

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City



IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO DEVELOP AND OWN OR OPERATE DEDICATED POINT-TO-POINT LIMITED TRANSMISSION FACILITIES TO CONNECT CAMOTES ISLAND POWER GENERATION CORPORATION'S (CAMPCOR) 6.984 MW HEAVY FUEL OIL (HFO)-FIRED DIESEL POWER GENERATING FACILITIES TO THE CAMOTES ELECTRIC COOPERATIVE, INC.'S (CELCO) 13.8 KV DISTRIBUTION SYSTEM (CAMOTES MAIN GRID), WITH PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF

ERC CASE NO. 2021-015 MC

**CAMOTES ISLAND POWER GENERATION CORPORATION (CAMPCOR),
*Applicant.***

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Promulgated:

June 08, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 26 April 2021, Camotes Island Power Generation Corporation (CAMPCOR) filed an *Application* seeking the Commission's approval of its authority to develop and own or operate dedicated point-to-point limited transmission facilities to connect its 6.984 MW Heavy Fuel Oil (HFO) Fired-Diesel Power Plant to the Camotes Electric Cooperative, Inc.'s (CELCO) 13.8 kV

distribution system (Camotes Main Grid), with prayer for the issuance for provisional authority or interim relief.

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

1. CAMPCOR is a corporation duly organized and existing under Philippine laws with principal office at UGF Worldwide Corporate Center, Brgy. Highway Hills, Shaw Blvd., Mandaluyong City, Metro Manila. It may be served with pleadings, notices, orders and other legal processes through the undersigned Firm at its address indicated below;
2. CAMPCOR is primarily organized to buy, acquire, lease, construct, maintain, and operate plants, work systems, poles, etc., for the production, supply, distribution and sale of electricity for light and power and any other use to which electricity may be applied.

Copies of CAMPCOR's Certificate of Incorporation, Articles of Incorporation and By-Laws, and General Information Sheet for 2019 are herewith attached and made integral parts hereof as Annexes "A", "B", "C" and "D", respectively;

3. CAMPCOR has been selected as an Independent Power Producer (IPP) to supply electricity to Camotes Electric Cooperative, Inc. (CELCO) following a Competitive Selection Process. Based on the 15-year Power Supply Agreement (PSA) executed between CAMPCOR and CELCO, which has been issued Interim Relief by the Honorable Commission and is currently pending final approval¹, CAMPCOR shall install generating units to supply power to CELCO's Camotes Main Grid and Pilar Grid. For the Camotes Main Grid, CAMPCOR shall supply a minimum of 4.0 MW to a maximum of 5.6 MW capacity;
4. Accordingly, CAMPCOR shall install and operate a 6.984 MW Heavy Fuel Oil (HFO)/Bunker-Fired Diesel Power Plant, composed of four (4) units of 1,701 kW, 900 rpm, 60 Hz, 0.8 pf bunker-fired diesel engines and one (1) unit of 180 kW, 1800 rpm, 60 Hz, 0.8 pf diesel engine to be situated at Brgy. Teguis, Poro, Camotes Island, Cebu (hereinafter, "*Camotes Main Diesel Power Generating Facilities*" or "*Camotes Main/Poro PGF*"). The Vicinity Map where the Camotes Main/Poro PGF is located is herewith attached and forms an integral part hereof as Annex "E";
5. To fully dispatch power from the 6.984 MW Camotes Main/Poro PGF for delivery to the Camotes Main Grid, CAMPCOR needs to develop and own or operate a dedicated point-to-point limited transmission facility to directly connect

¹ Docketed as ERC Case No. 2020-012 RC, the *Application* was granted Interim Relief per the ERC's *Order* dated 23 June 2020.

and embed to CELCO's 13.8 kV Distribution Line, subject to approval by the Honorable Commission in accordance with Section 2.9.2 of the Distribution Services and Open Access Rule (DSOAR)², which provides that:

"2.9.2 Connection Assets and Facilities

A generation company may develop and own or operate dedicated point-to-point limited facilities provided, that such facilities are required only for the purpose of connecting to the distribution system, and are used solely by the generating facility, subject to prior authorization by the ERC. x x x"

6. Further, the development of a dedicated point-to-point limited transmission facility is also necessary for the testing and commission, and eventually, the commercial operation of CAMPCOR's 6.984 MW Camotes Main/Poro PGF. As regards the issuance of a Certificate of Compliance (COC) for the Camotes Main/Poro PGF, CAMPCOR has an obligation to seek the Honorable Commission's authorization to develop its proposed connection facility pursuant to Article IV, Section 1 of Resolution No. 16, Series of 2014³, which provides as follows:

"ARTICLE IV
OBLIGATIONS OF A GENERATION COMPANY

Section 1. Compliance with Technical Standards. – x x x

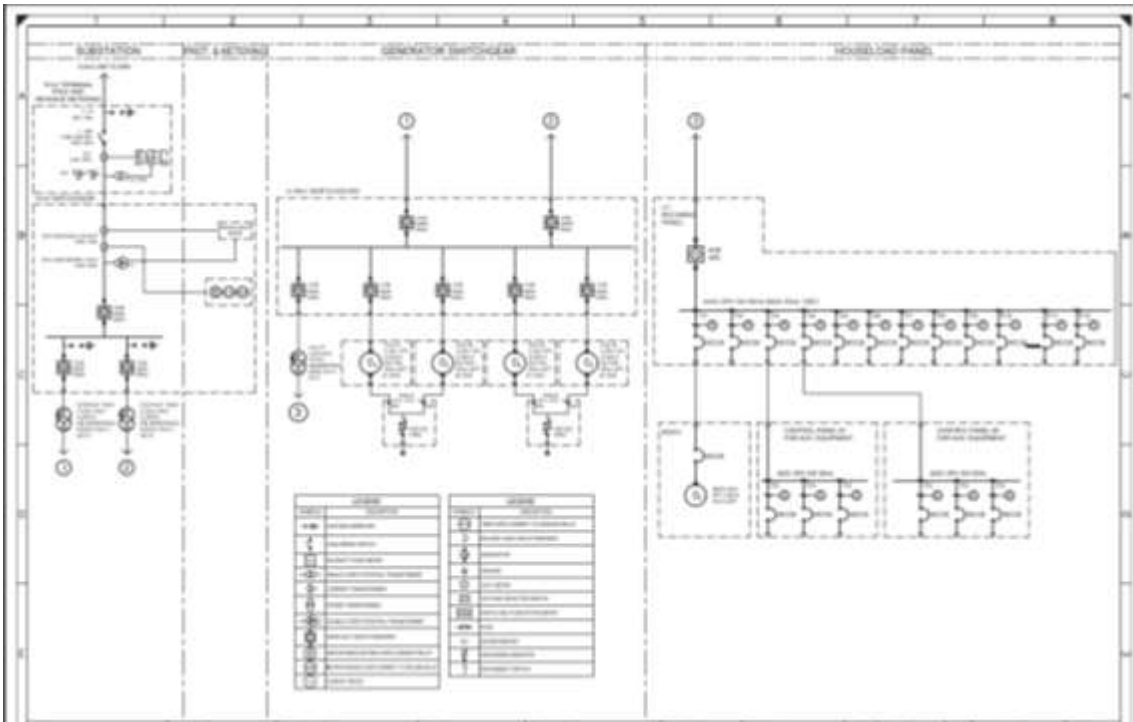
A Generation Company which develops and owns or operates a dedicated point-to-point limited transmission or distribution facilities for the purpose of connecting to the transmission or distribution system, respectively, should secure prior authorization by the ERC."

7. CAMPCOR shall construct the proposed dedicated point-to-point limited transmission facilities consisting of approximately 100.75-meter line and using the following components: (a) 5kV Unit Generation Bus Switchgear; (b) 10MVA Power Generation Step-Up Transformer; (c) 15kV Main Generation Bus and Distribution Feeder Switchgear; and (d) 4 x 15kV Distribution Feeder Tie Lines. The Description of the Project for the proposed dedicated point-to-point limited transmission facilities is herewith attached as Annex "F";

² ERC Resolution No. 02, Series of 2010 entitled "A Resolution Adopting the Amendments to the Distribution Services and Open Access Rules"

³ A Resolution Adopting the 2014 Revised Rules for the Issuance of Certificates of Compliance (COCs) for Generation Companies, Qualified End-users and Entities with Self-Generating Facilities;

8. Below is the Single Line Diagram (SLD) of the proposed connection scheme:



A copy of the SLD of the proposed dedicated point-to-point limited transmission facilities is herewith attached and made an integral part hereof as Annex "G";

9. The foregoing proposed dedicated point-to-point limited transmission facilities shall be used solely by CAMPCOR and only for the purpose of connecting to the 13.8 kV CELCO's Main Distribution Grid System to transmit power from CAMPCOR's 6.984 MW Camotes Main/Poro PGF, of which, three (3) power generating units shall be operated in sequence and in parallel to deliver up to about 6.12 MW of net capacity while the 4th unit shall be on standby to provide N-1 contingency to the PGF. This shall provide the following improvements and upsides to CELCO's Camotes Main Grid:
- a) Improves the overall power quality of the grid in terms of better stability of system voltage and frequency;
 - b) Provides a shorter and second feeder for the Island of Pacijan, further improving the quality of power service to the demand center of San Francisco;
 - c) Provides adequate capacity in the near term – five years from 2018 to 2022 – the limit of firm capacity planning window of CELCO allows; and
 - d) The increased system short circuit capacity (due to higher capacity) is still well within the capabilities of existing distribution facilities and equipment.
10. A Distribution Impact Study (DIS) and Distribution Asset Study (DIS) were conducted by AVGarcia Power Systems

Corp. (AVGPSC) to determine the technical feasibility of connecting the 6.984 MW Camotes Main/Poro PGF to CELCO's 13.8 kV CELCO's Distribution Grid System through power system simulations, as well as the configuration of the assets comprising the connection facility. The DIS and DAS confirmed the technical viability of connecting CAMPCOR's Camotes Main/Poro PGF, embedded into the 13.8 kV Distribution Grid of CELCO. Further, the embedded connection of the Camotes Main/Poro PGF will slightly impact CELCO's current Distribution Grid System in terms of:

- a. Power quality, more commonly realized as voltage and frequency stability;
- b. Increased short circuit currents in the distribution system, but will also provide increased power system stability to ride out system disturbances such as temporary demand increase or decrease or line faults; and
- c. Will require an increased level of protection and metering, at least on the main feeder and grid backbone lines.

A copy of DIS and DAS is herewith attached and made an integral part hereof as Annex "H";

11. The 6.984 MW Camotes Main/Poro PGF shall be connected to CELCO's Distribution Grid by default, the latter being an island grid and located in a Small Power Utilities Group (SPUG) Area, thus, there is no access to national grid service. Accordingly, there is no alternative option but to connect to CELCO's Distribution System. A copy of the signed Connection Agreement between CELCO and CAMPCOR, which also includes the list of connection assets and facilities⁴, is herewith attached and made an integral part hereof as Annex "I";
12. CELCO also reviewed the submitted DIS and DAS and evaluated that the proposed connection scheme is technically feasible, subject to appropriate and necessary measures to ensure that the proposed connection shall not result in the degradation of CELCO's distribution system, including installation of protection system. A copy of CELCO's letter is herewith attached and made an integral part hereof as Annex "J";
13. The total project cost of herein proposed dedicated point-to-point limited facilities is estimated at PhP32.107 Million, which is comprised of the costs of equipment and connection assets at around PhP29.357 Million, equipment installation and transformer assembly costs at approximately PhP1.5 Million, and testing and commissioning costs of about PhP1.25 Million. The Detailed Project Cost Estimate is

⁴ Annex 2 of the Connection Agreement.

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attached herewith and forms an integral part hereof as Annex “K”;

14. Upon energization of the connection facilities, CAMPCOR shall be responsible for its operation and maintenance in a non-discriminatory manner. The profiles and curricula vitae of CAMPCOR’s technical personnel are herewith attached and made integral parts hereof as Annex “L”;
15. CAMPCOR has been issued an Environmental Compliance Certificate (ECC) by the Department of Environment and Natural Resources (DENR), a copy of which is herewith attached as Annex “M”. In the event that the approval of other concerned agencies that may have an interest on the project shall be necessary, CAMPCOR undertakes to secure the same, as manifested in the Sworn Statement of its President dated 25 September 2020, herewith attached to form an integral part hereof as Annex “N”;
16. In further support of herein Application for the approval of the development and ownership or operation of the proposed dedicated point-to-point limited transmission facilities, the following documents are also submitted for the Honorable Commission’s consideration:

ANNEX	DOCUMENT
“O”	Gantt Chart of Camotes Main Diesel Power Plant and the Connection Facility
“P”	Letter from AVGSPC dated 22 January 2020, with attached Detailed Conceptual Engineering Design and Drawings providing the list of connection assets and materials to be installed, with specifications, based on the DIS conducted
“Q”	Affidavit of Compliance with the Philippine Small Grid Guidelines
“R”	Distribution Development Plan
“S”	Camotes Island and Pilar Supply and Demand Scenario
“T”	Relevant Dates
“U”	Corporate Profile of AV Garcia Power Systems Corp.
“U-1”	Curricula Vitae of Personnel Responsible for the design and installation of equipment for the proposed system
“V”	Secretary’s Certificate on the Resolution of CAMPCOR’s Board of Directors authorizing the construction, operation and maintenance of a dedicated point-to-point transmission facility and filing of an ERC Application for the approval thereof, authorizing CAMPCOR’s President to sign and execute for the Corporation any and all documents and perform any and all things necessary or proper, including appointment of counsel, among others
“W”	Special Power of Attorney executed by CAMPCOR’s President constituting and appointing Diccion Law

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	Firm as true and lawful attorney-in-fact for and behalf of CAMPCOR, as authorized by the Board
“W-1”	Secretary’s Certificate on the Resolution of CAMPCOR’s Board of Directors ratifying the appointment of Diccion Law Firm as its counsel in the Application before the ERC

17. CAMPCOR reserves the right to submit additional documents as may be required by exigencies or when so ordered by the Honorable Commission.

