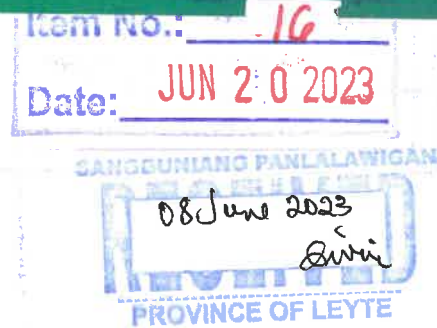


2 June 2023

HON. LEONARDO MORALES JAVIER, JR.,
Vice Governor and Presiding Officer
Sangguniang Panlalawigan of Leyte
Session Hall, Legislative Building
Leyte Provincial Capitol, Tacloban City

Through: Secretary
Sangguniang Panlalawigan

Subject: **Request for the Posting of the Energy Regulatory Commission (ERC)
Order and Notice of Virtual Hearing both dated 18 May 2023**



Dear Vice Governor Javier:


We write in connection with the Application of the National Grid Corporation of the Philippines (NGCP) filed before the Energy Regulatory Commission (ERC), *entitled: "In the Matter of the Application for Approval of the Ancillary Services Procurement Agreement between National Grid Corporation of the Philippines and Isabel Ancillary Services Co. LTD., with Prayer for the Issuance of Provisional Authority"* docketed as **ERC Case No. 2023-039 RC.**

In compliance with the directive of the ERC, we are respectfully furnishing your good office with a copy of the Order together with the Notice of Virtual Hearing both dated 18 May 2023 for the appropriate posting thereof on your bulletin board.

May we also request your office for the issuance of a *certificate of posting* stamped with your dry seal, which we will submit to ERC as proof of our compliance. Attached is a draft certification that you may use in issuing the request. Kindly e-mail an advanced copy to litigation®ulatory@NGCP.ph and dcvagilidad@NGCP.ph. Our staff shall return to your office after five (5) days from receipt of this letter to pick up the certification.

If you have any concerns regarding the foregoing, please feel free to reach us.

Sincerely,


ATTY. MARK ANTHONY S. ACTUB
Deputy General Counsel
Litigation and Regulatory Division
Office of the General Counsel

CERTIFICATE OF POSTING

This is to certify that on _____ 2023, the Office of the Governor/Vice Governor (Sangguniang Panlalawigan) Mayor/Vice Mayor (Sangguniang Bayan/Lungsod) of _____ duly posted on its bulletin board a copy of ERC Order and Notice of Public Hearing both dated 13 April 2023 in the case entitled: ***“In the Matter of the Joint Application of the Ancillary Services Procurement Agreement between National Grid Corporation of the Philippines (NGCP) and Isabel Ancillary Services Co. LTD., with Prayer for the Issuance of Provisional Authority”***, docketed as ERC Case No. 2023-039 RC.

This Certificate of Posting is issued on _____ 2023 upon the request of NGCP for whatever legal purpose it may serve.

(Signature over printed name)

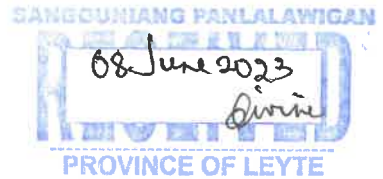
(Position)

(Date)

DRY SEAL

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
JOINT APPLICATION FOR
APPROVAL OF THE
ANCILLIARY SERVICES
PROCUREMENT
AGREEMENT BETWEEN
THE NATIONAL GRID
CORPORATION OF THE
PHILIPPINES AND ISABEL
ANCILLARY SERVICES CO.
LTD., WITH PRAYER FOR
THE ISSUANCE OF
PROVISIONAL AUTHORITY**



ERC CASE NO. 2023-039 RC

**NATIONAL GRID
CORPORATION OF THE
PHILIPPINES AND ISABEL
ANCILLARY SERVICES CO.
LTD.,**

Applicants.

X-----X

Promulgated:
May 18, 2023

ORDER

On 08 May 2023, National Grid Corporation of the Philippines (NGCP) and Isabel Ancillary Services Co. Ltd. (IASCO) filed an *Application* dated 11 April 2023, seeking the Commission's approval of their Ancillary Services Procurement Agreement (ASPA), with prayer for the issuance of provisional authority.

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

NATURE OF THE CASE

1. This Application is for the approval of the Ancillary Services Procurement Agreement ("ASPA" or "Agreement") dated 16 January 2023, entered into by the NGCP and IASCO, in relation to the Decision dated 3 October 2007 in ERC Case No. 2006-049RC entitled "In the Matter of the Application for the Approval of Ancillary Services – Cost Recovery Mechanism

(AS-CRM) of the Ancillary Services Procurement Plan, with Prayer for Provisional Authority”.

A copy of the Ancillary Services Procurement Agreement between NGCP and IASCO dated 16 January 2023 is attached hereto as Annex “A”, and its sub-annexes, attached herein as Annexes “A-1” to “A-3”.

