

1 4 2023 NOV

October 31, 2023

HON. LEONARDO JAVIER, JR.

Provincial Vice-Governor / Presiding Officer Sangguniang Panlalawigan 4º Floor, Leyte Provincial Government Complex, West By-pass Road, Brgy. Guindapunan,

Palo, Leyte

Re:

In the Matter of the Application for the Approval of the Power Supply Agreement (PSA) Between Energy Development Corporation and Bohol I Electric Cooperative, Inc. (BOHECO I), with Motion for Confidential Treatment of Information and Motion for Provisional Authority, ERC Case No. 2023-112 RC

Dear Hon. Javier:

We, Energy Development Corporation ("EDC"), the co-applicant for an application for the approval of the Power Supply Agreement (the "Joint Application") between Bohol I Electric Cooperative, Inc. ("BOHECO I") dated 6 November 2021. The Joint Application was filed on 11 August 2023 before the Energy Regulatory Commission ("ERC") pursuant to Rule 20(B) of the 2020 Revised ERC Rules of Practice and Procedure.

On 12 October 2023, the ERC issued an Order requiring EDC to furnish your good office with the copies of the following for the appropriate posting on your bulletin board:

- (a) Order; and
- (b) Notice of Virtual Hearing (attached herein as Annexes "A" and "B", respectively).

As proof of actual posting of the Order and Notice of Virtual Hearing, we respectfully request for a Certification with the official seal of your good office attesting to the fact that the Order and Notice of Virtual Hearing were posted on your bulletin board.

Thank you.

Very truly yours,

For and on behalf of ENERGY DEVELOPMENT CORPORATION

Leyte Site Head

DY T. DUROG



NOTICE

Sirs/Mesdames:

Please take notice that on 12 October 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 17 October 2023:

ERC CASE NO. 2023-112 RC, IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I) AND ENERGY DEVELOPMENT CORPORATION (EDC), WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND MOTION FOR PROVISIONAL AUTHORITY – BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I) AND ENERGY DEVELOPMENT CORPORATION (EDC), Applicants.

Attached is an 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 2020**¹, which became effective on 17 November 2020.

Thank you.

Very truly yours,

EVELYN O REYES

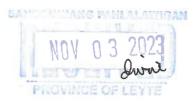
Administrative Officer IV OGCS-Central Records Division

/jdc

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

Republic of the Philippines ENERGY REGULATORY COMMISSION Pasig City

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN BOHOL. ELECTRIC COOPERATIVE. INC. (BOHECO I) AND **ENERGY DEVELOPMENT CORPORATION (EDC), WITH** MOTION FOR CONFIDENTIAL TREATMENT **OF** INFORMATION AND MOTION FOR PROVISIONAL **AUTHORITY**



ERC CASE NO. 2023-112 RC

BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I) AND ENERGY DEVELOPMENT CORPORATION (EDC)

Applicants. Promulgated: October 12, 2023

ORDER

On 04 October 2023, Bohol I Electric Cooperative, Inc. (BOHECO I) and Energy Development Corporation (EDC) filed a *Joint Application* dated 11 August 2023, seeking the Commission's approval of the Power Supply Agreement (PSA) between EDC and BOHECO I, with prayers for confidential treatment of information and issuance of provisional authority.

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

1. Applicant EDC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at the 9th floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines. It may be served with notices and other processes

of this Honorable Commission through its counsel at the address indicated below.

- EDC is represented by its Vice President, Marvin 1.1 Kenneth S. Bailon and has been authorized by its Board of Directors to file the Joint Application, as evidenced by the Secretary's Certificate dated July 28, 2023. A copy of EDC's Secretary's Certificate dated July 28, 2023 is attached as Annex "A".
- Applicant BOHECO I is an electric cooperative duly organized 2. and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Cabulijan, Tubigon, Bohol 6329, Philippines.
 - It may be served with notices and other processes of 2.1 this Honorable Commission through its counsel at the address indicated below.
 - BOHECO I is represented by its General Manager, 2.2 Engr. Dino Nicolas T. Roxas, through BOHECO I's Board Resolution No. 101-2023 dated August 7, 2023. A copy of BOHECO I's BOHECO I's Board Resolution No. 101-2023 dated August 7, 2023 is attached as Annex "B".
- Pursuant to Rule 20(B) of the 2020 Revised ERC Rules of 3. Practice and Procedure ("ERC Rules"), and other pertinent rules and regulations, this Joint Application is being submitted to this Honorable Commission to approve the Power Supply Agreement dated November 6, 2021 ("PSA") between EDC and BOHECO I.
- EDC owns, operates, manages, and maintains the Unified 4. Leyte Geothermal Power Plants ("ULGPP")1 located in Leyte, Philippines with a dependable capacity of 591.31 MW and has control over the generated capacity of the Diesel Fired Power Plant to be constructed in Brgy. Imelda, Ubay, Bohol with a dependable capacity of 85.12MW ("In-Island Baseload Plant") (the Outside Bohol Baseload Plant² and In-Island Baseload Plant shall be collectively the "Power Plant").
- BOHECO I provides and distributes electricity to its 5. customers in the following municipalities in the Province of Bohol: Alburquerque, Antequera, Baclayon, Balilihan, Batuan, Bilar, Calape, Carmen, Catigban, Clarin, Corella, Cortes, Dauis, Dimiao, Inabanga, Lila, Loay, Loboc, Loon, Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna, and Tubigon (the "Franchise Area").

² Outside Bohol Baseload Plant refers to the ULGPP located in Leyte, Philippines.

¹ ULGPP consists of the following plants: (1) Mahanagdong Geothermal Power Plant (COC No. 17-03-M-13348V), (2) Malitbog Geothermal Power Plant (COC No. 17-03-M-13347V), (3) Upper Mahiao Geothermal Power Plant (COC No. 17-03-M-13346V), (4) Tongonan 1 Topping Cycle Power Plant (COC No. 18-04-M-00152V), (5) Mahanagdong Topping Cycle Power Plant - Site A (COC No. 18-04-M00151V), (6) Malithog Bottoming Cycle Power Plant (COC No. 18-04-M-00153V).

- 6. Based on BOHECO I's supply-demand forecast, it foresees a deficit in its power supply due to the increasing demand of its Franchise Area. In order to ensure continuous and reliable electricity for BOHECO I's customers, BOHECO I needs to source additional base and peak capacity through bilateral power supply contracts.
- 7. Under Section 45(b) of Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 ("EPIRA"), it is provided that "[d]istribution facilities may enter into bilateral power supply contracts subject to the review by the ERC xxx".
- 8. Accordingly, following the conduct of a joint competitive selection process ("Joint CSP") involving the One Bohol Power Distribution Utilities (the "1BP DU"), EDC executed a PSA with BOHECO I dated November 6, 2021, for the purchase of up to 50MW of electricity.
 - 8.1 In 2017, BOHECO I, Bohol II Electric Cooperative, Inc. ("BOHECO II"), and Bohol Light Company, Inc. ("BLCI") formed the One Bohol Power Distribution Utilities (the "1BP DU") and conducted a joint CSP for their base and peak load requirements, pursuant to Energy Regulatory Commission ("ERC") Resolution No. 13, Series of 2015 and the Department of Energy ("DOE") Department Circular No. DC2018-02-0003 "Adopting and Prescribing the Policy for Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market" (the "CSP Rules").
 - 8.2 The 1BP DU constituted the 1BP Third-Party Bids and Awards Committee ("TPBAC") based on the least cost power supply plan. The basic terms of reference ("TOR") and conditions of the proposal of the 1BP DU ("1BP CSP") are as follows:

Type of Contract	Firm – Base Load
Plant Dependable Capacity	One Hundred Percent (100%) of the Contracted Capacity
Contract Duration	The PSA shall take effect for a period of TEN (10) years commencing on the Commercial Operations Date of December 26, 2023 to December 25, 2033, unless earlier terminated in accordance with the provisions of the PSA.
Commercial Operation Date	December 26, 2023
Scheduled Date of Delivery	December 26, 2023 (Provided the later shall not exceed thirty-six (36) months after ERC's Final Approval of PSA)

Plant Outage Allowance	Zero- outage power supply of the committed aggregated capacity of 1BP.3
Source of Power	Open Technology provided that its is compliant with Provincial Ordinance No. 2018-005 "Declaring the official policy of the Provincial Government of Bohol disallowing the building or establishment of any coal-fired power plant in the Province of Bohol"
Plant Capacity	The minimum generating capacity of the Bidder shall be no less than the contracted capacity of 1BP DUs after considering the applicable credit factors.
Technical Specification	The Bidder shall submit a technical proposal for each power plant offered in accordance with the set requirements prescribed in the Instruction to Bidders.
Take- off Structure	These generating capacities may come from any type, size, and number of power plants or generating units that are or will be connected to the Luzon, Visayas Grid or directly embedded to 1BP DUs' Distribution Network considering the respective limitations of its Substation and Distribution Lines.
Experience	The Bidder must exhibit control over generating capacity of power plant(s). Certificate of good performance/track record with other customers shall be required.
ligibility Requirements	Company profile highlighting experiences and expertise of the company and/or key officers in power plant operation.

