

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
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. 2021-051 RC**

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

*Applicant.*

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**Promulgated:**

July 30, 2021

**ORDER**

On 08 July 2021, National Grid Corporation of the Philippines (NGCP) filed an *Application* dated 18 June 2021, seeking the Commission's approval of its Batangas-Mindoro Interconnection Project with prayer for the issuance of provisional approval.

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 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 system<sup>1</sup> 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 area<sup>2</sup>.
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.
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.

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<sup>1</sup> At Section 1, R.A. 9511.

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

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 <sup>2</sup> , 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.

Finding the said *Application* to be sufficient in form with the required fees having been paid, the Commission hereby sets the same 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 2020,<sup>3</sup> dated

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

24 September 2020 and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure)<sup>4</sup>:

<b>Date</b>	<b>Platform</b>	<b>Activity</b>
<b>02 September 2021</b> (Thursday) at two o'clock in the afternoon (2:00 P.M.)	<b>Microsoft Teams Application</b>	Determination of compliance with jurisdictional requirements and Expository Presentation for the Luzon, Visayas and Mindanao Stakeholders
<b>09 September 2021</b> (Thursday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and Presentation of Evidence
<b>16 September 2021</b> (Thursday) at two o'clock in the afternoon (2:00 P.M.)		Presentation of Evidence

**RELATIVE THERETO**, NGCP is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at its own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governors, the Mayors, and the Local Government Unit (LGU) legislative bodies within the affected areas for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected areas, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled virtual hearings thereon;

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<sup>4</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire to send their duly authorized representatives and attend the scheduled hearings; and
- 5) Furnish with copies of the *Application* and its attachments all those making requests therefor, subject to the resolution of the prayer for confidential treatment of information, if any, and reimbursement of reasonable photocopying costs.<sup>5</sup>

Within five (5) calendar days prior to the date of the scheduled initial virtual hearing, NGCP must submit to the Commission via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), its written compliance to the aforementioned directives by attaching therewith, methodically arranged and duly marked, the following:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of affidavit of the Editors or Business Managers of the newspapers where the said *Notice of Virtual Hearing* were published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by NGCP to inform the consumers affected of the filing of the *Application*, its reasons therefor, and of the scheduled hearings thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments by all those making requests therefor, if any; and

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<sup>5</sup> For the e-mail address of the Applicant, please see page 10.

- 6) Such other proofs of compliance with the requirements of the Commission.

Moreover, NGCP is hereby required to post on its bulletin boards, the scanned copies of the jurisdictional requirements, together with the newspaper publications and certifications issued by the concerned Office of the Mayors, Provincial Governors and Local Legislative Bodies and to submit proof of posting thereof.

NGCP and all interested parties are also required to submit to the Commission via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor, which should also be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

NGCP must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission at least five (5) calendar days before the date of the scheduled initial virtual hearing and Pre-trial Conference pursuant to the preceding paragraph.

Failure of NGCP to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearings, and the resetting of which shall be six (6) months from the said date of cancellation.

NGCP must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other

concerned parties, the nature of the *Application* with relevant information and pertinent details substantiating the reasons and justifications being cited in support thereof.

NGCP is hereby directed to file a copy of its Expository Presentation via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least five (5) calendar days prior to the scheduled virtual hearing. NGCP shall also be required, upon the request of any stakeholder, to provide an advance copy of its expository presentation, at least five (5) calendar days prior to the scheduled virtual hearing.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via e-mail at [doCKET@erc.ph](mailto:doCKET@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto: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.

NGCP is hereby directed to submit, either through personal service, registered or ordinary mail/private courier, one (1) set of the original or certified true hard/printed copy/ies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavit/s of witness/es, within five (5) working days from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard/printed copy thereof within the same period through any of the available modes of service.