THE PARTIES

2. Applicant NGCP is a corporation created and existing under the laws of the Philippines, with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City. It holds a congressional franchise granted under Republic Act No. 9511,¹ and is authorized to engage in the business of conveying or transmitting electricity through high-voltage back-bone systems of interconnected transmission lines, substations and related facilities, and for other purposes. The NGCP is further empowered to conduct activities necessary to support the safe and reliable operation of the transmission system.
3. Applicant IASCO is a limited partnership duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Lot-2-A-1-B and Lot 2-A-1-D, Leyte Industrial Development Estate, Municipality of Isabel, Province of Leyte.
 - 3.1. IASCO is the owner and operator of a power plant composed of 80 modular diesel engine generator units grouped into six (6) Sectors, with a rated capacity of 70MW continuous output at 60Hz, including required ancillaries and spare parts, located in Isabel, Leyte (the “Generation Facility”), which was certified and accredited by the NGCP as capable of providing Regulating Reserve (“RR”), Contingency Reserve (“CR”), and Reactive Power Support (“RPS”).
4. NGCP and IASCO may be served with orders, notices, pleadings and other legal processes through its respective counsels at the addresses indicated below.

ANTECEDENT FACTS

5. Republic Act No. 9136, also known as the Electric Power Industry Reform Act (“EPIRA”), provides that it is the responsibility of NGCP to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide electrical grid in accordance with the performance standards for its operations and maintenance, as set forth in the

¹ An Act Granting the National Grid Corporation of the Philippines a Franchise To Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-Bone System of Interconnected Transmission Lines, Substations and Related Facilities, and for other Purposes.

Philippine Grid Code (“PGC”),² adopted and promulgated by the Honorable Commission, and to adequately serve generation companies, distribution utilities and suppliers requiring transmission service and/or ancillary services (“AS” or “Ancillary Services”)³ through the transmission system.⁴ Ancillary services are essential in ensuring reliability in the operation of the transmission system and consequently, in the reliability of the electricity supply in the Luzon, Visayas and Mindanao grids.

6. Similarly, the PGC provides that NGCP is responsible for determining, acquiring, and dispatching the capacity needed to supply the required Grid AS and for developing and proposing Wheeling Charges and AS tariffs of the ERC.⁵
7. Ancillary Services is defined in Section 4 (b) of the EPIRA to *“refer to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code to be adopted in accordance with this Act.”* These services are essential in ensuring reliability in the operation of the transmission system and consequently, in the reliability of the electricity supply in the Luzon, Visayas and Mindanao grids.
8. In order to implement and regulate the procurement of AS, the Honorable Commission approved the Ancillary Services Procurement Plan (“ASPP”) through its Order dated 9 March 2006 in ERC Case No. 2002-253 and the Ancillary Services-Cost Recovery Mechanism (“AS-CRM”) through its Decision dated 3 October 2007 in ERC Case No. 2006-049RC.
9. On 12 February 2020, 9 October 2020, and 10 February 2021, IASCO completed its accreditation testing of the Generation Facility each for RR, CR, and RPS, respectively, with the NGCP. Thus, the NGCP certified that the units of the Generation Facility have met and complied with the Standard Ancillary Services Technical Requirements of the ASPP as capable of providing RR, CR, and RPS. A copy of NGCP Accreditation Certificate No. AS-2022-V003-R01 valid from 11 May 2022 to 10 May 2024 is attached hereto as Annex “B”.
10. In a letter dated 31 January 2022, addressed to the Department of Energy (“DOE”) and the Honorable Commission, IASCO requested, among others, clarification as to the applicability of DOE Department Circular No. DC2021-

² ERC Resolution No. 22, series of 2016, entitled “A Resolution Approving the Publication of the Approved Philippine Grid Code 2016 Edition”. See also Section 9(c), EPIRA.

³ Section 4(b), EPIRA. “Ancillary Services” refer to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid code to be adopted in accordance with this Act.

⁴ Section 9(d), EPIRA.

⁵ Chapter 6, Grid Operations (“GO”), GO Section 6.3.1.2, PGC.

10-0031 (“ASPA-CSP Circular”),⁶ and if generation companies who met the conditions therein may still opt to sign an ancillary services procurement agreement with the NGCP.⁷

- 10.1. In 2019,⁸ the DOE previously issued Department Circular No. DC 2019-12-0018⁹ (“ASPA Circular”) which provides that the NGCP, as System Operator (“SO”), shall procure Regulating[,] Contingency[,] and Dispatchable Reserves through firm contracts, in accordance with specific levels per reserve region.¹⁰ Further, Reactive Power Support AS and Black Start AS shall be procured through firm contracts only.¹¹
- 10.2. Under the ASPA-CSP Circular, the procurement of AS must be through the conduct of competitive selection process (“CSP”). Section 11.2, however, states that all firm AS applications that have successfully completed the SO’s accreditation test for the applicable AS type, prior to the effectivity of the ASPA-CSP Circular, and subject to similar terms and conditions with existing ASPAs approved by the ERC, shall not be covered the Circular.
- 10.3. Thus, the DOE explained in its letter dated 18 February 2022 that all AS applications which have completed the SO’s accreditation testing prior to 29 October 2021 can proceed with signing of ASPA with NGCP without going through CSP.¹²
11. After a series of meetings and negotiations, on 16 January 2023, NGCP and IASCO executed the Agreement subject of the instant Application, wherein NGCP agreed to procure and IASCO agreed to supply the RR, CR, and RPS under a firm arrangement, in accordance with the terms under the ASPA.
12. Pursuant to Section 7 of the ASPA, the Applicants agreed to jointly file the Agreement for approval of the Honorable Commission. Hence this application.

⁶ Entitled “Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary services by the System Operator”, issued on 4 October 2021.

⁷ A copy of the letter dated 31 January 2022 is attached as Schedule 7 of the ASPA.

⁸ Issued on 4 December 2019.

⁹ Entitled “*Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid*”.

¹⁰ Section 5.1, DC No. DC2019-12-0018.

¹¹ Section 5.4, DC No. DC2019-12-0018.

¹² See Schedule 7 of the ASPA.