Unless specifically defined in this Joint Application, capitalized terms appearing here shall be given the meaning ascribed to them in the PSA.

8.3 On August 30, 2020 and September 6, 2020, the 1BP DU caused the publication of an Invitation to Bid for Power Supply Agreement, which contained the basic TOR and conditions of the proposal of the 1BP CSP, as well as a summary of the process and timelines of the bidding process, while inviting power generation companies to submit their bids on or before the timelines set out in the said invitation.

³ ITB-4.2 of Final Instructions to Bidders state that "The Bidding is designed to trigger an installation of an in-island baseload plant or a combination of in-island plant and outside Bohol baseload plant."

- 8.4 On May 17, 2021, the 1BP JCSP TPBAC successfully conducted its series of "Post-Qualification and Detailed Evaluation of Bids." After finding that the proposal of EDC substantially complied with all the requirements provided in the bidding documents, the 1BP DU declared that the proposal of EDC is the Lowest Calculated Responsive Bid.4
- 8.5 On May 25, 2021, the 1BP JCSP TPBAC issued a resolution "that the EDC be issued a "Notice of Award" after having been found COMPLIANT to all the requirements set by the 1BP JCSP TPBAC."
- 8.6 On June 3, 2021, the 1BP DU issued a Notice of Award in favor of EDC.
- Accordingly, EDC and BOHECO I executed the PSA, subject of this application. The PSA between EDC and BOHECO I contains the following salient features:

Section 3: EFFECTIVITY AND TERM OF AGREEMENT

- 3.1 The Agreement shall take effect immediately from Effective Date and shall remain in force and effect until December 25, 2033, subject to extension of the term as may be agreed upon by the Parties and if so allowed by Applicable Laws and the ERC. In the event the BUYER intends to extend the Agreement, in those circumstances allowed by the Applicable Laws, it shall send a written notice to the SELLER no later than June 25, 2033.
- 3.2 The obligation of the SELLER to sell and deliver the Contracted Capacity and its Associated Energy and the obligation of the BUYER to accept and pay for the same shall commence upon receipt by the Parties of the ERC Approval, whether provisional or final, of this Agreement (Delivery Date).
- 3.3 Notwithstanding the immediately preceding section, the SELLER shall be obligated to provide, at its own expense, Replacement Power to ensure a zero-outage power supply during power interruptions throughout the term of the Agreement or any allowed extension thereof, subject to Section 5.2, and including but not limited to the following cases:
 - a. from December 26, 2023, 00:01 A.M., which is the scheduled supply delivery date, upon receipt by the Parties of the ERC Approval, whether provisional or final; or
 - when the Outside-Bohol Baseload Plant is on Planned Outage or Forced Outage.

^{4 1}BP's TPBAC Resolution 08-2021.

SECTION 4: SUPPLY OF CONTRACTED CAPACITY AND ASSOCIATED ENERGY

Subject to the terms and conditions of this Agreement, the SELLER shall, during the entire term of this Agreement, make available, sell and deliver, or cause to be delivered to the BUYER the Contracted Capacity and Associated Energy in accordance with "Schedule 1" at the Point of Delivery, whether sourced from the Plant or, in case of Replacement Power, from other electricity generators including the WESM.

XXX

SECTION 5: AVAILABILITY OF CAPACITY

In General

- 5.1 The SELLER shall supply the Contracted Capacity and its Associated Energy, in whole or in part, from (a) the Outside-Bohol Baseload Plant or, during Islanding, the In-Island Baseload Plant or (b) in so far as provision of Replacement Power is concerned, the SELLER's Suppliers or third-party Suppliers or other sources, or the WESM, consistent with the technical proposal submitted by the SELLER in the CSP and in accordance with prudent utility practice and in compliance with Applicable Laws.
- 5.2 Supply of Contracted Capacity shall be available at all times except for interruption and/or reduction due to: (a) any Event of Force Majeure involving the In-Island Baseload Plant during Islanding, or (b) other causes, including safety, authorized by law, rule, regulation or order of a competent authority. For the avoidance of doubt, the SELLER shall supply Contracted Capacity during Planned Outage and/or Forced Outage of the Plant.

xxx

Service Interruption Adjustment

In the event that the supply of electricity is interrupted or curtailed to a level resulting in a Capacity Utilization Factor (CUF) of less than seventy percent (70%) due to scheduled maintenance of the BUYER's facilities, the CUF shall be adjusted according to the formula in "SCHEDULE 3: " to determine the Applicable Capacity Utilization Factor (ACUF), for all hours when service was actually curtailed or interrupted ("Service Interruption Adjustment").

XXX

SECTION 6. CHARGES AND ADJUSTMENTS

Beginning Delivery Date and subject to the terms and conditions of this Agreement, the Parties shall pay the following:

The BUYER shall pay the Basic Energy Charge and the Adjustment to the Basic Energy Charge shall be as

provided in "SCHEDULE 1" for the supply of energy by the SELLER to the BUYER.

XXX

SCHEDULE 1: CONTRACTED CAPACITY, CONTRACT PRICE AND TERMS OF AGREEMENT

1.1 CONTRACTED CAPACITY

Contract Year (CY)	Duration	Contracted Capacity
2024	December 26, 2023 to December 25, 2024	26 MW
2025	December 26, 2024 to December 25, 2025	28 MW
2026	December 26, 2025 to December 25, 2026	44 MW
2027	December 26, 2026 to December 25, 2027	46 MW
2028	December 26, 2027 to December 25, 2028	48 MW
2029	December 26, 2028 to December 25, 2029	50 MW
2030	December 26, 2029 to December 25, 2030	50 MW
2031	December 26, 2030 to December 25, 2031	50 MW
2032	December 26, 2031 to December 25, 2032	50 MW
2033	December 26, 2032 to December 25, 2033	
Subject to t	he Terms and Conditions of t	the PSA

1.2 BASIC ENERGY CHARGE

The Basic Energy Charge (BEC) shall be equal to:

 $BEC = CRF_{ALF} + FOMF_{ALF} + VOMF$

Where:

- a) CRF_{ALF} is the Capital Recovery Fee and FOMF_{ALF} is the Fixed Operation and Maintenance Fee with values for different Capacity Utilization Factors (CUF) or Applicable Load Factors (ALF), effective until December 25, 2033.
- b) The Capital Recovery Fees tabulated below shall be fixed throughout the term of the Agreement. However, the Fixed Operation and Maintenance Fee is subject to escalation as illustrated in the equation for FOMF below.

x xx

 $CRF_{ALF} = CRF_{ALF}$ $FOMF_{ALF} = FOMF_{ALF} \times \frac{PHCPIn}{PHCPIo}$

Where

CRF_{ALF} - is the Capital Recovery Fee in PHP/kWh FOMF_{ALF} - is the Fixed Operation and Maintenance Fee in PHP/kWh PHCPI_n - Philippine Consumer Price Index of the calendar month within which the start of the current Billing Period occurs (Source: Philippine Statistics Authority)

PHCPI₀ - Base Philippine Consumer Price Index, equivalent to 120.6 (September 2019; 2012=100)

ALF - is the Applicable Load Factor or Applicable Capacity Utilization Factor between 70% and 100%, provided that if the actual CUF is below 70% (the "Minimum Capacity Utilization Factor"), the Capacity Price shall be calculated based on the Capacity Fee and quantity associated with the Minimum Capacity Utilization Factor.