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Finally, NGCP, including its authorized representative/s and witness/es, are hereby directed to provide the Commission, thru [legal.virtualhearings@erc.ph](mailto:legal.virtualhearings@erc.ph), with their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

**SO ORDERED.**

Pasig City, 21 July 2021.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

  
LS: RSPV/ARG/MCCG



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**Copy Furnished:**

1. National Grid Corporation of the Philippines (NGCP)  
*Applicant*  
NGCP Building, Quezon Ave. cor. BIR Road, Diliman, Quezon City  
[corpcom@ngcp.com](mailto:corpcom@ngcp.com)
2. Atty. Luis Manuel U. Bugayong, Lally C. Ortila-Mallari and Rich L. Almario  
*Counsels for Applicant NGCP*  
Office of the General Counsel  
NGCP Building, Quezon Ave. cor. BIR Road, Diliman, Quezon City  
[lubugayong@ngcp.ph](mailto:lubugayong@ngcp.ph); [rdbaldovino@ngcp.ph](mailto:rdbaldovino@ngcp.ph)
3. Office of the Solicitor General (OSG)  
134 Amorsolo Street, Legaspi Village, Makati City  
[docket@osg.gov.ph](mailto:docket@osg.gov.ph)
4. Commission on Audit (COA)  
Commonwealth Avenue, Quezon City 1121  
[citizensdesk@coa.gov.ph](mailto:citizensdesk@coa.gov.ph)
5. Senate Committee on Energy  
GSIS Building, Roxas Boulevard, Pasay City 1307  
[senateenergycommittee@gmail.com](mailto:senateenergycommittee@gmail.com)
6. House Committee on Energy  
Batasan Hills, Quezon City 1126  
[committee.energy@house.gov.ph](mailto:committee.energy@house.gov.ph)
7. Philippine Chamber of Commerce and Industry (PCCI)  
3<sup>rd</sup> Floor, Chamber and Industry Plaza (CIP), 1030 Campus Avenue corner  
Park Avenue McKinley Town Center, Fort Bonifacio, Taguig City  
[secretariat@philippinechamber.com](mailto:secretariat@philippinechamber.com)
8. Power Sector Assets and Liabilities Management Corporation (PSALM)  
24<sup>th</sup> Floor Vertis North Corporate Center 1, Astra corner Lux Drives  
Vertis North, Mindanao Avenue, Quezon City  
[infos@psalm.gov.ph](mailto:infos@psalm.gov.ph)
9. National Transmission Corporation (TransCo)  
TransCo Main Building, Quezon Avenue corner BIR Road, Diliman, Quezon City  
[OVP-Legal@transco.ph](mailto:OVP-Legal@transco.ph)
10. Office of the Mayor  
Quezon City
11. Office of the Local Government (LGU) legislative body  
Quezon City
12. Office of the Mayor  
Cebu City
13. Office of the Local Government (LGU) legislative body  
Cebu City
14. Office of the Mayor  
Iligan City, Lanao del Norte
15. Office of the Local Government (LGU) legislative body  
Iligan City, Lanao del Norte
16. Office of the Mayor  
Davao City, Davao del Sur
17. Office of the Local Government (LGU) legislative body  
Davao City, Davao del Sur

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18. Office of the Mayor  
San Fernando City, La Union
19. Office of the Local Government (LGU) legislative body  
San Fernando City, La Union
20. Office of the Mayor  
Biñan City, Laguna
21. Office of the Local Government (LGU) legislative body  
Biñan City, Laguna
22. Office of the Provincial Governor  
La Union
23. Office of the Local Government (LGU) legislative body  
La Union
24. Office of the Provincial Governor  
Laguna
25. Office of the Local Government (LGU) legislative body  
Laguna
26. Office of the Provincial Governor  
Cebu
27. Office of the Local Government (LGU) legislative body  
Cebu
28. Office of the Provincial Governor  
Davao del Sur
29. Office of the Local Government (LGU) legislative body  
Davao del Sur
30. Office of the Provincial Governor  
Lanao Del Norte
31. Office of the Local Government (LGU) legislative body  
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