CONTRACTED CAPACITY RATES
AND IMPACT SIMULATION

13. Section 3 of the ASPA states that IASCO shall provide the AS in accordance with Schedule 1 of the ASPA, as follows:

Contracted Capacities:

- A. Regulating Reserve (“RR”)¹³:

Between 8MW to 60MW capacity per hourly interval,
24 hours

- B. Contingency Reserve (“CR”)¹⁴:

Between 10MW to 60MW capacity per hourly interval
for twenty-four (24) hours

- C. Reactive Power Support:

Available capacity of Reactive Power outside the range
of 85% lagging and 90% leading power factor.

Note that the total capacities of RR and CR shall not exceed 70MW at any given time. The capacities stated above are the minimum and maximum ancillary service capacities that can be provided by an aggregate of up to six (6) Sectors. However, declaration and schedule shall be based on the latest AS Accreditation Certificate, which shall not exceed the maximum firm capacities as stated above.

14. Schedule 3 of the ASPA provides for the formula for the computation of the Ancillary Service Payment, and the applicable rates for Capacity Payment:

- A. Ancillary Service Payment

1. For RR, Ancillary Service Payment is the total of the Capacity Payment and the Incidental Energy Payment in B and D below.

Ancillary Service Payment_{RR} = Capacity Payment + Incidental Energy Payment

2. For CR, Ancillary Service Payment is the total of the Capacity Payment and the Incidental Energy Payment in B and D below

Ancillary Service Payment_{CR} = Capacity Payment + Incidental Energy Payment

¹³ Firm Arrangement

¹⁴ Firm Arrangement

3. For Reactive Power Support, Ancillary Service Payment is as follows:

$$\text{kVAR Payment} = (\text{Incidental kVARh Rate} \times \text{Compensable kVARh})$$

Real Time Incidental kVARh Utilization while Providing Contingency or Dispatchable Reserves. This shall be paid based on the total recorded kVARh delivered/absorbed beyond 0.86 power factor lagging or 0.9 power factor leading from the time when the dispatch of RPS was instructed. The compensable kVARh shall be paid at:

$$\text{Incidental kVARh Rate: PhP } 4.00 / \text{kVARh}$$

$$\text{Compensable kVARh} = \text{Actual kVARh} - \text{Base kVARh}$$

Where:

Actual kVARh = actual reactive power provided within each interval

Base kVARh = corresponding kVARh at 0.85 power factor lagging or 0.9 power factor leading, for the unit's MW loading. For clarity, the MW loading is the unit's Pmin, or RTD schedule, whichever is greater.

- B. Applicable Rates for Capacity Payment:
1. Regulating Reserve: PhP 2.25/kW/h
 2. Contingency Reserve: PhP 1.50/kW/h

$$\text{Formula for Capacity Payment} = \text{Undispatched Scheduled Capacity} \times \text{Capacity Payment Rate}$$

Where:

- Undispatched Scheduled Capacity = Scheduled Capacity - G
- Capacity Payment Rate = Applicable Rate per AS type

- C. Per Occurrence Applicable Rates:
1. Reactive Power Support (RPS): PhP 4.00/kVAR/hr

D. Incidental Energy Payment

The Cost of Incidental Energy (“IE”) is the cost of actual energy generated for the firm Scheduled Capacity which shall be paid and computed using the formula below:

Payment of Cost of Incidental Energy (IE) computed as follows:

$$\begin{aligned} & \text{Incidental Energy Payment} \\ & = \{G \times (\text{Capacity Payment Rate} + \text{Variable Costs})\} \\ & - (\text{WESM Revenue}) \end{aligned}$$

Where:

- G = summation of actual energy generated or dispatched from the Scheduled Capacity, in kWh
 - Variable Costs, in PhP/kWh = Fuel Cost and Variable O&M Cost, in PhP/kWh
 - Fuel Cost = shall be the rate, In Php/kWh, submitted by the Service Provider every month based on either of the following, whichever is lower; (i) its actual fuel stock inventory consumption report, or (ii) the estimated fuel consumption based on the monthly generation, in kWh, multiplied by the fuel efficiency rate of Php0.47 liters/kWh.
 - Variable O&M Cost, in PhP/kWh = Php1.38/kWh x (Current CPI ÷ Base CPI)
 - WESM Revenue = summation of WESM revenue based on market clearing price at the generator’s trading node, arising from G.
15. Applicants submit that the rates represent a reasonable recovery of its opportunity cost in making available generation capacity to provide the procured AS.

AS Type	Indicative Rate Impact	
	P/kW – month	P/kwh
RR	46.9925	0.0924
CR	31.7648	0.0625
RPS	5.0954	0.0100

A copy of the Rate Impact Simulation for IASCO with a brief discussion on how NGCP derived the proposed ancillary service rate is attached as Annexes “C” to “C-2”.

16. Consistent with the AS-CRM, all the related and incidental expenses which NGCP will incur as a result of the procurement and operation of the ancillary services shall be recovered from all the load customers in the Visayas Grid.
17. The ASPA shall be effective for a period of one (1) year, to commence immediately upon the effectivity of the provisional approval, or in the absence thereof, the final approval of the

instant Application.¹⁵ In the event that the provisional or final approval, as the case may be, does not state a particular date of effectivity, the Agreement shall be effective on the date agreed upon by the Parties.