The Applicable Load Factor (ALF) shall be computed as follows:

$$ALF = \{70\%, \frac{BCQ}{CC \times [H_T - EH_{Tol}]}$$

Where:

BCQ – Bilateral Contract Quantity as defined in Section 1.1.5 of the Agreement, in kWh

CC - Contracted Capacity, in kW, as set forth in Schedule

 H_T — Total number of hours in such Billing Period EH_{To} — the sum of the duration, in Equivalent Hours, of Force Majeure in such Billing Period

 $\mathbf{x} \mathbf{x} \mathbf{x}$

1.3 DERIVATION OF EQUIVALENT ENERGY AT THE MINIMUM CAPACITY UTILIZATION FACTOR

 $EE = CC \times 70\% \times H_T$

Where:

EE = Equivalent energy, in kWh

xxx

10. Based on the rate computation and analysis, the PSA will have a rate reduction ranging from Php2.8852/kWh - Php7.5171/kWh as shown below:

A. Generation Rate Impact Simulation for Year 2024

Simulation of Generation Mix Rate without EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate
EDC	_	_		Tactor.	(P/kWh)
CEDC	122,640,000	43.91%	11.2912	100.000/	11.9186
BSHMP		10-5	22.2912	100.00%	
JMHEPP	14,957,700	1.85%	3.9007	24.159/	
SPUG	527,946	0.13%	7.2181	34.15%	
WESM	134,245,411	54.11%	12.7131	21.80%	
TOTAL	272,416,057	100.00%	42./1,31		

ERC CASE NO. 2023-112 RC ORDER/ 12 October 2023 PAGE 9 OF 23

Simulation of Generation Mix Rate with EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate (P/kWh)
EDC	163,779,332	39.36%	4.7605	77.90%	
CEDC	90,274,608	55.66%	12.2132	73.61%	9.0333
BSHMP	-	-		/3.01/0	
JMHEPP	14,957,700	2.95%	3.9007	04.1=0/	
SPUG	527,946	0.21%	7.2181	34.15%	
WESM	2,831,471	1.82%	12.7131	21.80%	
TOTAL	272,416,057	100.00%	12./131		
				Generation Rate Impact	-2.8852

Assumption

- 1. Analysis and simulations is based on BOHECO I's forecasted 2024 hourly load profile
- 2. WESM hourly prices are average price on September 2022
 Billing
- 3. JMHEPP rate is based on GRR application
- 4. EDC hourly prices as offered, May 2019 reference price

B. Generation Rate Impact Simulation for Year 2026

Simulation of Generation Mix Rate without EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate
EDC	-	-	-	1 actor	(P/kWh)
CEDC	_	_			12.5518
BSHMP	_	-			
JMHEPP	14,957,700	1.85%	3,9007	0.4.4=0/	
SPUG	527,946			34.15%	
		0.13%	7.2181	21.80%	
WESM	256,885,411	98.12%	12.7131		
TOTAL	272,416,057	100.00%	/-3-		

Simulation of Generation Mix Rate with EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate (P/kWh)
EDC	299,602,821	95.19%	5.0046	77.73%	
CEDC	_	_	3.0040	77.73%	5.0346
BSHMP	_	-			
JMHEPP	14,957,700	2.95%	3.9007	34.15%	
SPUG	527,946	0.21%	7.2181	21.80%	
WESM	1,046,660	0.84%	12.7131	21.00%	
TOTAL	272,416,057	100.00%	12./131		
				Generation Rate Impact	-7-5171

Assumption

- 1. Analysis and simulations is based on BOHECO I's forecasted 2026 hourly load profile
- 2. WESM hourly prices are average price on September 2022
 Billing
- 3. JMHEPP rate is based on GRR application
- 4. EDC hourly prices as offered, May 2019 reference price

(This space is intentionally left blank.)

- 11. It bears emphasis that, as previously mentioned, based on BOHECO I's high demand in its Franchise Area, there is an urgent need for the final approval of the PSA considering a significant peaking capacity deficit, as well as possible occurrences of scheduled maintenance shutdowns and forced outage of power plants of other suppliers of BOHECO I.
- 12. Likewise, in support of the instant Joint Application, the Applicants provide the following documents, which underwent the pre-filing conference and pre-filing marking of annexes with this Honorable Commission:

Description of the Document	Annex
EDC's Secretary Certificate dated July 28, 2023	Δ
BOHECO I's Board Resolution No. 101-2023 dated August	В
7, 2023	
BOHECO I's Articles of Incorporation and By-Laws	C
BOHECO I's Amended Articles of Incorporation	C-1
BOHECO I's Company Profile	C-2
BOHECO I's Certification of Board of Directors	C-3
BOHECO I's Write-Up of Non-Applicability of GIS	C-4
EDC's Securities and Exchange Commission Certificate of Registration, Articles of Incorporation and By Laws	D
EDC's Certificate of Incorporation	D-1
EDC's Certificate of Filing of By-Laws and By-Laws	D-2
EDC's Certificate of Amendment of and Amended Articles of Incorporation	D-3
EDC's Amended By-laws	D-4
EDC's Secretary's Certification on the Authorization to Join the JCSP	D-5
EDC's General Information Sheet	D-6
EDC's Updated Ownership Structure	E
EDC's BOI Certificate of Registration for the Unified Leyte Power Plant	F
EDC's DENR Environmental Compliance Certificates	G, G-1
ERC Certificates of Compliance and Provisional Authorities	H, H-1,
to Operate for ULGPP	H-2, H-3, H-4, H-5, H-6, H-7, H-8, H-9
EDC's DOE Certificate of Endorsement	I, I-1, I- 2, I-3
EDC's DOE Geothermal RE Contract (Confidential)	J, J-1
EDC's DOE Certificate of Registration	K
EDC's NWRB Conditional Water Permit	L
BOHECO I's Demand Side Management	M
BOHECO I Certification on No Expected Transition Supply Contract (TSC) during Contractual Period	N
BOHECO I Distribution Development Plan and Power Supply Procurement Plan	O, O-1, O-2
BOHECO I's Supply & Demand Scenario	P, P-1, P-2, P-

Description of the Document	Annex
	3, P-4,
POLICO I C' 1 XI TI	P-5
BOHECO I's Single Line Diagram	Q
BOHECO I's Reliability Report on Interruption Reports	R
BOHECO I's Potential Reduction in Load	S
1BP JCSP's Invitation to Bidders posted in the Philippine	T
Daily Inquirer (Aug 30, 2020)	
1BP JCSP's Invitation to Bidders posted in the Philippine	T-1
Daily Inquirer (Sept 06, 2020)	
DOE Website Publication	T-2
1BP JCSP's Approved TOR	T-3
Competitive Selection Process Documents	Uand
(Confidential)	series;
	V and
	series;
	20,100,
	W and
	series;
Power Supply Agreement between BOHECO I and EDC	X
EDC's Transmission Service Agreement (NGCP-PSALM)	Y
(Confidential)	_
Details of PSA between EDC and BOHECO I	Z
(Confidential)	_
EDC's True Cost of Generation Computation and Writeup	AA, AA-
Confidential)	1
BOHECO I's Generation Rate Impact	BB
Certification of Loan from different banks	CC and
Confidential)	series
EDC's Audited Financial Statements	DD
Teat Rate Computation of the Plant (Confidential)	EE, EE-
	1, EE-2
EDC's Simulation of the Number of Units to meet the	FF
MEOT and/or additional energy/demand requirements	T.T.
EDC's WESM Registration	GG
BOHECO I's WESM Membership Certificate (Certified)	НН
rue Copy)	1111
affidavit of Service to/Certification Receipt from the Office	II5
I the Mayor of Pasig	114
ffidavit of Service to/Certification Receipt from the Office	II-1
f the Sangguniang Panglungsod of Pasig	TTT
ffidavit of Service to/Certification Receipt from the Office	II-2
the Governor of Bohol	11.5
ffidavit of Service to/Certification Receipt from the Office	II-3
f the Sanggunian of Bohol	11-3
ffidavit of Service to/Certification Receipt from the	II_4
Office of the Mayor of Tubigon	II-4
ffidavit of Service to/Certification Receipt from the	II-5
	11 to 10

⁵ Annexes "II and series" and "JJ and series" are reserved for the Affidavits of Service/Certification Receipt from the Local Government Offices, Affidavit of Publication, and complete issue of the newspaper where the Joint Application will be published.

