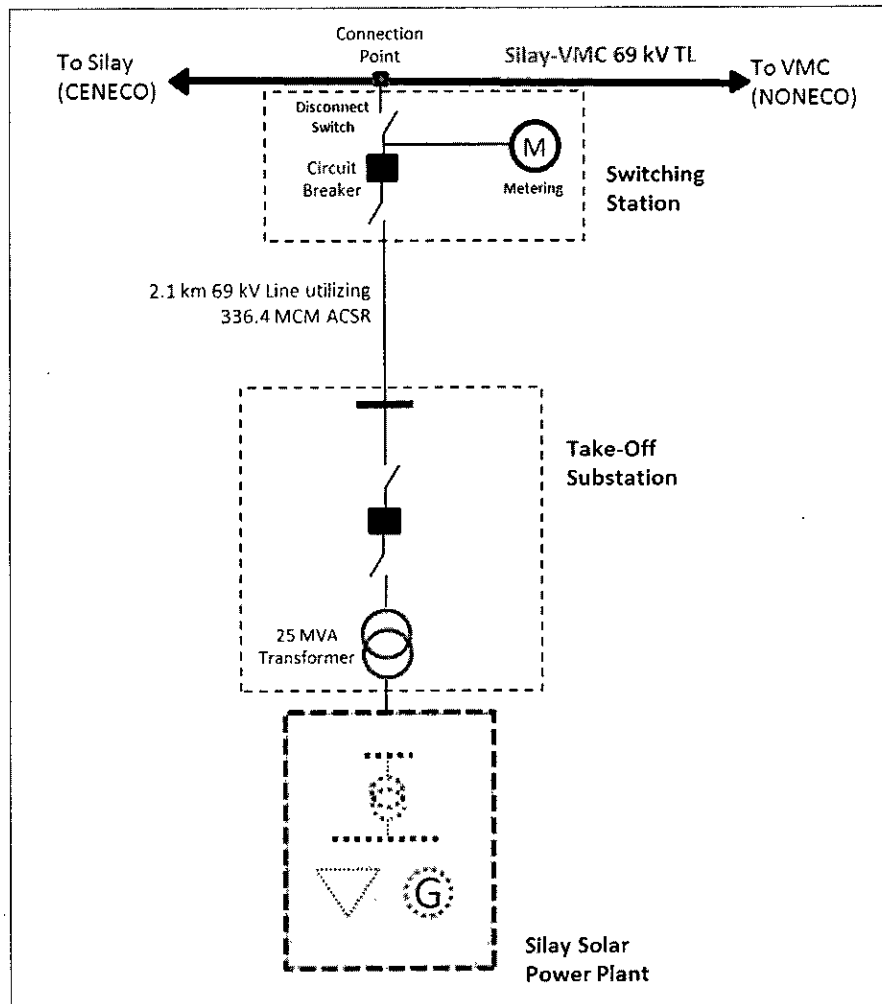
GCR 4.4.1.1.1 The Large Generating Plant's Equipment shall be directly connected to the Grid.

GCR 4.4.1.1.2 The Voltage level(s) shall be agreed by the Transmission Network Provider or the Distribution Utility and the Generation Company based on System Impact Studies of the Large Generating Plant's Equipment to be connected to the Grid.

GCR 4.4.1.1.3 The Connection Point shall be controlled by a Circuit Breaker that is capable of interrupting the maximum short circuit current at the point of connection.

GCR 4.4.1.1.4 Disconnect switches shall also be provided and arranged to isolate the Circuit Breaker for maintenance purposes.

The single line diagram shown below will illustrate the Applicants' compliance with the provisions of PGC and requirements of NGCP in its Facility Study and SIS:



The connection point (POI) will be at the proximity of structure no. 61 of Silay-VMC 69 kV line where the 2.1 km 69 kV line, utilizing 336.4 MCM ACSR, is connected.