18. IASCO, as a generation company, falls within the ambit of Section 6 of the EPIRA. Attached are copies of relevant documents proving IASCO's due registration as a generation company, relevant permits to operate the Generation Facility and audited financial statements, as follows:

Document	Annex
Certification regarding the Provisional Authority to Operate ("PAO") and Certificate of Compliance	"D" and Series
Certification of No Power Supply Agreement	"E"
Amended Articles of Partnership	"F"
Certification regarding the non-submission of a General Information Sheet	"G"
Latest Audited Financial Statement	"H"
WESM Registration	"I"

19. While IASCO is a co-applicant, it manifests that the instant Application shall neither modify, diminish nor constitute a waiver of IASCO's rights nor expand its obligations and responsibilities as a generation company under the EPIRA.

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
CONFIDENTIAL TREATMENT**

20. Under Rule 4 of the ERC Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and determination of existence of conditions that would warrant such remedy, treat certain information submitted to it as confidential.
21. Th[e] documents listed below and attached to this Application contain commercially valuable and sensitive information and data that reflect IASCO's investments, business operations, calculations, and other trade secrets:
- a) Schedule 3 of Annex "A"¹⁶
 - b) Annexes "A-1"¹⁷, "A-2"¹⁸ and "A-3"¹⁹
 - c) Annexes "C"²⁰, "C-1"²¹ and "C-2"²²

¹⁵ Section 7, ASPA.

¹⁶ Ancillary Service Payment.

¹⁷ Fuel Specifications and Guaranteed Fuel Performance.

¹⁸ Breakdown of VOM.

¹⁹ True Cost of Generation of IASCO.

²⁰ Rate Impact Simulation Report.

²¹ ASPA Rate Derivation.

²² Computation of Capacity Cost.

22. IASCO thus respectfully moves that these documents are not disclosed and treated as confidential documents in accordance with Section 1, Rule 4 of the Honorable Commission's Rules of Practice and Procedure. Accordingly, NPSI (*sic*) submits one (1) copy of said documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential".

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
PROVISIONAL AUTHORITY**

23. It is a declared policy of the State to ensure the quality, reliability, security and affordability of the supply of electric power.²³ To this end, there is a need to comply with the system requirements for AS to ensure grid system security and reliability. As mentioned above, NGCP has the mandate to procure the required AS. However, the Honorable Commission must first approve the contract before the same can be implemented.
24. As the demand for power in Visayas increases, the requirements of the system likewise increases. Ensuring the integrity of the system is essential to protect the interests of the public. The absence of system reliability and stability will certainly discourage investments and growth.
25. IASCO having offered to provide its RR, CR, and RPS, will significantly help maintain the required power quality and voltage level in the Visayas Grid. The IASCO is strategically located in Isabel, Leyte, thus, its provision for the AS will enable the NGCP to comply with its mandate.²⁴
26. Applicants respectfully submit that the immediate approval of the ASPA by this Honorable Commission is a necessity to maintain the present reliability and security of the Grid. In support of these allegations, NGCP submits a copy of the Judicial Affidavit of Ms. Lisaflor B. Kater, which is attached as Annex "J".

PRAYER

WHEREFORE, premises considered, Applicants respectfully pray that the Honorable Commission:

1. Immediately ISSUE a provisional authority to implement the subject ASPA executed on 16 January 2022; and
2. APPROVE, after notice and hearing, the subject ASPA.
3. ISSUE an Order treating Schedule 3 of Annex "A", and Annexes "A-1" to "A-3", "C", "C-1" and "C-2" as confidential information pursuant to Section 1, Rule 4

²³ Section 2(b), EPIRA.

²⁴ A copy of the AS Availability for Visayas 2022 is hereto attached as Annex "K".

of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof.

Other just and equitable reliefs are likewise prayed for.

Finding the said *Application* to be sufficient in form and 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 2020²⁵ and Resolution No. 01, Series of 2021²⁶ (ERC Revised Rules of Practice and Procedure):

Date and Time	Platform	Activity
23 June 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with jurisdictional requirements and Expository presentation
30 June 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

RELATIVE THERETO, NGCP and IASCO are 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 Governor, the Mayors, and the Local Government Unit (LGU)

²⁵ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

²⁶ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

legislative bodies, where NGCP and IASCO principally operate, including NGCP's regional offices, for the appropriate posting thereof on their respective bulletin boards;

- 3) Inform the consumers within the affected area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 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 hearing; and
- 5) Furnish with copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, subject reimbursement of reasonable photocopying costs.

Within five (5) calendar days prior to the date of the virtual hearing, NGCP and IASCO must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, the scanned copies of its written compliance with the aforementioned jurisdictional requirements, attaching the following methodically arranged and duly marked documents:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of the affidavits of the Editor or Business Manager of the newspapers where the said *Notice of Virtual Hearing* was 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 Governor, 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 and IASCO to inform the consumers within the affected area 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, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Moreover, NGCP and IASCO are hereby required to post on their bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publication and certifications issued by the concerned Offices of the Governor, Mayor and Local Legislative Bodies, and to submit proof of posting thereof.

Applicants NGCP and IASCO and all interested parties are also required to submit via e-mail at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the date of the scheduled 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 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.

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

Applicants NGCP and IASCO must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that they 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*. Relevant information and pertinent details substantiating the reasons and justifications for the *Application* must be cited in support thereof.

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

Applicants NGCP and IASCO are hereby directed to submit, through personal service, registered mail, or ordinary mail/private courier, one (1) set of the original or certified true hard copies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavits of witnesses, **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.

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ERC CASE NO. 2023-039 RC
ORDER/18 MAY 2023
PAGE 14 OF 16




Finally, NGCP and IASCO, including their authorized representatives and witnesses, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, 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 hearing.