Description of the Document	Annex
Affidavit of Service to/Certification Receipt from the Office of the Mayor of Ormoc	II-6
Affidavit of Service to/Certification Receipt from the Sangguniang Bayan of Ormoc	II-7
Affidavit of Service to/Certification Receipt from the Office of the Mayor of Kananga	II-8
Affidavit of Service to/Certification Receipt from the Sangguniang Bayan of Kananga	II-9
Affidavit of Service to/Certification Receipt from the Office of the Mayor of Leyte	II-10
Affidavit of Service to/Certification Receipt from the Sangguniang Bayan of Leyte	II-11
Affidavit of Publication and complete issue of the newspapers where the Joint Application was published	JJ and series

ALLEGATIONS IN SUPPORT OF MOTION FOR CONFIDENTIAL TREATMENT

- 13. The allegations in the preceding paragraphs are reproduced and incorporated herein by reference where applicable.
- Under Rule 4 of the ERC Rules, the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such Rule, the Applicants respectfully pray for the issuance of a protective order declaring Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2" as confidential information, since Applicants intend to present them as evidence in the Joint Application.
- 15. With respect to these documents marked and attached as Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2", the Applicants respectfully move that it be treated as confidential information and not be disclosed to any party for the reason that it contains information which are of commercially sensitive nature and may affect price offers that such information falls within the bounds of valuable proprietary interest under "trade secrets" which are entitled to protection under the Constitution, statutes, and rules and regulations.
- 16. Moreover, some of these documents contain numbers, methodology, and calculations which provide valuable information and insight into how EDC arrived at its power generation rate and would accordingly reflect EDC's bidding strategy for distribution utilities undertaking CSPs for their power suppliers, and EDC's trading in WESM. It also contains information regarding the debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost, among other information.

17. Information which are within the definition of a trade secret, as defined by jurisprudence, is clearly information which merits the confidential treatment provided for under Rule 4 of the ERC Rules. The case of <u>Air Philippines Corp. v. Pennswell, Inc.</u>,6

A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it. 16 The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having a commercial value. A trade secret may consist of any formula, pattern, device, or compilation of information that: (1) is used in one's business; and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for continuous use in the operation of the business, for example, a machine or formula, but can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights. The inventor, discoverer, or possessor of a trade secret or similar innovation has rights therein which may be treated as property, and ordinarily an injunction will be granted to prevent the disclosure of the trade secret by one who obtained the information "in confidence" or through a "confidential relationship." American jurisprudence has utilized the following factors to determine if an information is a trade secret, to wit:

- the extent to which the information is known outside of the employer's business;
- (2) the extent to which the information is known by employees and others involved in the business;
- (3) the extent of measures taken by the employer to guard the secrecy of the information;
- (4) the value of the information to the employer and to competitors;
- by the company in developing the information; and

⁶ G.R. No. 172835, 13 December 2007.

- (6) the extent to which the information could be easily or readily obtained through an independent source.
- 18. Considering the foregoing, Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2" are therefore entitled to the protection of confidential information provided under Rule 4 of the ERC Rules.
- 19. Applicants hereby submit one (1) copy of each of the foregoing confidential documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential".

ALLEGATIONS IN SUPPORT OF MOTION FOR PROVISIONAL AUTHORITY

- 20. The allegations in the preceding paragraphs are reproduced and incorporated herein by reference where applicable.
- 21. Under Rule 14 of the ERC Rules, and as affirmed by jurisprudence, this Honorable Commission may exercise its discretion to grant provisional authority prior to a final decision should the facts and circumstances justify it.
- 22. In this case, the facts and circumstances warrant the issuance of a provisional authority. BOHECO I's members' consumers are exposed to power supply interruptions due to current deficiency in its power supply. For this reason, Applicants respectfully move that the Honorable Commission issue a provisional authority upon filing of the Joint Application, or immediately soon thereafter, for the implementation of the PSA pending hearing of the Joint Application and until the Honorable Commission approves the PSA and grants the final authority.

PRAYER

WHEREAS, premises considered, it is most respectfully prayed that this Honorable Commission:

- (i) ISSUE an Order treating Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2" as confidential information pursuant to Rule 4, Section 1 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof;
- (ii) ISSUE a Provisional Authority pursuant to Rule 14, Section 1 of the ERC Rules of Practice and Procedure, and permitting the parties to implement the Power Supply Agreement during

⁷ Alyansa para sa Bagong Pilipinas, Inc. v. Energy Regulatory <u>Commission</u>, G.R. No. 227670, May 3, 2019.

the pendency of the hearing and until the Honorable Commission grants the final authority; and

(iii) After hearing on the merits, render a Decision APPROVING the Power Supply Agreement notarized on 6 November 2021.

Other relief just and equitable under the premises 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 hearing for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 20208 and Resolution No. 01, Series of 20219 (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity
24 November 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and expository presentation
O1 December 2023 (Friday) at nine o'clock in the morning (9:00 A.M.)		Pre-Trial Conference and Presentation of Evidence

Accordingly, BOHECO I and EDC are hereby directed to host the virtual hearings at BOHECO I's Principal Office located at Cabulijan, Tubigon, Bohol as the designated venue for the conduct thereof and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, Applicant shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

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⁹ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

⁸ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

RELATIVE THERETO, BOHECO I and EDC 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 virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice* of Virtual Hearing the Offices of the Provincial Governors, the City and Municipal Mayors, and their respective Local Government Unit (LGU) legislative bodies within BOHECO I's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within BOHECO I's franchise area, by any other means available and appropriate, of the filing of the *Joint Application*, its reasons therefor, and of the scheduled virtual hearings 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 at the scheduled hearing; and
- 5) Furnish with copies of the *Joint Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

Within five (5) calendar days prior to the date of the initial virtual hearing, BOHECO I and EDC 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 their 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 affidavits of the Editors or Business Managers of the newspaper 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 BOHECO I and EDC to inform the consumers within BOHECO I's franchise area of the filing of the *Joint 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 *Joint Application* and its attachments, except those subject of a motion for confidential treatment of information, if any, by all those making requests therefor; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, BOHECO I and EDC 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, Mayors and Local Legislative Bodies, and to submit proof of posting thereof.

BOHECO I, EDC, and all interested parties are also required to submit via e-mail at <u>docket@erc.ph</u>, and copy furnish the Legal Service through <u>legal@erc.ph</u>, 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:

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 Pretrial Brief.

BOHECO I and EDC 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 BOHECO I and EDC 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.

BOHECO I and EDC must also be prepared to make an expository presentation of the instant *Joint 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 *Joint Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Joint Application* must be cited in support thereof.

Further, BOHECO I and EDC are hereby directed to file a copy of their Expository Presentation via e-mail at <u>docket@erc.ph</u>, copy furnish the Legal Service through <u>legal@erc.ph</u>, at <u>least five (5)</u> calendar days prior to the scheduled virtual hearing. Joint applicants 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.

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, 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.

BOHECO I and EDC 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 their 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. Similarly, all interested parties who filed their Petition for Intervention or Opposition are required to submit the hard copy thereof within the same period through any of the available modes of service.

Finally, BOHECO I and EDC, including its authorized representatives and witnesses, are hereby directed to provide the Commission, through 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, 12 October 2023.

