

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
BATANGAS - MINDORO
INTERCONNECTION
PROJECT WITH PRAYER
FOR THE ISSUANCE OF
PROVISIONAL APPROVAL,

ERC CASE NO 2021-051RC

July 08, 2021

NATIONAL GRID
CORPORATION OF THE
PHILIPPINES,
Applicant.

x-----x

APPLICATION

Applicant **NATIONAL GRID CORPORATION OF THE PHILIPPINES (NGCP)**, by counsel, respectfully states that:

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 this instant 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 its beaches, island hopping and deep-water diving.

5. Unfortunately, the whole of Mindoro island has been plagued by various power issues. These include frequent power interruptions due to reliance on outdated power facilities, which had been further damaged by Typhoons Nona (2015) and Nina (2016); heavily subsidized generation rates stemming from strong dependence on diesel and bunker fuel; delays in proposed energy projects; uneven electrification rates across provinces; and administrative issues of electric cooperatives (ECs) serving the area².

6. On 19 November 2020, House Bill No. 1370 was filed and sponsored by several Party-List Representatives from the power industry, which directs NGCP to undertake necessary actions for the immediate interconnection of Mindoro and Palawan to the Luzon Grid to ensure the reliable and affordable supply of energy.

¹ At Section 1, R.A. 9511

²<https://www.doe.gov.ph/press-releases/doe-holds-summit-improve-power-situation-mindoro-island-0>

7. The best and long-term solution to the inefficient power supply in the Mindoro island is the interconnection of the Mindoro to the Luzon Grid, which will eventually benefit Palawan.

8. Thus, NGCP proposes for the immediate approval of the proposed Batangas - Mindoro Interconnection Project (Project) with its new components which involve the laying down of submarine cable, installation of overhead transmission lines, and the development of substations.

9. With the interconnection, Mindoro can already source adequate and reliable power supply, and access to a more competitive generation sources in the Luzon Grid. Also, with a reliable transmission backbone, Mindoro may export power through the development of renewable power in the province. Further, this will fulfill the government's direction of interconnecting off-grid areas to the main grid. Lastly, this will prepare the country to the planned ASEAN power grid interconnection.

10. The proposed Project interconnection will have the following components:

Transmission Line	Length	Voltage (kV)	Conductor	Type of Structure
Pinamucan–Lobo CTS Line	37 km	230	2-795 MCM ACSR/AS	ST-DC
Lobo CTS–Mahal na Pangalan CTS Line	25 km	230	1-2500 mm ² , XLPE	Double circuit Submarine Cable
Mahal na Pangalan CTS–Calapan Line	6 km	230	2-795 MCM ACSR/AS	ST-DC

Substation	No. of PCB				Power Transformer (MVA)	Line Reactor (MVAR)	Shunt Reactor (MVAR)
	500 kV	230 kV	115 kV	69 kV			
Pinamucan 230 kV Substation	-	2	-	-	-	2x30	-
Calapan 230 kV Substation	-	9	-	-	2x100	2x30	3x25

11. The estimated cost of the proposed project is PhP16,871.440Mn, with an implementation period of 110 months.

12. The Project is exhaustively discussed in its *Project Application Document* on the proposed Batangas-Mindoro Interconnection Project - Stage 1 attached as **Annex "A."**

Justifications for the Issuance of Provisional Approval

13. 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.

14. The power system of Mindoro Island is presently being operated by Small Power Utilities Group (SPUG) of the National Power Corporation (NPC), Oriental Mindoro Electric Cooperative (ORMECO) and Occidental Mindoro Electric Cooperative (OMECO). In 2019, the combined total load of the two (2) electric cooperatives reached more than 80MW.

15. With the forecasted increase in the 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. By being connected to the main grid, the power quality issues which result to frequent power interruption experienced by the customers will be addressed.

16. Also, the Project is a pre-requisite project for the proposed interconnection of the Palawan to the main grid in support to the government's direction of interconnecting off-grid areas in pursuit of the realization of the One Grid Philippines. Lastly, Mindoro is an excellent site for potential wind and solar renewable energy power plants.

17. In support of this application, NGCP submits the Judicial Affidavit of Engr. Vicente N. Loria, Transmission Planning Manager, Transmission Project Development Division,

Transmission Planning Department of NGCP attached as Annex "B."

PRAYER

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

1. Immediately **ISSUE** an Order **PROVISIONALLY AUTHORIZING** the implementation of Batangas-Mindoro Interconnection Project; and
2. After notice and hearing, **APPROVE** the Application for the implementation of the Batangas-Mindoro Interconnection Project.

NGCP prays for other equitable relief.

Quezon City for Pasig City, 18 June 2021.

OFFICE OF THE GENERAL COUNSEL
NATIONAL GRID CORPORATION OF THE PHILIPPINES
NGCP Building, Quezon Avenue corner
BIR Road, Diliman, Quezon City
Tel. No. 981-2100 (Trunk Line)

By:

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Courtesy copy:

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Office of the President
Power Center Building, Quezon Avenue corner
BIR Road, Diliman, Quezon City

NATIONAL TRANSMISSION CORPORATION
Office of the General Counsel
Power Center Building, Quezon Avenue corner
BIR Road, Diliman, Quezon City

**POWER SECTOR ASSETS AND LIABILITIES
MANAGEMENT CORPORATION**
c/o Office of the President
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Astra corner Lux Drives,
Vertis North, Mindanao Avenue, 1105, Quezon City

ORIENTAL MINDORO ELECTRIC COOPERATIVE, INC.
ORMECO Main Office, Brgy. Sta. Isabel, Calapan City
Oriental Mindoro

OCCIDENTAL MINDORO ELECTRIC COOPERATIVE, INC.
M.H. Del Pilar St., San Jose,
Occidental Mindoro