SO ORDERED.

Pasig City, 18 May 2023.

FOR AND BY AUTHORITY
OF THE COMMISSION:


MONALISA C. DIMALANTA
Chairperson and CEO

LS:  /  /  MCCG



ERC CASE NO. 2023-039 RC
ORDER/18 MAY 2023
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Copy Furnished:

1. National Grid Corporation of the Philippines (NGCP)
Applicant
NGCP Building, Quezon Ave. corner BIR Road, Diliman Quezon City
2. Attys. Luis Manuel U. Bugayong, Mark Anthony S. Actub, Bienz Reinier Draeion A. Que
Counsels for NGCP
NGCP Building, Quezon Ave. corner BIR Road, Diliman Quezon City
Email: lubugayong@ngcp.ph
msactub@ngcp.ph
baque@ngcp.ph
3. Isabel Ancillary Services Co. Ltd. (IASCO)
Applicant
Lot 2-A-1 and Lot 2-A-1-D, Leyte Industrial Development Estate
Isabel, Leyte
4. Puno and Puno
Attys. Minerva A. Santos, Joseph Vincent B. Alvaera, Ariadine Rauz F. Villanueva
Counsels for IASCO
33rd Flor Podium Tower West
12 ADB Ave. Ortigas Center, Mandaluyong City
Email: masantos@punolaw.com
jbalvaera@punolaw.com
afvillanueva@punolaw.com
5. Office of the Governor
Province of Leyte
6. Office of the Local Government Unit (LGU) legislative body
Province of Leyte
7. Office of the Mayor
Isabel, Leyte
8. Office of the LGU legislative body
Isabel, Leyte
9. Office of the Mayor
Quezon City
10. Office of the LGU legislative body
Quezon City
11. Office of the Governor
Province of Cebu
12. Office of the LGU legislative body
Province of Cebu
13. Office of the Mayor
Cebu City
14. Office of the LGU legislative body
Cebu City
15. Office of the Governor
Province of Laguna
16. Office of the LGU legislative body
Province of Laguna
17. Office of the Mayor
Biñan City

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18. Office of the LGU legislative body
Biñan City
19. Office of the Governor
Province of Lanao del Norte
20. Office of the LGU legislative body
Province of Lanao del Norte
21. Office of the Mayor
Iligan City
22. Office of the LGU legislative body
Iligan City
23. Office of the Solicitor General
Amorsolo Street, Legaspi Village, Makati City
Email: docket@osg.gov.ph
24. Commission on Audit
Don Mariano Marcos Avenue, Diliman, Quezon City, Metro Manila
Email: citizensdesk@coa.gov.ph
25. Senate Committee on Energy
Senate of the Philippines
GSIS Building, Roxas Blvd., Pasay City, Metro Manila
Email: senateenergycommittee@gmail.com
26. House of Representatives Committee on Energy
House of Representatives
Batasan Hills, Quezon City, Metro Manila
Email: committee.energy@house.gov.ph
27. Regulatory Operations Service (ROS)
Energy Regulatory Commission
14th Floor, Exquadra Tower
1 Jade Dr. Ortigas Center, Pasig City

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
JOINT APPLICATION FOR
APPROVAL OF THE
ANCILLIARY SERVICES
PROCUREMENT
AGREEMENT BETWEEN
THE NATIONAL GRID
CORPORATION OF THE
PHILIPPINES AND ISABEL
ANCILLARY SERVICES CO.
LTD., WITH PRAYER FOR
THE ISSUANCE OF
PROVISIONAL AUTHORITY**

ERC CASE NO. 2023-039 RC

**NATIONAL GRID
CORPORATION OF THE
PHILIPPINES AND ISABEL
ANCILLARY SERVICES CO.
LTD.,**

Applicants.

X-----X

Promulgated:

May 18, 2023

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 08 May 2023, National Grid Corporation of the Philippines (NGCP) and Isabel Ancillary Services Co. Ltd. (IASCO) filed an *Application* dated 11 April 2023, seeking the Commission's approval of their Ancillary Services Procurement Agreement (ASPA), with prayer for the issuance of provisional authority.

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

NATURE OF THE CASE

1. This Application is for the approval of the Ancillary Services Procurement Agreement ("ASPA" or "Agreement") dated 16

January 2023, entered into by the NGCP and IASCO, in relation to the Decision dated 3 October 2007 in ERC Case No. 2006-049RC entitled "In the Matter of the Application for the Approval of Ancillary Services – Cost Recovery Mechanism (AS-CRM) of the Ancillary Services Procurement Plan, with Prayer for Provisional Authority".

A copy of the Ancillary Services Procurement Agreement between NGCP and IASCO dated 16 January 2023 is attached hereto as Annex "A", and its sub-annexes, attached herein as Annexes "A-1" to "A-3".

THE PARTIES

2. Applicant NGCP is a corporation created and existing under the laws of the Philippines, with office address at NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City. It holds a congressional franchise granted under Republic Act No. 9511,¹ and is authorized to engage in the business of conveying or transmitting electricity through high-voltage back-bone systems of interconnected transmission lines, substations and related facilities, and for other purposes. The NGCP is further empowered to conduct activities necessary to support the safe and reliable operation of the transmission system.
3. Applicant IASCO is a limited partnership duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal place of business at Lot-2-A-1-B and Lot 2-A-1-D, Leyte Industrial Development Estate, Municipality of Isabel, Province of Leyte.
 - 3.1. IASCO is the owner and operator of a power plant composed of 80 modular diesel engine generator units grouped into six (6) Sectors, with a rated capacity of 70MW continuous output at 60Hz, including required ancillaries and spare parts, located in Isabel, Leyte (the "Generation Facility"), which was certified and accredited by the NGCP as capable of providing Regulating Reserve ("RR"), Contingency Reserve ("CR"), and Reactive Power Support ("RPS").
4. NGCP and IASCO may be served with orders, notices, pleadings and other legal processes through its respective counsels at the addresses indicated below.