FOR AND BY AUTHORITY OF THE COMMISSION:

MClimeles Te.
MONALISA C. DIMALANTA
Chairperson and CEO

ERC
Office of the Chairperson and CEO

MCD2023-010034

LS: CAB/BIVG/MCCG

ERC CASE NO. 2023-112 RC ORDER/ 12 October 2023 PAGE 20 OF 23

Copy Furnished:

- Puno and Puno Law
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 Ortigas Center, Mandaluyong City
 Email: jbalvaera@punolaw.com; ercfilings@punolaw.com
- Energy Development Corporation (EDC)
 Co-Applicant
 9th Floor Rockwell Business Center Tower 3,
 Ortigas Center, Pasig City
- 3. Atty. Teodoro M. Lagang

 Counsel for Co-Applicant BOHECO I

 Villas Lagang & Tumanda Law Offices

 2/F Lim-Magtajas Bdlg., CPG Avenue, Tagbilaran City, Bohol
 Email: ted_lagang@yahoo.com
- 4. Bohol I Electric Cooperative, Inc. (BOHECO I)

 Co-Applicant
 Cabulijan, Tubigon, Bohol
- 5. Office of the Governor Province of Bohol
- 6. Office of the LGU legislative body Province of Bohol
- Office of the Municipal Mayor Municipality of Alburquerque
- 8. Office of the LGU legislative body Municipality of Alburquerque
- Office of the Municipal Mayor Municipality of Antequera
- Office of the LGU legislative body Municipality of Antequera
- 11. Office of the Municipal Mayor Municipality of Baclayon
- Office of the LGU legislative body Municipality of Baclayon
- 13. Office of the Municipal Mayor Municipality of Balilihan
- Office of the LGU legislative body Municipality of Balilihan
- 15. Office of the Municipal Mayor Municipality of Batuan
- Office of the LGU legislative body Municipality of Batuan
- 17. Office of the Municipal Mayor Municipality of Bilar
- 18. Office of the LGU legislative body Municipality of Bilar
- Office of the Municipal Mayor Municipality of Calape

ERC CASE NO. 2023-112 RC ORDER/ 12 October 2023 PAGE 21 OF 23

20.	Office of the LGU legislative bod Municipality of Calape
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37∙	Office of the Municipal Mayor Municipality of Lila
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39.	Office of the Municipal Mayor Municipality of Loay
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41.	Office of the Municipal Mayor Municipality of Loboc

ERC CASE NO. 2023-112 RC ORDER/ 12 October 2023 PAGE 22 OF 23

42.	Office of the LGU legislative body Municipality of Loboc
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45.	Office of the Municipal Mayor Municipality of Maribojoc
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47-	Office of the Municipal Mayor Municipality of Panglao
48.	Office of the LGU legislative body Municipality of Panglao
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51.	Office of the Municipal Mayor Municipality of San Isidro
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53-	Office of the Municipal Mayor Municipality of Sevilla
54.	Office of the LGU legislative body Municipality of Sevilla
55-	Office of the Municipal Mayor Municipality of Sikatuna
56.	Office of the LGU legislative body Municipality of Sikatuna
57 ·	Office of the Municipal Mayor Municipality of Tubigon
58.	Office of the LGU legislative body Municipality of Tubigon
59-	Office of the Solicitor General 134 Amorsolo Street, Legaspi Village, Makati City Email: <u>docket@osg.gov.ph</u>
60.	Commission on Audit Commonwealth Avenue, Quezon City Email: <u>citizensdesk@coa.gov.ph</u>
61.	Senate Committee on Energy GSIS Bldg. Roxas Blvd., Pasay City Email: senateenergycommittee@gmail.com
62.	House Committee on Energy Batasan Hills, Quezon City Email: committees@house.gov.ph

ERC CASE NO. 2023-112 RC ORDER/ 12 October 2023 PAGE 23 OF 23

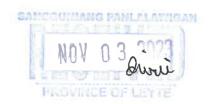
63. Regulatory Operations Service

Energy Regulatory Commission

14th Floor Exquadra Building, Jade Drive, Pasig City
Email: ros@erc.ph

Republic of the Philippines ENERGY REGULATORY COMMISSION Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN BOHOL ELECTRIC COOPERATIVE. INC. (BOHECO I) AND **ENERGY DEVELOPMENT CORPORATION (EDC), WITH** MOTION CONFIDENTIAL TREATMENT OF INFORMATION AND MOTION FOR PROVISIONAL AUTHORITY



ERC CASE NO. 2023-112 RC

BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I) AND ENERGY DEVELOPMENT CORPORATION (EDC),

Promulgated:
October 12, 2023

Applicants.

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTES PARTIES:

Notice is hereby given that on 04 October 2023, Bohol I Electric Cooperative, Inc. (BOHECO I) and Energy Development Corporation (EDC) filed a *Joint Application* dated 11 August 2023, seeking the Commission's approval of the Power Supply Agreement (PSA) between EDC and BOHECO I, with prayers for confidential treatment of information and issuance of provisional authority.

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ERC CASE NO. 2023-112 RC NOTICE OF VIRTUAL HEARING/ 12 October 2023 PAGE 2 OF 17

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

- 1. Applicant EDC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at the 9th floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, Philippines. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated below.
 - 1.1 EDC is represented by its Vice President, Marvin Kenneth S. Bailon and has been authorized by its Board of Directors to file the Joint Application, as evidenced by the Secretary's Certificate dated July 28, 2023. A copy of EDC's Secretary's Certificate dated July 28, 2023 is attached as Annex "A".
- 2. Applicant BOHECO I is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Cabulijan, Tubigon, Bohol 6329, Philippines.
 - 2.1 It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated below.
 - 2.2 BOHECO I is represented by its General Manager, Engr. Dino Nicolas T. Roxas, through BOHECO I's Board Resolution No. 101-2023 dated August 7, 2023. A copy of BOHECO I's BOHECO I's Board Resolution No. 101-2023 dated August 7, 2023 is attached as Annex "B".
- Pursuant to Rule 20(B) of the 2020 Revised ERC Rules of Practice and Procedure ("ERC Rules"), and other pertinent rules and regulations, this Joint Application is being submitted to this Honorable Commission to approve the Power Supply Agreement dated November 6, 2021 ("PSA") between EDC and BOHECO I.
- 4. EDC owns, operates, manages, and maintains the Unified Leyte Geothermal Power Plants ("ULGPP")¹ located in Leyte, Philippines with a dependable capacity of 591.31 MW and has control over the generated capacity of the Diesel Fired Power Plant to be constructed in Brgy. Imelda, Ubay, Bohol with a dependable capacity of 85.12MW ("In-Island Baseload Plant") (the Outside Bohol Baseload Plant² and In-Island Baseload Plant shall be collectively the "Power Plant").

² Outside Bohol Baseload Plant refers to the ULGPP located in Leyte, Philippines.

¹ ULGPP consists of the following plants: (1) Mahanagdong Geothermal Power Plant (COC No. 17-03-M-13348V), (2) Malitbog Geothermal Power Plant (COC No. 17-03-M-13347V), (3) Upper Mahiao Geothermal Power Plant (COC No. 17-03-M-13346V), (4) Tongonan 1 Topping Cycle Power Plant (COC No. 18-04-M-00152V), (5) Mahanagdong Topping Cycle Power Plant – Site A (COC No. 18-04-M-00151V), (6) Malitbog Bottoming Cycle Power Plant (COC No. 18-04-M-00153V).

- 5. BOHECO I provides and distributes electricity to its customers in the following municipalities in the Province of Bohol: Alburquerque, Antequera, Baclayon, Balilihan, Batuan, Bilar, Calape, Carmen, Catigban, Clarin, Corella, Cortes, Dauis, Dimiao, Inabanga, Lila, Loay, Loboc, Loon, Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna, and Tubigon (the "Franchise Area").
- 6. Based on BOHECO I's supply-demand forecast, it foresees a deficit in its power supply due to the increasing demand of its Franchise Area. In order to ensure continuous and reliable electricity for BOHECO I's customers, BOHECO I needs to source additional base and peak capacity through bilateral power supply contracts.
- 7. Under Section 45(b) of Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 ("EPIRA"), it is provided that "[d]istribution facilities may enter into bilateral power supply contracts subject to the review by the ERC xxx".
- 8. Accordingly, following the conduct of a joint competitive selection process ("Joint CSP") involving the One Bohol Power Distribution Utilities (the "1BP DU"), EDC executed a PSA with BOHECO I dated November 6, 2021, for the purchase of up to 50MW of electricity.
 - In 2017, BOHECO I, Bohol II Electric Cooperative, Inc. ("BOHECO II"), and Bohol Light Company, Inc. ("BLCI") formed the One Bohol Power Distribution Utilities (the "1BP DU") and conducted a joint CSP for their base and peak load requirements, pursuant to Energy Regulatory Commission ("ERC") Resolution No. 13, Series of 2015 and the Department of Energy ("DOE") Department Circular No. DC2018-02-0003 "Adopting and Prescribing the Policy for Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market" (the "CSP Rules").
 - 8.2 The 1BP DU constituted the 1BP Third-Party Bids and Awards Committee ("TPBAC") based on the least cost power supply plan. The basic terms of reference ("TOR") and conditions of the proposal of the 1BP DU ("1BP CSP") are as follows:

Type of Contract	Firm - Base Load
Plant Dependable Capacity	One Hundred Percent (100%) of the Contracted Capacity
Contract Duration	The PSA shall take effect for a period of TEN (10) years commencing on the Commercial Operations Date of December 26, 2023 to December 25, 2033, unless earlier terminated in accordance with the provisions of the PSA.