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

**VERIFICATION AND CERTIFICATION
OF NON-FORUM SHOPPING**

I, **ENGR. RICO C. VEGA**, under oath states that:

1. I am the Chief Technical Officer (OIC) and Vice President of the Planning and Engineer Department of the National Grid Corporation of the Philippines ("NGCP") with office address at NGCP Head Office, NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City, Philippines; and I am duly authorized to sign the Verification and Certification of Non-Forum Shopping in the above-entitled Application for and in behalf of NGCP as evidenced by the Secretary's Certificate hereto attached as **Annex "A-Verification"**;

2. I have caused the preparation of the foregoing Application;

3. I have read the Application and I attest that the allegations in the foregoing Application are true and correct based on my personal knowledge or based on authentic documents;

4. The foregoing Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

5. The factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

6. I further attest that NGCP has not filed any other similar Application or action, involving the property subject matter of this Application before any court, tribunal or quasi-judicial agency and, to the best of my knowledge, no such other Application or action is pending therein; and

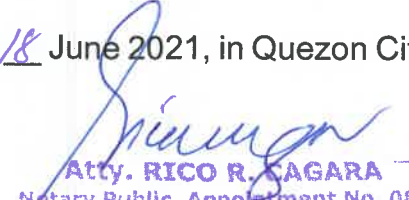
7. If I should thereafter learn that such similar Application, action or claim has been filed or is pending, I shall report that fact to this Honorable Court within five (5) calendar days therefrom.

IN WITNESS WHEREOF, I have hereunto affixed my signature this ___ of June 2021, in Quezon City, Philippines.


ENGR. RICO C. VEGA
Affiant

SUBSCRIBED AND SWORN to before me this 18 June 2021, in Quezon City, affiant exhibited to me his NGCP ID.

Doc. No. 486;
Page No. 29;
Book No. 33;
Series of 2021.


Atty. RICO R. SAGARA
Notary Public, Appointment No. 082
Commission until 31 December 2021
PTR No. 0500224; 01-04-2021; Quezon City
ISP License No. 08600; Bulacan
Roll of Notaries No. E3664
MCLE Compliance No. VI-0912004, valid until 4-14-2022
Unit 305, J. Rosa Condominium
44 Matimtiman Street, Teacher's Village East
Diliman, Quezon City



REPUBLIC OF THE PHILIPPINES)
CITY OF QUEZON) S.S.

SECRETARY'S CERTIFICATE

I, **KAREN S. ONG**, Filipino, of legal age, and with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City, after being duly sworn in accordance with law, depose and state:

1. I am the Corporate Secretary of **NATIONAL GRID CORPORATION OF THE PHILIPPINES**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City;

2. At the meeting of the NGCP Board of Directors on 16 June 2021, at which meeting a quorum was present, the following resolution was unanimously approved and adopted:

"RESOLVED, that the authority of **Rico C. Vega**, OIC Chief Technical Officer and Vice President – Head of Planning & Engineering, to sign the verification and certificate of non-forum shopping for and in behalf of NGCP for the following cases:

i. In the Matter of the Application for the Approval of the **Batangas-Mindoro Interconnection Project** with Prayer for the Issuance of Provisional Approval; and

ii. In the Matter of the Application for the Approval of the **Quezon-Marinduque Interconnection Project** with Prayer for the Issuance of Provisional Approval.

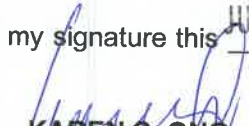
"RESOLVED, FURTHER, that the Corporation names, appoints and authorizes the General Counsel, Deputy General Counsel, Assistant General Counsel, Regional Assistant General Counsel to be its true and lawful attorneys-in-fact, to appear during the pre-trial conferences and other hearings in relation to the above mentioned cases, on such date or dates as may be set by the court and/or agreed upon by the parties, with full and special power and authority to do and perform the following acts:

- a. To discuss and explore the possibility of an amicable settlement, negotiate, enter into, conclude, execute, sign, and deliver a compromise agreement as they may deem just and equitable;
- b. To agree on the submission of the action to alternative modes of dispute resolution including arbitration;
- c. To agree on a simplification of the issues;
- d. To amend and/or agree to the amendment of the pleadings;
- e. To obtain stipulations or admissions of facts and documents to avoid unnecessary proof;
- f. To limit the number of witnesses;
- g. To preliminarily refer issues to a commissioner; and
- h. To agree on such matters and do such things as may aid in the prompt disposition of the action."

“RESOLVED, FINALLY, that the Corporation gives and grants them full power and authority to do and perform all other acts and things necessary and proper to be done in and about the premises as fully to all intents and purposes as it might or could lawfully do, and hereby ratifying and confirming all that he/she shall lawfully do or cause to be done in its behalf by virtue of these presents.”


3. The foregoing resolution is in accordance with the records of the Corporation in my possession and has not been amended, superseded or repealed.

IN WITNESS WHEREOF, I have hereunto affixed my signature this JUN 16 2021 in Quezon City, Metro Manila.


KAREN S. ONG
Corporate Secretary

SUBSCRIBED and SWORN to before me, this JUN 16 2021 in Quezon City, Metro Manila, affiant exhibiting to me her Passport No. P49700018 issued on 28 February 2020 in Manila.

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LUISITO A. TRINIDAD
Commission – AM No. NP076 (2020-2021)
Notary for Quezon City until 31 Dec 2021
NGCP Bldg. Quezon Ave cor BIR Road Diliman QC
Roll No. 38451 – 13 May 1993
IBP Lifetime No. 013977 – 08 July 2015
PTR NO. 9344646 – 01-06-2020
MCLE Compliance No. VI-0012042 – 07 September 2018