ANTECEDENT FACTS

5. Republic Act No. 9136, also known as the Electric Power Industry Reform Act ("EPIRA"), provides that it is the responsibility of NGCP to ensure and maintain the reliability, adequacy, security, stability and integrity of the nationwide

¹ An Act Granting the National Grid Corporation of the Philippines a Franchise To Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-Bone System of Interconnected Transmission Lines, Substations and Related Facilities, and for other Purposes.

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electrical grid in accordance with the performance standards for its operations and maintenance, as set forth in the Philippine Grid Code (“PGC”),² adopted and promulgated by the Honorable Commission, and to adequately serve generation companies, distribution utilities and suppliers requiring transmission service and/or ancillary services (“AS” or “Ancillary Services”)³ through the transmission system.⁴ Ancillary services are essential in ensuring reliability in the operation of the transmission system and consequently, in the reliability of the electricity supply in the Luzon, Visayas and Mindanao grids.

6. Similarly, the PGC provides that NGCP is responsible for determining, acquiring, and dispatching the capacity needed to supply the required Grid AS and for developing and proposing Wheeling Charges and AS tariffs of the ERC.⁵
7. Ancillary Services is defined in Section 4 (b) of the EPIRA to “refer to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid Code to be adopted in accordance with this Act.” These services are essential in ensuring reliability in the operation of the transmission system and consequently, in the reliability of the electricity supply in the Luzon, Visayas and Mindanao grids.
8. In order to implement and regulate the procurement of AS, the Honorable Commission approved the Ancillary Services Procurement Plan (“ASPP”) through its Order dated 9 March 2006 in ERC Case No. 2002-253 and the Ancillary Services-Cost Recovery Mechanism (“AS-CRM”) through its Decision dated 3 October 2007 in ERC Case No. 2006-049RC.
9. On 12 February 2020, 9 October 2020, and 10 February 2021, IASCO completed its accreditation testing of the Generation Facility each for RR, CR, and RPS, respectively, with the NGCP. Thus, the NGCP certified that the units of the Generation Facility have met and complied with the Standard Ancillary Services Technical Requirements of the ASPP as capable of providing RR, CR, and RPS. A copy of NGCP Accreditation Certificate No. AS-2022-V003-R01 valid from 11 May 2022 to 10 May 2024 is attached hereto as Annex “B”.
10. In a letter dated 31 January 2022, addressed to the Department of Energy (“DOE”) and the Honorable Commission, IASCO requested, among others, clarification as

² ERC Resolution No. 22, series of 2016, entitled “A Resolution Approving the Publication of the Approved Philippine Grid Code 2016 Edition”. See also Section 9(c), EPIRA.

³ Section 4(b), EPIRA. “Ancillary Services” refer to those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the transmission system in accordance with good utility practice and the Grid code to be adopted in accordance with this Act.

⁴ Section 9(d), EPIRA.

⁵ Chapter 6, Grid Operations (“GO”), GO Section 6.3.1.2, PGC.

to the applicability of DOE Department Circular No. DC2021-10-0031 (“ASPA-CSP Circular”),⁶ and if generation companies who met the conditions therein may still opt to sign an ancillary services procurement agreement with the NGCP.⁷

- 10.1. In 2019,⁸ the DOE previously issued Department Circular No. DC 2019-12-0018⁹ (“ASPA Circular”) which provides that the NGCP, as System Operator (“SO”), shall procure Regulating[,] Contingency[,] and Dispatchable Reserves through firm contracts, in accordance with specific levels per reserve region.¹⁰ Further, Reactive Power Support AS and Black Start AS shall be procured through firm contracts only.¹¹
- 10.2. Under the ASPA-CSP Circular, the procurement of AS must be through the conduct of competitive selection process (“CSP”). Section 11.2, however, states that all firm AS applications that have successfully completed the SO’s accreditation test for the applicable AS type, prior to the effectivity of the ASPA-CSP Circular, and subject to similar terms and conditions with existing ASPAs approved by the ERC, shall not be covered the Circular.
- 10.3. Thus, the DOE explained in its letter dated 18 February 2022 that all AS applications which have completed the SO’s accreditation testing prior to 29 October 2021 can proceed with signing of ASPA with NGCP without going through CSP.¹²
11. After a series of meetings and negotiations, on 16 January 2023, NGCP and IASCO executed the Agreement subject of the instant Application, wherein NGCP agreed to procure and IASCO agreed to supply the RR, CR, and RPS under a firm arrangement, in accordance with the terms under the ASPA.
12. Pursuant to Section 7 of the ASPA, the Applicants agreed to jointly file the Agreement for approval of the Honorable Commission. Hence this application.

**CONTRACTED CAPACITY RATES
AND IMPACT SIMULATION**

13. Section 3 of the ASPA states that IASCO shall provide the AS in accordance with Schedule 1 of the ASPA, as follows:

⁶ Entitled “Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary services by the System Operator”, issued on 4 October 2021.

⁷ A copy of the letter dated 31 January 2022 is attached as Schedule 7 of the ASPA.

⁸ Issued on 4 December 2019.

⁹ Entitled “Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid”.