ERC CASE NO. 2023-112 RC NOTICE OF VIRTUAL HEARING/ 12 October 2023 PAGE 4 OF 17

Commercial Operation Date	December 26, 2023
Scheduled Date of Delivery	December 26, 2023 (Provided the late shall not exceed thirty-six (36) month after ERC's Final Approval of PSA)
Plant Outage Allowance	Zero- outage power supply of th committed aggregated capacity of 1BP.3
Source of Power	Open Technology provided that its is compliant with Provincial Ordinance No. 2018-005 "Declaring the official policy of the Provincial Government of Bohol disallowing the building of establishment of any coal-fired power plant in the Province of Bohol"
Plant Capacity	The minimum generating capacity of the Bidder shall be no less than the contracted capacity of 1BP DUs after considering the applicable credit factors.
Technical Specification	The Bidder shall submit a technical proposal for each power plant offered in accordance with the set requirements prescribed in the Instruction to Bidders.
Take- off Structure	These generating capacities may come from any type, size, and number of power plants or generating units that are or will be connected to the Luzon, Visayas Grid or directly embedded to 1BP DUs' Distribution Network considering the respective limitations of its Substation and Distribution Lines.
Experience	The Bidder must exhibit control over generating capacity of power plant(s). Certificate of good performance/track record with other customers shall be required.
Eligibility Requirements	Company profile highlighting experiences and expertise of the company and/or key officers in power plant operation.

Unless specifically defined in this Joint Application, capitalized terms appearing here shall be given the meaning ascribed to them in the PSA.

8.3 On August 30, 2020 and September 6, 2020, the 1BP DU caused the publication of an Invitation to Bid for Power Supply Agreement, which contained the basic TOR and conditions of the proposal of the 1BP CSP, as well as a summary of the process and timelines of the

³ ITB-4.2 of Final Instructions to Bidders state that "The Bidding is designed to trigger an installation of an in-island baseload plant or a combination of in-island plant and outside Bohol baseload plant."

bidding process, while inviting power generation companies to submit their bids on or before the timelines set out in the said invitation.

- 8.4 On May 17, 2021, the 1BP JCSP TPBAC successfully conducted its series of "Post-Qualification and Detailed Evaluation of Bids." After finding that the proposal of EDC substantially complied with all the requirements provided in the bidding documents, the 1BP DU declared that the proposal of EDC is the Lowest Calculated Responsive Bid.4
- 8.5 On May 25, 2021, the 1BP JCSP TPBAC issued a resolution "that the EDC be issued a "Notice of Award" after having been found COMPLIANT to all the requirements set by the 1BP JCSP TPBAC."
- 8.6 On June 3, 2021, the 1BP DU issued a Notice of Award in favor of EDC.
- Accordingly, EDC and BOHECO I executed the PSA, subject of this application. The PSA between EDC and BOHECO I contains the following salient features:

Section 3: EFFECTIVITY AND TERM OF AGREEMENT

- 3.1 The Agreement shall take effect immediately from Effective Date and shall remain in force and effect until December 25, 2033, subject to extension of the term as may be agreed upon by the Parties and if so allowed by Applicable Laws and the ERC. In the event the BUYER intends to extend the Agreement, in those circumstances allowed by the Applicable Laws, it shall send a written notice to the SELLER no later than June 25, 2033.
- 3.2 The obligation of the SELLER to sell and deliver the Contracted Capacity and its Associated Energy and the obligation of the BUYER to accept and pay for the same shall commence upon receipt by the Parties of the ERC Approval, whether provisional or final, of this Agreement (Delivery Date).
- 3.3 Notwithstanding the immediately preceding section, the SELLER shall be obligated to provide, at its own expense, Replacement Power to ensure a zero-outage power supply during power interruptions throughout the term of the Agreement or any allowed extension thereof, subject to Section 5.2, and including but not limited to the following cases:
 - a. from December 26, 2023, 00:01 A.M., which is the scheduled supply delivery date, upon receipt by the Parties of the

^{4 1}BP's TPBAC Resolution 08-2021.

ERC Approval, whether provisional or final; or

 when the Outside-Bohol Baseload Plant is on Planned Outage or Forced Outage.

SECTION 4: SUPPLY OF CONTRACTED CAPACITY AND ASSOCIATED ENERGY

Subject to the terms and conditions of this Agreement, the SELLER shall, during the entire term of this Agreement, make available, sell and deliver, or cause to be delivered to the BUYER the Contracted Capacity and Associated Energy in accordance with "Schedule 1" at the Point of Delivery, whether sourced from the Plant or, in case of Replacement Power, from other electricity generators including the WESM.

XXX

SECTION 5: AVAILABILITY OF CAPACITY

In General

- The SELLER shall supply the Contracted Capacity and its Associated Energy, in whole or in part, from (a) the Outside-Bohol Baseload Plant or, during Islanding, the In-Island Baseload Plant or (b) in so far as provision of Replacement Power is concerned, the SELLER's Suppliers or third-party Suppliers or other sources, or the WESM, consistent with the technical proposal submitted by the SELLER in the CSP and in accordance with prudent utility practice and in compliance with Applicable Laws.
- 5.2 Supply of Contracted Capacity shall be available at all times except for interruption and/or reduction due to: (a) any Event of Force Majeure involving the In-Island Baseload Plant during Islanding, or (b) other causes, including safety, authorized by law, rule, regulation or order of a competent authority. For the avoidance of doubt, the SELLER shall supply Contracted Capacity during Planned Outage and/or Forced Outage of the Plant.

XXX

Service Interruption Adjustment

In the event that the supply of electricity is interrupted or curtailed to a level resulting in a Capacity Utilization Factor (CUF) of less than seventy percent (70%) due to scheduled maintenance of the BUYER's facilities, the CUF shall be adjusted according to the formula in "SCHEDULE 3:" to determine the Applicable Capacity Utilization Factor (ACUF), for all hours when service was actually curtailed or interrupted ("Service Interruption Adjustment").

SECTION 6. CHARGES AND ADJUSTMENTS

Beginning Delivery Date and subject to the terms and conditions of this Agreement, the Parties shall pay the following:

The BUYER shall pay the Basic Energy Charge and the Adjustment to the Basic Energy Charge shall be as provided in "SCHEDULE 1" for the supply of energy by the SELLER to the BUYER.

XXX

SCHEDULE 1: CONTRACTED CAPACITY, CONTRACT PRICE AND TERMS OF AGREEMENT

Contract Year (CY)	Duration	Contracted Capacity
2024	December 26, 2023 to December 25, 2024	26 MW
2025	December 26, 2024 to December 25, 2025	28 MW
2026	December 26, 2025 to December 25, 2026	44 MW
2027	December 26, 2026 to December 25, 2027	46 MW
2028	December 26, 2027 to December 25, 2028	48 MW
2029	December 26, 2028 to December 25, 2029	50 MW
2030	December 26, 2029 to December 25, 2030	50 MW
2031	December 26, 2030 to December 25, 2031	50 MW
2032	December 26, 2031 to December 25, 2032	50 MW
2033	December 26, 2032 to December 25, 2033	50 MW
Subject to t	he Terms and Conditions of	he PSA

1.1 CONTRACTED CAPACITY

1.2 BASIC ENERGY CHARGE

The Basic Energy Charge (BEC) shall be equal to:

 $BEC = CRF_{ALP} + FOMF_{ALF} + VOMF$

Where:

- a) CRF_{ALF} is the Capital Recovery Fee and FOMF_{ALF} is the Fixed Operation and Maintenance Fee with values for different Capacity Utilization Factors (CUF) or Applicable Load Factors (ALF), effective until December 25, 2033.
- b) The Capital Recovery Fees tabulated below shall be fixed throughout the term of the Agreement. However, the Fixed Operation and Maintenance Fee is subject to escalation as illustrated in the equation for FOMF below.