PRAYER FOR THE ISSUANCE OF
PROVISIONAL AUTHORITY OR INTERIM RELIEF

18. All the foregoing allegations are herein re-pleaded by reference in support of this Prayer for the issuance of a provisional authority or interim relief;
19. The development of the proposed dedicated point-point limited transmission facilities is a pre-requisite for the testing and commissioning, and eventually for the commercial operations of CAMPCOR’s Camotes Main/Poro PGF. In turn, the timely commercial operation of the said power plant project is necessary for CAMPCOR to implement and comply with its obligations under its PSA with CELCO;
20. With the current unstable electric power supply in the Camotes Island, the immediate approval of the instant Application would promote and facilitate power security in the area. Considering the construction timelines for the power plant project, which will take approximately ten (10) months to complete, including construction of the connection facilities, the urgent approval of herein Application, even on a provisional or interim basis granting authority to develop and own or operate the proposed dedicated point-to-point limited transmission facilities to connect CAMPCOR’s 6.984 MW Camotes Main/Poro PGF embedded into CELCO’s 13.8 kV Distribution Line is certainly needed to attain its target commercial operations;
21. Likewise, the subject of herein Application is analogous to the Honorable Commission’s approval of electric capital projects, ERC Resolution No.13, Series of 2006, as amended⁵, insofar as the grant of provisional authority or interim relief, is hereby invoked. It is provided thereunder:

(This space is intentionally left blank.)

⁵ A Resolution Adopting the Guidelines to Govern the Submission, Evaluation and Approval of Electric Capital Projects, as amended by *Resolution No. 18, Series of 2008* and *Resolution No. 26, Series of 2009*.

“ARTICLE II
APPLICATIONS AND REQUIREMENTS

2.3 Evaluation and Approval

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Upon filing of the application, the Commission may, on its own or upon motion, grant the issuance of a Provisional Authority (PA) based on the allegations of the application and on such other documents attached thereto or submitted by the parties. The Commission, if necessary, may schedule a hearing for the issuance of a PA not later than thirty (30) days from the filing of the application. Thereafter, the Commission shall issue a ruling either granting or denying the PA stating clearly the reasons therefore, within seventy five (75) days from the filing of the application.
x x x ” [Emphasis Supplied]

22. The instant prayer for the issuance of Provisional Authority or Interim Relief is further supported by an Affidavit executed by CAMPCOR’s President, herewith attached and to form an integral part hereof as Annex “X”;
23. As clearly demanded by the foregoing circumstances, the Honorable Commission’s issuance of a Provisional Authority or Interim Relief is imperative for CAMPCOR to construct and own or operate the proposed dedicated point-to-point limited facilities since the 6.984 MW Camotes Main/Poro PGF will replace the existing power generation facility owned and operated by NPC-SPUG, consistent with government’s policy to encourage private participation in missionary areas.

PRAYER

WHEREFORE, in view of all the foregoing, it is most respectfully prayed of this Honorable Commission that prior to and/or pending hearing on the merits, a PROVISIONAL AUTHORITY or INTERIM RELIEF be issued to immediately allow the development and ownership or operation of the proposed dedicated point-to-point limited transmission facilities to connect CAMPCOR’s 6.984 MW Camotes Main Diesel Power Generating Facilities to be embedded into CELCO’s Distribution Grid along its 13.8 kV Line, and that after due notice and hearing, a FINAL AUTHORITY be issued to permanently authorize the same.

Other reliefs as may be just and equitable under the premises are, likewise, most respectfully prayed for.

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The Commission has set the *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 2020,⁶ dated 24 September 2020:

Date	Platform	Activity
07 July 2021 (Wednesday) at two o'clock in the afternoon (2:00 PM)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
09 July 2021 (Friday) at two o'clock in the afternoon (2:00 PM)	Microsoft Teams	Pre-trial Conference and 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, 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 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, 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 ERC Revised 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.

⁶ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

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, 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 ERC Revised 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.

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 initial virtual hearings 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 hearings.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 26th day of May 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO


LS: MVM/LSP/MCCG

ERC
Office of the Chairperson

AVSTD-2021-06-510-0021