¹⁰ Section 5.1, DC No. DC2019-12-0018.

¹¹ Section 5.4, DC No. DC2019-12-0018.

¹² See Schedule 7 of the ASPA.

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Contracted Capacities:

- A. Regulating Reserve (“RR”)¹³:
Between 8MW to 60MW capacity per hourly interval,
24 hours
- B. Contingency Reserve (“CR”)¹⁴:
Between 10MW to 60MW capacity per hourly interval
for twenty-four (24) hours
- C. Reactive Power Support:
Available capacity of Reactive Power outside the range
of 85% lagging and 90% leading power factor.

Note that the total capacities of RR and CR shall not exceed 70MW at any given time. The capacities stated above are the minimum and maximum ancillary service capacities that can be provided by an aggregate of up to six (6) Sectors. However, declaration and schedule shall be based on the latest AS Accreditation Certificate, which shall not exceed the maximum firm capacities as stated above.

14. Schedule 3 of the ASPA provides for the formula for the computation of the Ancillary Service Payment, and the applicable rates for Capacity Payment:
- A. Ancillary Service Payment
1. For RR, Ancillary Service Payment is the total of the Capacity Payment and the Incidental Energy Payment in B and D below.
- $$\text{Ancillary Service Payment}_{RR} = \text{Capacity Payment} + \text{Incidental Energy Payment}$$
2. For CR, Ancillary Service Payment is the total of the Capacity Payment and the Incidental Energy Payment in B and D below
- $$\text{Ancillary Service Payment}_{CR} = \text{Capacity Payment} + \text{Incidental Energy Payment}$$
3. For Reactive Power Support, Ancillary Service Payment is as follows:
- $$\text{kVAR Payment} = (\text{Incidental kVARh Rate} \times \text{Compensable kVARh})$$

¹³ Firm Arrangement

¹⁴ Firm Arrangement

Real Time Incidental kVARh Utilization while Providing Contingency or Dispatchable Reserves. This shall be paid based on the total recorded kVARh delivered/absorbed beyond 0.86 power factor lagging or 0.9 power factor leading from the time when the dispatch of RPS was instructed. The compensable kVARh shall be paid at:

Incidental kVARh Rate: PhP 4.00 / kVARh

Compensable kVARh = Actual kVARh - Base kVARh

Where:

Actual kVARh = actual reactive power provided within each interval

Base kVARh = corresponding kVARh at 0.85 power factor lagging or 0.9 power factor leading, for the unit's MW loading. For clarity, the MW loading is the unit's Pmin, or RTD schedule, whichever is greater.

- B. Applicable Rates for Capacity Payment:
1. Regulating Reserve: PhP 2.25/kW/h
 2. Contingency Reserve: PhP 1.50/kW/h

Formula for Capacity Payment = Undispatched Scheduled Capacity x Capacity Payment Rate

Where:

- Undispatched Scheduled Capacity = Scheduled Capacity - G
- Capacity Payment Rate = Applicable Rate per AS type

- C. Per Occurrence Applicable Rates:
1. Reactive Power Support (RPS): PhP 4.00/kVAR/hr

D. Incidental Energy Payment

The Cost of Incidental Energy ("IE") is the cost of actual energy generated for the firm Scheduled Capacity which shall be paid and computed using the formula below:

Payment of Cost of Incidental Energy (IE) computed as follows:

Incidental Energy Payment
= {G X (Capacity Payment Rate + Variable Costs)}
- (WESM Revenue)

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Where:

- G = summation of actual energy generated or dispatched from the Scheduled Capacity, in kWh
- Variable Costs, in PhP/kWh = Fuel Cost and Variable O&M Cost, in PhP/kWh
 - Fuel Cost = shall be the rate, In Php/kWh, submitted by the Service Provider every month based on either of the following, whichever is lower; (i) its actual fuel stock inventory consumption report, or (ii) the estimated fuel consumption based on the monthly generation, in kWh, multiplied by the fuel efficiency rate of PhP0.47 liters/kWh.
 - Variable O&M Cost, in PhP/kWh = PhP1.38/kWh x (Current CPI ÷ Base CPI)
- WESM Revenue = summation of WESM revenue based on market clearing price at the generator's trading node, arising from G.

15. Applicants submit that the rates represent a reasonable recovery of its opportunity cost in making available generation capacity to provide the procured AS.

AS Type	Indicative Rate Impact	
	P/kW – month	P/kwh
RR	46.9925	0.0924
CR	31.7648	0.0625
RPS	5.0954	0.0100

A copy of the Rate Impact Simulation for IASCO with a brief discussion on how NGCP derived the proposed ancillary service rate is attached as Annexes "C" to "C-2".

16. Consistent with the AS-CRM, all the related and incidental expenses which NGCP will incur as a result of the procurement and operation of the ancillary services shall be recovered from all the load customers in the Visayas Grid.
17. The ASPA shall be effective for a period of one (1) year, to commence immediately upon the effectivity of the provisional approval, or in the absence thereof, the final approval of the instant Application.¹⁵ In the event that the provisional or final approval, as the case may be, does not state a particular date of effectivity, the Agreement shall be effective on the date agreed upon by the Parties.
18. IASCO, as a generation company, falls within the ambit of Section 6 of the EPIRA. Attached are copies of relevant documents proving IASCO's due registration as a generation company, relevant permits to operate the Generation Facility and audited financial statements, as follows:

¹⁵ Section 7, ASPA.