XXX

 $CRF_{ALF} = CRF_{ALF}$ $FOMF_{ALF} = FOMF_{ALF} \times \frac{PHCPIn}{PHCPIo}$

Where:

CRF_{ALF} - is the Capital Recovery Fee in PHP/kWh FOMF_{ALF} - is the Fixed Operation and Maintenance Fee in PHP/kWh

PHCPI_n - Philippine Consumer Price Index of the calendar month within which the start of the current Billing Period occurs (Source: Philippine Statistics Authority)

PHCPI_o - Base Philippine Consumer Price Index, equivalent to 120.6 (September 2019; 2012=100)

ALF - is the Applicable Load Factor or Applicable Capacity Utilization Factor between 70% and 100%, provided that if the actual CUF is below 70% (the "Minimum Capacity Utilization Factor"), the Capacity Price shall be calculated based on the Capacity Fee and quantity associated with the Minimum Capacity Utilization Factor.

The Applicable Load Factor (ALF) shall be computed as follows:

$$ALF = \{70\%, \frac{BCQ}{CC \times [H_T - EH_{T0}]}\}$$

Where

BCQ - Bilateral Contract Quantity as defined in Section 1.1.5 of the Agreement, in kWh

CC - Contracted Capacity, in kW, as set forth in Schedule

 H_T — Total number of hours in such Billing Period EH_{To} — the sum of the duration, in Equivalent Hours, of Force Majeure in such Billing Period

ERC CASE NO. 2023-112 RC NOTICE OF VIRTUAL HEARING/ 12 October 2023 PAGE 9 OF 17

1.3 DERIVATION OF EQUIVALENT ENERGY AT THE MINIMUM CAPACITY UTILIZATION FACTOR

 $EE = CC \times 70\% \times H_T$

Where:

EE = Equivalent energy, in kWh

xxx

10. Based on the rate computation and analysis, the PSA will have a rate reduction ranging from Php2.8852/kWh - Php7.5171/kWh as shown below:

Generation Rate Impact Simulation for Year 2024

Simulation of Generation Mix Rate without EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate (P/kWh)
EDC	-	-	-		11.9186
CEDC	122,640,000	43.91%	11.2912	100.00%	11.9100
BSHMP	_	10.72.	11.2912	100.00%	
JMHEPP	14,957,700	1.85%	3.9007	34.15%	
SPUG	527,946	0.13%	7.2181	21.80%	
WESM	134,245,411	54.11%	12.7131	21.00/0	-
TOTAL	272,416,057	100.00%	12./131		

Simulation of Generation Mix Rate with EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate (P/kWh)
EDC	163,779,332	39.36%	4.7605	77.90%	9.0333
CEDC	90,274,608	55.66%	12.2132	73.61%	9.0333
BSHMP	_	-		73.01%	
JMHEPP	14,957,700	2.95%	3.9007	34.15%	
SPUG	527,946	0.21%	7.2181	21.80%	
WESM	2,831,471	1.82%	12.7131	21.00%	
TOTAL	272,416,057	100.00%	33.7232		
				Generation Rate Impact	-2.8852

Assumption

- 1. Analysis and simulations is based on BOHECO I's forecasted 2024 hourly load profile
- 2. WESM hourly prices are average price on September 2022 Billing

3. JMHEPP rate is based on GRR application

4. EDC hourly prices as offered, May 2019 reference price

A. Generation Rate Impact Simulation for Year 2026

Simulation of Generation Mix Rate without EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate (P/kWh)
EDC	-	-			
CEDC	-	_			12.5518
BSHMP	_		_		
JMHEPP	14,957,700	1.85%	3.9007	34.15%	

ERC CASE NO. 2023-112 RC NOTICE OF VIRTUAL HEARING/ 12 October 2023 PAGE 10 OF 17

SPUG	527,946	0.13%	7.2181	21.80%	1
WESM	256,885,411	98.12%	12.7131		_
TOTAL	272,416,057	100.00%			

Simulation of Generation Mix Rate with EDC

Power Supplier	Forecasted Energy (kWh)	Percent Share (%)	Average Rate (Php/kWh)	Capacity Utilization Load Factor	Combined Rate (P/kWh)
EDC	299,602,821	95.19%	5.0046	77.73%	
CEDC	-	_	0 1	17.73.0	5.0346
BSHMP	-		-		
JMHEPP	14,957,700	2.95%	3.9007	34.15%	
SPUG	527,946	0.21%	7.2181	21.80%	677-776
WESM	1,046,660	0.84%	12.7131	21.0070	
TOTAL	272,416,057	100.00%	121/131		
				Generation Rate Impact	-7.5171

Assumption

- 1. Analysis and simulations is based on BOHECO I's forecasted 2026 hourly load profile
- 2. WESM hourly prices are average price on September 2022
 Billing
- 3. JMHEPP rate is based on GRR application
- 4. EDC hourly prices as offered, May 2019 reference price
- 11. It bears emphasis that, as previously mentioned, based on BOHECO I's high demand in its Franchise Area, there is an urgent need for the final approval of the PSA considering a significant peaking capacity deficit, as well as possible occurrences of scheduled maintenance shutdowns and forced outage of power plants of other suppliers of BOHECO I.
- 12. Likewise, in support of the instant Joint Application, the Applicants provide the following documents, which underwent the pre-filing conference and pre-filing marking of annexes with this Honorable Commission:

Description of the Document	Annex
EDC's Secretary Certificate dated July 28, 2023	A
BOHECO I's Board Resolution No. 101-2023 dated August 7, 2023	В
BOHECO I's Articles of Incorporation and By-Laws	С
BOHECO I's Amended Articles of Incorporation	C-1
BOHECO I's Company Profile	C-2
BOHECO I's Certification of Board of Directors	C-3
BOHECO I's Write-Up of Non-Applicability of GIS	C-4
EDC's Securities and Exchange Commission Certificate of Registration, Articles of Incorporation and By Laws	D
EDC's Certificate of Incorporation	D-1
EDC's Certificate of Filing of By-Laws and By-Laws	D-2
EDC's Certificate of Amendment of and Amended Articles of Incorporation	D-3
EDC's Amended By-laws	D-4
EDC's Secretary's Certification on the Authorization to Join the JCSP	D-5

ERC CASE NO. 2023-112 RC NOTICE OF VIRTUAL HEARING/ 12 October 2023 PAGE 11 OF 17

Description of the Document	Anne
EDC's General Information Sheet	D-6
EDC's Updated Ownership Structure	E
EDC's BOI Certificate of Registration for the Unified Leyt	e F
Power Plant	_
EDC's DENR Environmental Compliance Certificates	G, G-1
ERC Certificates of Compliance and Provisional Authoritie	s H, H-1
to Operate for ULGPP	H-2, H
	3, H-4
	H-5, H
	6, H-7
	H-8, H
	9
EDC's DOE Certificate of Endorsement	I, I-1, I
	2, I-3
EDC's DOE Geothermal RE Contract (Confidential)	J, J-1
EDC's DOE Certificate of Registration	K
EDC's NWRB Conditional Water Permit	L
BOHECO I's Demand Side Management	18.45
BOHECO I Certification on No Expected Transition Supply	N
Contract (18C) during Contractual Period	
BOHECO I Distribution Development Plan and Power	0, 0-1,
Supply Procurement Plan	0-2
BOHECO I's Supply & Demand Scenario	P, P-1,
	P-2, P-
	3, P-4,
	P-5
BOHECO I's Single Line Diagram	Q
SOHECO I's Reliability Report on Interruption Reports	R
OHECO I's Potential Reduction in Load	S
BP JCSP's Invitation to Bidders posted in the Philippine	T
Jany Inquirer (Aug 30, 2020)	1
BP JCSP's Invitation to Bidders posted in the Philippine	T-1
ally Inquirer (Sept 06, 2020)	
OE Website Publication	T-2
BP JCSP's Approved TOR	T-3
ompetitive Selection Process Documents	Uand
Confidential)	series;
	, ,
	V and
	series;
	,
	W and
	series;
ower Supply Agreement between BOHECO I and EDC	X
DC's Transmission Service Agreement (NGCP-PSALM)	Y
Confidential)	_
etails of PSA between EDC and BOHECO I	Z
Confidential)	
DC's True Cost of Generation Computation and Writeup	AA, AA-
ionfidential)	1
OHECO I's Generation Rate Impact	BB
1101 11 0-	
ertification of Loan from different banks	CC and