The connection point is controlled by a circuit breaker which is consistent with the above-mentioned standards. In addition, the substation is equipped with disconnect switches, surge arresters, instrument transformers, protective relays and its accessories which are all compliant with the requirements of PGC and NGCP.

The substation of the SSPP is equipped with a 25 MVA power transformer to step up the voltage from 13.8 kV to 69 kV.

It is worthy to note that the main substation of the plant is constructed near the connection point. Hence the installation of a fault locator is no longer necessary.

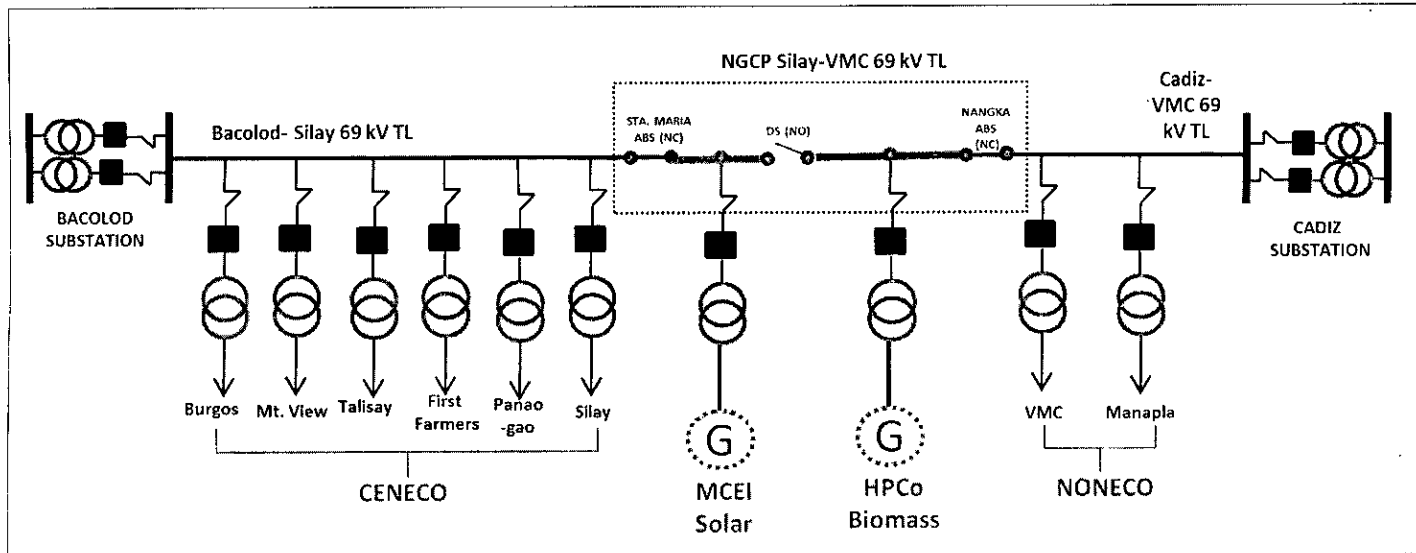
The Applicants complied with the standards in equipment grounding and the requirements in communication and SCADA for monitoring and control.

As witnessed in the ocular inspection, Regulatory Operations Service - Standard and Compliance Monitoring Division (ROS-SCMD) of the Commission confirms that the metering point of Silay Solar Power Plant is located near the connection point, compliant with Section 9.2.1 of the Philippine Grid Code (PGC), to wit:

*“Section 9.2.1.1 The metering point between the Grid and User System shall be at the Connection Point”*

### ***Distribution Wheeling Charges***

Silay Solar Power Plant is presently connected to the Silay-VMC 69 kV line of NGCP, which is then connected to CENECO-owned Bacolod-Silay sub-transmission line. In order for SSPP to deliver its generated energy to the grid, if not fully absorbed by CENECO, the same will pass along CENECO's line. Further, in the event that the normally open (NO) disconnect switch at the NONECO side is closed, the generated energy of MCEI will pass through Cadiz-VMC line which is owned by NONECO.



As provided in the Electric Power Industry Reform Act of 2001 (EPIRA) and its Implementing Rules and regulations, users of the distribution/subtransmission system shall be imposed a corresponding distribution wheeling charge.

This is further reinforced by Section 4.9.2 of the Distribution Service and Open Access Rules (DSOAR) as amended wherein a generator connected to the distribution system and “wheels power out of the distribution system” shall pay all applicable Distribution Wheeling Service (DWS) charges.

Based on the aforementioned provisions, CENECO and NONECO is therefore entitled to impose charges upon MCEI and SSPI as users of the 69 kV Bacolod-Silay and Cadiz-VMC lines, if power generated by the said generator cannot be absorbed by the DUs and actual power is delivered to the grid.

Likewise, ERC Resolution No. 24, Series of 2013 or the Guidelines on the Collection of the Feed-in Tariff Allowance (FIT-All) and Disbursement of the Fit-All Fund states that:

### *2.2 Flow of Fit-All Funds*

xxx

*For Eligible RE Plants-WESM that are connected to a DU system, any Actual RE generation, which cannot be absorbed by the DU where it is connected, shall be delivered to the Grid, subject to the payment of applicable wheeling fees by the Eligible RE Plant-WESM with the DU. For the*

*avoidance of doubt, no wheeling charges shall be paid for actual renewable energy generation that is physically absorbed by a distribution utility, whether WESM or non-WESM.*

Therefore, the Applicants should not automatically be imposed distribution wheeling charge without properly accounting on the actual generation not absorbed by the distribution utility, provided that SSPP is an eligible RE Plant.

In case there is an actual Renewable (RE) generation that cannot be absorbed by the Distribution Utility (DU), the abovementioned provisions shall apply. In order for CENECO and NONECO to charge the applicants in such case, it is just proper for MCEI and SSPI to enter into a Distribution Wheeling Service Agreement (DWSA) with CENECO and NONECO in accordance with the said provision.

### ***Technical and Financial Capability of the Applicants***

The applicants will engage the services of NGCP to undertake the operation, service and maintenance of the dedicated point-to-point limited transmission facility involving among others, periodic inspection of the interconnection facility and regular assessment of pole and wire condition.

The applicants claim that they have the financial capability to undertake the development and construction of the dedicated point-to-point limited line. Financial capability will be assessed in its application for Certificate of Compliance (COC), to ensure that the applicants are compliant with the financial qualifications set forth in the Financial Guidelines for Generation Companies.

### ***Project Cost.***

The total estimated cost of the proposed project is **Php144,182,655.80** covering all the facilities constructed by the applicants.

It is worthy to note that the above-mentioned estimated cost is used only for the purpose of computing the applicable permit fee and not for rate making purposes. This is because the same is not the actual cost or the Optimized Depreciated Replacement Cost (ODRC).

It should also be emphasized that the aforementioned amounts are not necessarily the fair market value that should be used when the subject assets are actually transferred to TRANSCO/NGCP.

Moreover, although the Applicants filed for FIT eligibility with the DOE, the said application is yet to be approved. Thus, in the event that the same becomes FIT eligible, the cost of the said facilities that are included in the approved FIT Rate shall be considered once the asset is transferred to NGCP/ TransCo:

- a) If the fair market value (subject to optimization) is higher than the facilities' cost incorporated in the determination of the FIT, NGCP/TransCo shall pay the difference between the said cost and the fair market value.
- b) If the fair market value (subject to optimization) is lower than the facilities' cost incorporated in the determination of the FIT, the asset shall be treated as Contribution in Aid of Construction (CIAC). NGCP shall maintain a separate account of these amounts and the assets should not appear in rate base or in its asset appraisal.

Considering the foregoing discussions, the Commission resolves to approve MCEI and SSPI's Application for authority to develop, own and operate a dedicated point to point limited transmission line to connect the 25MW Silay Solar Power Plant to the National Grid Corporation of the Philippines' (NGCP) Talisay - VMC 69kV line.

### **Prescribed Fees**

Section 40 of the Commonwealth Act No. 146 (as amended), otherwise known as the "Public Service Act" provides that the Commission is authorized and ordered to charge and collect from any public service or applicant, as the case may be, fees as reimbursement of its expenses in the authorization, supervision and/or regulation of public services.

Thus, a Permit Fee for the authority to construct the subject project is hereby imposed for the reimbursement of the expenses of the Commission in evaluating the case based on its total project cost. The said Permit Fee is computed as follows:

$$\begin{aligned} \text{Permit Fee} &= \frac{\text{Total Project Cost} \times 0.75}{100} \\ &= \frac{144,182,655.80 \times 0.75}{100} \\ \text{Permit Fee} &= \text{PhP1,081,369.92} \end{aligned}$$

**WHEREFORE**, the foregoing premises considered, MCEI and SSPI are hereby **AUTHORIZED** to develop and own a dedicated point-to-point limited facilities to connect its 25 MW Silay Solar Power Plant to the Grid, subject to the following conditions:

- a) The National Grid Corporation of the Philippines (NGCP) shall operate and maintain the subject dedicated point-to-point limited facility subject to applicable charges;
- b) The subject facility shall be developed and constructed in accordance with the System Impact Study (SIS) and Facility Study (FS) requirements so as not to result in the degradation of NGCP's transmission system;
- c) The dedicated point-to-point limited facility shall be used solely by the generating facility; and
- d) Any portion of the dedicated point-to-point limited facility required for competitive purposes or to connect any other user, ownership of the same shall be transferred to TransCo/NGCP at a fair market price but subject for optimization. In determining the fair market price, the cost of the facility as incorporated in the determination of the Feed-in-Tariff (FIT), in the event that the generation company be FIT eligible, should be accounted for.



Moreover, MCEI and SSPI are directed to enter into an agreement with Central Negros Electric Cooperative, Inc. (CENECO) and Northern Negros Electric Cooperative, Inc. (NONECO) for their Distribution Wheeling Service in accordance with the ERC Resolution No. 24, Series of 2013.

Likewise, MCEI and SSPI are hereby required to pay the permit fee amounting to **PhP1,081,369.92** computed based on the Revised Schedule of ERC Fees and Charges.


**SO ORDERED.**

Pasig City, 27 November 2017.

  
**ALFREDO J. NON**  
Commissioner

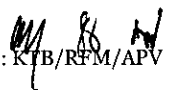
  
**GLORIA VICTORIA C. YAP-TARUC**  
Commissioner

  
**JOSEFINA PATRICIA A. MAGPALE-ASIRIT**  
Commissioner

  
**GERONIMO D. STA. ANA**  
Commissioner

  
ROS-SCMD: TABI/LLGJ/FCBD

✓

  
LS-SD: KTB/RFM/APV

Copy furnished:

1. **ATTY. RIO Q. BALABA**  
**ATTY. JASMIN M. SISON**  
**ATTY. KEEL ACHERNAR R. DILOY**  
*Counsel for the Applicant*  
20 N. Domingo Street, 112Valencia, Quezon City
2. **OFFICE OF THE SOLICITOR GENERAL**  
134 Amorsolo Street, Legaspi Village, Makati City  
Metro Manila
3. **COMMISSION ON AUDIT**  
Don Mariano Marcos Avenue  
Diliman, Quezon City, Metro Manila
4. **COMMITTEE ON ENERGY**  
House of the Senate  
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
5. **COMMITTEE ON ENERGY**  
House of Representatives  
Batasan Hills, Quezon City, Metro Manila
6. **OFFICE OF THE CITY MAYOR**  
Silay City, Negros Occidental
7. **OFFICE OF THE PROVINCIAL MAYOR**  
Province of Negros Occidental
8. **Central Negros Electric Cooperative, Inc. (CENECO)**  
Corner Gonzaga - Mabini Streets  
Brgy. 26, Bacolod City  
Negros Occidental 6100