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Document	Annex
Certification regarding the Provisional Authority to Operate (“PAO”) and Certificate of Compliance	“D” and Series
Certification of No Power Supply Agreement	“E”
Amended Articles of Partnership	“F”
Certification regarding the non-submission of a General Information Sheet	“G”
Latest Audited Financial Statement	“H”
WESM Registration	“I”

19. While IASCO is a co-applicant, it manifests that the instant Application shall neither modify, diminish nor constitute a waiver of IASCO’s rights nor expand its obligations and responsibilities as a generation company under the EPIRA.

**ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
CONFIDENTIAL TREATMENT**

20. Under Rule 4 of the ERC Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and determination of existence of conditions that would warrant such remedy, treat certain information submitted to it as confidential.
21. Th[e] documents listed below and attached to this Application contain commercially valuable and sensitive information and data that reflect IASCO’s investments, business operations, calculations, and other trade secrets:
- a) Schedule 3 of Annex “A”¹⁶
 - b) Annexes “A-1”¹⁷, “A-2”¹⁸ and “A-3”¹⁹
 - c) Annexes “C”²⁰, “C-1”²¹ and “C-2”²²
22. IASCO thus respectfully moves that these documents are not disclosed and treated as confidential documents in accordance with Section 1, Rule 4 of the Honorable Commission’s Rules of Practice and Procedure. Accordingly, NPSI (*sic*) submits one (1) copy of said documents in a sealed envelope, with the envelope and each page of the document stamped with the word “Confidential”.

¹⁶ Ancillary Service Payment.

¹⁷ Fuel Specifications and Guaranteed Fuel Performance.

¹⁸ Breakdown of VOM.

¹⁹ True Cost of Generation of IASCO.

²⁰ Rate Impact Simulation Report.

²¹ ASPA Rate Derivation.

²² Computation of Capacity Cost.

ALLEGATIONS IN SUPPORT OF THE PRAYER FOR
PROVISIONAL AUTHORITY

23. It is a declared policy of the State to ensure the quality, reliability, security and affordability of the supply of electric power.²³ To this end, there is a need to comply with the system requirements for AS to ensure grid system security and reliability. As mentioned above, NGCP has the mandate to procure the required AS. However, the Honorable Commission must first approve the contract before the same can be implemented.
24. As the demand for power in Visayas increases, the requirements of the system likewise increases. Ensuring the integrity of the system is essential to protect the interests of the public. The absence of system reliability and stability will certainly discourage investments and growth.
25. IASCO having offered to provide its RR, CR, and RPS, will significantly help maintain the required power quality and voltage level in the Visayas Grid. The IASCO is strategically located in Isabel, Leyte, thus, its provision for the AS will enable the NGCP to comply with its mandate.²⁴
26. Applicants respectfully submit that the immediate approval of the ASPA by this Honorable Commission is a necessity to maintain the present reliability and security of the Grid. In support of these allegations, NGCP submits a copy of the Judicial Affidavit of Ms. Lisaflor B. Kater, which is attached as Annex "J".

PRAYER

WHEREFORE, premises considered, Applicants respectfully pray that the Honorable Commission:

1. Immediately ISSUE a provisional authority to implement the subject ASPA executed on 16 January 2022; and
2. APPROVE, after notice and hearing, the subject ASPA.
3. ISSUE an Order treating Schedule 3 of Annex "A", and Annexes "A-1" to "A-3", "C", "C-1" and "C-2" as confidential information pursuant to Section 1, Rule 4 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof.

Other just and equitable reliefs are likewise prayed for.

²³ Section 2(b), EPIRA.

²⁴ A copy of the AS Availability for Visayas 2022 is hereto attached as Annex "K".

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The Commission hereby sets the instant *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 2020²⁵ and Resolution No. 01, Series of 2021²⁶ (ERC Revised Rules of Practice and Procedure):

Date and Time	Platform	Activity
23 June 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with jurisdictional requirements and Expository presentation
30 June 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)		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 initial virtual hearing, via electronic mail (e-mail) at doCKET@erc.ph, and 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 person who has 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, and copy furnishing 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. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state the following:

- 1) The petitioner's name, mailing address, and e-mail address;

²⁵ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

²⁶ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

- 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.

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, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment **at least five (5) calendar days** prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. 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.

All interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail, or ordinary mail/private courier, **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.

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, 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.

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WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 18th day of May 2023 in Pasig City.

monalisa c. dimalanta
MONALISA C. DIMALANTA
Chairperson and CEO *M*



JTB *LSP* *MCCG*
LS: JTB / LSP / MCCG



NOTICE

Sirs/Mesdames:

Please take notice that on **18 May 2023**, the Commission issued an **Order** and a **Notice of Virtual Hearing** in the following case, the original documents were received by this Office on 22 May 2023:

ERC CASE NO. 2023-039 RC, IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE ANCILLIARY SERVICES PROCUREMENT AGREEMENT BETWEEN THE NATIONAL GRID CORPORATION OF THE PHILIPPINES AND ISABEL ANCILLARY SERVICES CO. LTD., WITH PRAYER FOR THE ISSUANCE OF PROVISIONAL AUTHORITY – NATIONAL GRID CORPORATION OF THE PHILIPPINES AND ISABEL ANCILLARY SERVICES CO. LTD., Applicants.

Attached are electronic copies.

Please be reminded of the Commission's existing rules on electronic service of orders and decisions provided under **Rule VI of Resolution No. 9, Series of 2020¹**, which became effective on 17 November 2020.

Thank you.

Very truly yours,

MARIA LUCILA M. GIRON
Administrative Officer V
OGCS-Central Records Division

/jdc

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission