

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



**IN THE MATTER OF THE
APPLICATION FOR
AUTHORITY TO DEVELOP,
OWN, AND/OR OPERATE
DEDICATED POINT-TO-
POINT LIMITED
FACILITIES TO CONNECT
THE 19.99 MW BIOMASS
POWER PLANT TO THE
CADIZ – SAN CARLOS 69 KV
LINE, WITH PRAYER FOR
PROVISIONAL AUTHORITY**

ERC CASE NO 2018-013 MC

**SAN CARLOS BIOPOWER
INC.,**

Applicant.

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DOCKETED
Date: NOV 21 2018
By: *[Signature]*

NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 8 October 2018, San Carlos Biopower Inc. (SCBP) filed an *Application* dated 5 October 2018, seeking for the authority to develop, own, and/or operate dedicated point-to-point limited facilities to connect the 19.99 MW Biomass Power Plant to the Cadiz – San Carlos 69 KV line, with prayer for provisional authority (*Application*).

In the said *Application*, SCBP alleged the following:

1. It is a corporation duly organized and existing by virtue of and under the laws of the Republic of the Philippines, with principal office address at Circumferential Road, San Carlos Ecozone, San Carlos City, Negros Occidental;
2. The *Application* is for the consideration and approval of its proposed development, ownership and operation of an interconnection facility which shall connect the biomass energy power plant to be located at Circumferential Road, San Carlos

Economic Zone II, Barangay Palampas, San Carlos City, Negros Occidental (“Biomass Power Plant”) to the Visayas Grid through the Cadiz - San Carlos 69kV line (“Dedicated Facility Project”);

3. It is a duly registered Renewable Energy Developer of Biomass Resources and the holder of Biomass Renewable Energy Operating Contract No. 2011-12-024 (“BREOC”), by virtue of which SCBP was granted the right to develop, construct, install, commission and operate the Biomass Power Plant. In 31 October 2013, an amendment of the BREOC (“Amendment”) was made reflecting an increase in capacity of the Biomass Power Plant from 18 MW to 20 MW;
4. SCBP is developing the Biomass Power Plant, which is targeted to commence commercial operations in 2019. In order to test, commission and dispatch from the Biomass Power Plant, it shall develop and construct the Dedicated Facility Project, to wit:
 - 4.1. The Dedicated Facility Project is comprised of an approximately 1.5 kilometer single circuit 69kV overhead line using 1x336.4 MCM ACSR conductors extending from the Biomass Power Plant that will tap to the existing 69 kV, double circuit line that was constructed by San Carlos Sun Power Incorporated (“SACASUN”) that connects to the 69 kV San Carlos – Cadiz line;
 - 4.2. The estimated cost of the construction of the Dedicated Facility Project is PhP66,669,687.00 with the following major cost components:

PROJECT COMPONENTS	Amount (PhP)
69kV Substation Equipment	62,500,617.00
Transmission Line	4,169,070.00
TOTAL PROJECT COST	66,669,687.00
 - 4.3. The Dedicated Facility Project will be exclusively funded by SCBP and will, therefore, not impact any regulated charges;
5. SCBP has identified other options for the immediate connection of the Biomass Power Plant to the Visayas Grid, as follows:

- 5.1. Tap-connection at NGCP's Amlan-Guihulngan 69kV Line. The alternative tapping point for the Biomass Power Plant to connect to the Visayas Grid is 58km away at the 69kV line at Amlan-Guihulngan. This alternative connection point will cost the project Php290 Million with the installation of a new line and acquisition of right of way;
 - 5.2. Connection through NGCP's 138/69 kV Cadiz Substation. Direct connection to NGCP's 138/69 kV was not considered because it is about 74 kilometers from the proposed power plant site as stated in the Regulatory Assessment for San Carlos 18MW Biomass Power Plant issued by NGCP as Annex to its letter dated 5 March 2012;
6. After a review of its options, SCBP has found that connection through the 69 kV Cadiz-San Carlos line is the most cost-effective and viable option for the immediate connection of the Biomass Power Plant to the Visayas Grid. The Biomass Power Plant is intended to be connected to the Visayas Grid through a new substation to be constructed by NGCP as part of the Cebu-Negros-Panay 230kV Backbone Project as its final connection point.;

In support of the above assertion, SCBP submitted copies of the following documents:

Annex	Nature of Document
"N"	Conceptual Engineering Design and Drawings;
"N-1"	Gantt Chart;
"O"	System Impact Study;
"P"	NGCP letter dated 5 March 2012 confirming technical feasibility of <i>Dedicated Facility Project</i> ;
"Q"	NGCP Letter dated 17 September 2013 confirming that a rerun of the SIS is not necessary as an increase in capacity to 20 MW does not have significant impact on the grid;
"R"	NGCP Letter dated 16 March 2016 advising SCBP that the Biomass Power Plant may no longer be optimized using the proposed connection and to consider other connection scheme to fully optimize the power generated by the <i>Biomass Power Plant</i> ;
"S"	SCBP Letter dated 8 June 2016 advising NGCP that SCBP intends to use the Cadiz - San Carlos 69kV line and the <i>Dedicated Facility Project</i> as in interim connection and the final connection will be at the proposed NGCP's substation included in the CNP Project instead;
"T"	NGCP Letter dated 29 June 2016 accepting the SCBP proposal;

“U”	Interconnection Facilities Study; and
“V”	NGCP Letter dated 13 February 2017 communicating the results of its review of the Interconnection Facilities Study;
“W”	NGCP Certification dated 4 October 2018;
“X”	Extracts of the 2012 Transmission Development Plan;
“Y”	Grid Interconnection Agreement with VMC Rural Electric Services Cooperative, Inc.; and
“Y-1”	Certification issued by NGCP confirming the pending application of SCBP for a TSA and MSA dated 17 September 2018

7. SCBP is currently in discussion with Northern Negros Electric Cooperative, Inc. (NONECO) for the provision of operation, service and maintenance services for the Dedicated Facility Project upon its completion and the commercial operation of the Biomass Power Plant;

8. As of date, it has secured or is in the process of securing the necessary permits, licenses and authority from regulatory and agencies for its Dedicated Facility Project. It further undertakes to file an application for a Certificate of Compliance with the Commission for the Biomass Power Plant in accordance with ERC Resolution No. 16, Series of 2014.

In support of this, SCBP submitted copies of the following documents:

Annex	Nature of Document
“AA”	Sworn statement of SCBP’s President, Arthur N. Aguilar
“AA-1”	NCIP Certificate of Non-Coverage
“AA-2”	DENR Environmental Compliance Certificate

9. It is in the interest of the government to help Renewable Energy developers, such as SCBP, to achieve commerciality and commence operations at the soonest practicable time as Republic Act No. 9513, otherwise known as the “Renewable Energy Act of 2008” (RE Act) has declared that it is the policy of the state to “accelerate the exploration and development of renewable energy resource, to achieve energy self-reliance, through the adoption of sustainable energy development strategies to reduce the country’s dependence on fossil fuels and thereby minimize the country’s exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy.” It is in support of this policy

that SCBP was established to develop fuel from biomass resources to generate power;

10. The construction of the Dedicated Facility Project is a prerequisite for the testing and commissioning, and ultimately, the commercial operations of the Biomass Power Plant. A provisional authority is thus urgently needed to enable SCBP to achieve the target commercial operations date of the Biomass Power Plant in December 2018 and avoid adverse consequences to SCBP;
11. SCBP prays that an Order be issued granting provisional authority for the implementation of the development, ownership and operation of the Dedicated Facility Project to connect the Biomass Power Plant to the Visayas Grid;
12. Additionally, it prays that, after hearing on the merits, a decision be rendered the instant *Application*; and
13. Likewise, SCBP prays for the Commission to grant other just and equitable reliefs.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on **05 December 2018 (Wednesday) at two o'clock in the afternoon (02:00 P.M.), at 15th Floor, ERC Hearing Room, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission a verified Petition to Intervene at least five (5) days prior to the initial hearing and subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name and 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.

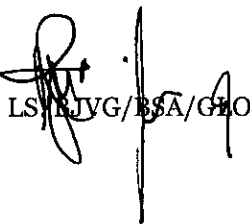
All other persons who may want their views known to the Commission with respect to the subject matter of the case may file their Opposition or Comment thereon at any stage of the proceeding before Applicant rest its case, subject to the requirements under Rule 9 of the 2006 ERC Rules of Practice and Procedure. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

- 1) The name and address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All such persons who wish to have a copy of the *Application* may request from Applicant that they be furnished with the same, prior to the date of the initial hearing. Applicant is hereby directed to furnish all those making such request with copies of the *Application* and its attachments, subject to the reimbursement of reasonable photocopying costs. Any such person may likewise examine the *Application* and other pertinent records filed with the Commission during the standard office hours.

WITNESS, the Honorable Chairperson and CEO, **AGNES VST DEVANADERA**, and the Honorable Commissioners **ALEXIS M. LUMBATAN** and **CATHERINE P. MACEDA**, Energy Regulatory Commission, this 8 November 2018 in Pasig City.


JOSEFINA PATRICIA A. MAGPALE-ASIRIT
Oversight Commissioner for Legal Services


LS/LJG/BSA/GEO