Description of the Document	Annex
EDC's Audited Financial Statements	DD
Heat Rate Computation of the Plant (Confidential)	EE, EE-
Tipol of 1 and 1	1, EE-2
EDC's Simulation of the Number of Units to meet the	FF
MEOT and/or additional energy/demand requirements	
EDCs WESM Registration	GG
BOHECO I's WESM Membership Certificate (Certified	НН
True Copy)	
Affidavit of Service to/Certification Receipt from the Office	II5
of the Mayor of Pasig	
Affidavit of Service to/Certification Receipt from the Office	II-1
of the Sangguniang Panglungsod of Pasig	_
Affidavit of Service to/Certification Receipt from the Office	II-2
of the Governor of Bohol	
Affidavit of Service to/Certification Receipt from the Office	II-3
of the Sanggunian of Bohol	
Affidavit of Service to/Certification Receipt from the	II-4
Office of the Mayor of Tubigon	
Affidavit of Service to/Certification Receipt from the	II-5
Sangguniang Bayan of Tubigon	
Affidavit of Service to/Certification Receipt from the	II-6
Office of the Mayor of Ormoc	
Affidavit of Service to/Certification Receipt from the	II-7
Sangguniang Bayan of Ormoc	
Affidavit of Service to/Certification Receipt from the	II-8
Office of the Mayor of Kananga	
Affidavit of Service to/Certification Receipt from the	II-9
Sangguniang Bayan of Kananga	
Affidavit of Service to/Certification Receipt from the Office of the Mayor of Leyte	II-10
Affidavit of Samino to/Contiguation Position	
Affidavit of Service to/Certification Receipt from the Sangguniang Bayan of Leyte	II-11
Affidavit of Publication and assembly	
Affidavit of Publication and complete issue of the	JJ and
newspapers where the Joint Application was published	series

ALLEGATIONS IN SUPPORT OF MOTION FOR CONFIDENTIAL TREATMENT

- 13. The allegations in the preceding paragraphs are reproduced and incorporated herein by reference where applicable.
- 14. Under Rule 4 of the ERC Rules, the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such Rule, the Applicants respectfully pray for the issuance of a protective order declaring Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and

⁵ Annexes "II and series" and "JJ and series" are reserved for the Affidavits of Service/Certification Receipt from the Local Government Offices, Affidavit of Publication, and complete issue of the newspaper where the Joint Application will be published.

"EE-2" as confidential information, since Applicants intend to present them as evidence in the Joint Application.

- 15. With respect to these documents marked and attached as Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2", the Applicants respectfully move that it be treated as confidential information and not be disclosed to any party for the reason that it contains information which are of commercially sensitive nature and may affect price offers that such information falls within the bounds of valuable proprietary interest under "trade secrets" which are entitled to protection under the Constitution, statutes, and rules and regulations.
- Moreover, some of these documents contain numbers, methodology, and calculations which provide valuable information and insight into how EDC arrived at its power generation rate and would accordingly reflect EDC's bidding strategy for distribution utilities undertaking CSPs for their power suppliers, and EDC's trading in WESM. It also contains information regarding the debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost, among other information.
- 17. Information which are within the definition of a trade secret, as defined by jurisprudence, is clearly information which merits the confidential treatment provided for under Rule 4 of the ERC Rules. The case of <u>Air Philippines Corp. v. Pennswell, Inc.</u>,6

A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it. 16 The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having a commercial value. A trade secret may consist of any formula, pattern, device, or compilation of information that: (1) is used in one's business; and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for continuous use in the operation of the business, for example, a machine or formula, but can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights. The inventor, discoverer, or possessor of a trade secret or similar innovation has rights therein

⁶ G.R. No. 172835, 13 December 2007.

which may be treated as property, and ordinarily an injunction will be granted to prevent the disclosure of the trade secret by one who obtained the information "in confidence" or through a "confidential relationship." American jurisprudence has utilized the following factors to determine if an information is a trade secret, to wit:

- (1) the extent to which the information is known outside of the employer's business;
- (2) the extent to which the information is known by employees and others involved in the business;
- (3) the extent of measures taken by the employer to guard the secrecy of the information;
- (4) the value of the information to the employer and to competitors;
- (5) the amount of effort or money expended by the company in developing the information; and
- (6) the extent to which the information could be easily or readily obtained through an independent source.
- 18. Considering the foregoing, Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2" are therefore entitled to the protection of confidential information provided under Rule 4 of the ERC Rules.
- 19. Applicants hereby submit one (1) copy of each of the foregoing confidential documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential".

ALLEGATIONS IN SUPPORT OF MOTION FOR PROVISIONAL AUTHORITY

- 20. The allegations in the preceding paragraphs are reproduced and incorporated herein by reference where applicable.
- 21. Under Rule 14 of the ERC Rules, and as affirmed by jurisprudence⁷, this Honorable Commission may exercise its discretion to grant provisional authority prior to a final decision should the facts and circumstances justify it.
- 22. In this case, the facts and circumstances warrant the issuance of a provisional authority. BOHECO I's members' consumers are exposed to power supply interruptions due to current deficiency in its power supply. For this reason, Applicants

 $^{^7}$ <u>Al</u>yansa para sa Bagong Pilipinas, Inc. v. Energy Regulatory <u>Commission</u>, G.R. No. 227670, May 3, 2019.

respectfully move that the Honorable Commission issue a provisional authority upon filing of the Joint Application, or immediately soon thereafter, for the implementation of the PSA pending hearing of the Joint Application and until the Honorable Commission approves the PSA and grants the final authority.

PRAYER

WHEREAS, premises considered, it is most respectfully prayed that this Honorable Commission:

- (i) ISSUE an Order treating Annexes "J", "J-1", "U" and series, "V" and series, "W" and series, "Y", "Z", "AA", "AA-1", "CC" and series, "EE", "EE-1", and "EE-2" as confidential information pursuant to Rule 4, Section 1 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof;
- (ii) ISSUE a Provisional Authority pursuant to Rule 14, Section 1 of the ERC Rules of Practice and Procedure, and permitting the parties to implement the Power Supply Agreement during the pendency of the hearing and until the Honorable Commission grants the final authority; and
- (iii) After hearing on the merits, render a Decision APPROVING the Power Supply Agreement notarized on 6 November 2021.

Other relief just and equitable under the premises are likewise prayed for. $\,$

The Commission hereby sets the same for hearing for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference and presentation of evidence on the following dates and online platforms for the conduct thereof, pursuant to Resolution No. 09, Series of 2020⁸ and Resolution No. 01, Series of 2021⁹ (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity	
24 November 2023 (Friday) at nine o'clock in the morning (9:00 AM)	Microsoft Teams Application	Determination compliance jurisdictional requirements expository presentation	of with and

⁸ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

⁹ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

O1 December 2023 (Friday) at nine o'clock in the morning (9:00 AM)	Pre-Trial Conference and Presentation of Evidence
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Accordingly, BOHECO I and EDC are hereby directed to host the virtual hearings at BOHECO I's Principal Office located at Cabulijan, Tubigon, Bohol as the designated venue for the conduct thereof and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, Applicant shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

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, 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, all 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, and 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 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;
- 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 <u>docket@erc.ph</u>, and copy furnish the Legal Service through <u>legal@erc.ph</u>, their Opposition or Comment thereon 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

ERC CASE NO. 2023-112 RC NOTICE OF VIRTUAL HEARING/ 12 October 2023 PAGE 17 OF 17

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 *Joint 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, through <u>legal.virtualhearings@erc.ph</u>, their respective e-mail addresses and indicating therein the case number of the instant *Joint 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 12th day of October 2023 in Pasig City.

Medinelett MONALISA C. DIMALANTA Chairperson and CEO

fereal 18 7/ LS: CAB/BJVG/MCCG Office of the Chairperson and CEO
MCD2023-010034