



September 10, 2024



**HON. LEONARDO JAVIER, JR.**  
Provincial Vice Governor / Presiding Officer  
SANGGUNIANG PANLALAWIGAN  
4th Floor, Leyte Provincial Government Complex,  
West-By-Pass Road, Brgy. Guindapunan,  
Palo, Province of Leyte

Re: IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO DEVELOP, OWN AND OPERATE DEDICATED POINT-TO-POINT LIMITED TRANSMISSION FACILITIES TO CONNECT THE TONGONAN BATTERY ENERGY STORAGE SYSTEM TO THE VISAYAS GRID, WITH MOTION FOR PROVISIONAL AUTHORITY AND FOR CONFIDENTIAL TREATMENT OF INFORMATION – ENERGY DEVELOPMENT CORPORATION  
ERC CASE NO. 2024-035 MC

Dear Vice Governor Javier:

In compliance with the Revised Rules of Practice and Procedure of the Energy Regulatory Commission (“ERC”) and the Order dated 30 August 2024 of the ERC, we are furnishing this Honorable Office with the said Order and Notice of Virtual Hearing both dated 30 August 2024.

In line with this, we are requesting that the said Order and Notice of Virtual Hearing be posted on the municipal bulletin board of this Honorable Office, in compliance with the said Order and the Revised Rules of Practice and Procedure of the ERC.

Consequently, we are also requesting for a Certification of Posting from this Honorable Office stating that a copy of the Order and Notice of Virtual Hearing both dated 30 August 2024 of the above-captioned case was served to, duly received and duly posted by this Honorable Office.

Very truly yours,

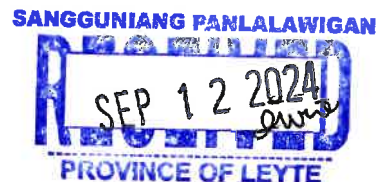
**ENERGY DEVELOPMENT CORPORATION**

By:

**MIGUEL LORENZO S. DE VERA**  
Vice President

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

IN THE MATTER OF THE  
APPLICATION FOR  
AUTHORITY TO DEVELOP,  
OWN AND OPERATE  
DEDICATED POINT-TO-  
POINT LIMITED  
TRANSMISSION FACILITIES  
TO CONNECT THE  
TONGONAN BATTERY  
ENERGY STORAGE SYSTEM  
TO THE VISAYAS GRID,  
WITH MOTION FOR  
PROVISIONAL AUTHORITY  
AND FOR CONFIDENTIAL  
TREATMENT OF  
INFORMATION,



**ERC CASE NO. 2024-035 MC**

**ENERGY DEVELOPMENT  
CORPORATION,**

*Applicant.*

X-----X

**Promulgated:**

August 30, 2024

**NOTICE OF VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 26 July 2024, Energy Development Corporation (EDC) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application*, dated 12 July 2024, seeking the Commission's approval for the authority to develop, own and operate dedicated point-to-point limited transmission facilities to connect the Tongonan Battery Energy Storage System (Tongonan BESS) to the Visayas Grid, with motion for provisional authority and for confidential treatment of information.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 2 OF 13**

---

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

A. Introduction

1. EDC is a corporation duly organized and validly existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 9<sup>th</sup> Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City. It may be served with orders and other legal processes through the undersigned counsel.
2. EDC is in the business of generation, sale, and supply of electricity from renewable energy ("RE") sources, including participation and trading in any market for electricity, ancillary power, or intangible assets and to engage in additional business activities arising from or related to EDC's primary purpose, including energy storage<sup>1</sup>
3. In its Power Development Plan 2020-2040, the Department of Energy ("DOE") recognizes the growing demand for power in the Philippines. For the Visayas Grid, the DOE projects the peak demand to more than quadruple, from 2,201 MW in 2020 to 8,982 MW in 2040. Given this, and based on its simulations for a high-demand scenario vis-a-vis an aspirational target of 50% renewable energy power generation mix by 2040 (i.e., "RE50-High Demand Scenario"), the DOE projects that a total of 19,195 MW new build capacities must be added to meet the demand and reserve margin requirements of the Grid. Renewable energy's share in these new build capacities is broken down as follows: 9,992 MW from solar; 4,335 MW from hydro; 3,768 MW from wind; 860 MW from gas; and 240 MW from geothermal.<sup>2</sup>
4. Leyte is an island sub-grid, and the gateway for power exchange between Visayas and Luzon. On average, about 200 MW passes through the HVDC line, in either direction. Momentary excess supply passing through Leyte can cause grid frequency to increase. It is at these moments when output from EDC's fully contracted baseload geothermal power plant is curtailed by the Grid operator to maintain grid stability. This Grid event is indicative of a need for an ancillary service provider in Leyte.
5. Moreover, further ahead into 2040, the Grid operator is expecting a significant penetration of variable renewable energy ("VRE") plants in Visayas. In the Capacity Expansion Model of the NGCP, new VREs are expected to reach 7,425 MW in 2040.

---

<sup>1</sup> Copies of EDC's Certificate of Incorporation, Amended Articles of Incorporation and By-Laws, Secretary's Certificate, and latest General Information Sheet are attached as Annexes "A", "B", "B-1", "B-2," and "C" of the Application, respectively.

<sup>2</sup> A print-out of the relevant section in the Department of Energy's ("DOE") Power Development Plan 2020- 2040 and the relevant portion of NGCP's recommended Transmission Development Plan ("TDP") 2023-2040 showing the Project are attached as Annexes "D" and "D-1" of the Application, respectively. EDC's letter to the DOE requesting Certificate of Endorsement for the Project's Connection Assets is also attached as Annex "D-2" of the Application.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 3 OF 13**

---

This will be 67% of the total supply (11,034 MW) and 84% of peak demand (8,827 MW). This dramatic increase in variable renewable energy ("VRE") could lead to widespread curtailment of non-VRE plants during peak hours similar to the situation in Negros Island. The intermittence of VRE will negatively impact grid stability, and necessitate a combination of higher flexibility from generators, and more ancillary services to balance the Grid.<sup>3</sup>

6. In anticipation of this increased VRE penetration which may negatively affect the reliability of the Grid, and to help address the increasing energy demand of the country, EDC is developing the 10MW/ 10 MWh TONGONAN ENERGY STORAGE SYSTEM ("BESS" or the "Project"). In DOE Circular No. 2023-04-0008, the DOE recognized the applications and benefits of energy storage systems (ESS) in the improvement of the electric power system in accordance with the objective of ensuring the quality, reliability, security, sustainability, and affordability of the supply of electric power, and accelerating the exploration, development, and utilization of renewable energy (RE) resources.<sup>4</sup> The DOE recognized ESS as facilities capable of absorbing energy directly from the Grid or distribution system, or from a power plant Connected to the Grid or distribution system and storing it for a period of time, and injecting stored energy when prompted, needed to ensure reliability and balanced power system.<sup>5</sup>
7. EDC's Project can significantly assist in the improvement of the electric power system as contemplated by the DOE. As a RE generator, EDC recognizes the need for BESS so that if RE plants have to curtail (reduce) RE generation due to grid limitations or excess supply, the Project can store this curtailed energy and release it later when needed, maximizing the utilization of renewable resources and reducing wasted energy. The Project can store excess energy during peak generation and release it during periods of low generation, enabling a more reliable and consistent power supply. This smooths out the fluctuations in power supply, ensuring a more consistent flow of power to the Grid. Furthermore, the Project can provide grid frequency regulation which can help stabilize the Grid. When VRE output decreases, the grid frequency can drop. The Project can quickly inject stored energy into the Grid to counteract this drop, maintaining the crucial grid frequency. Conversely, during periods of high VRE output, the Project can absorb excess energy to prevent the frequency from rising too high.
8. In order to inject and absorb power from the Grid, as needed, EDC intends to construct point-to-point limited transmission

---

<sup>3</sup> The Project Background and Description, Project Description (Interconnection Facilities), Project Rationale and EDC's Feasibility Study on the Project are attached hereto as Annexes "E" to "E-3" of the Application, respectively.

<sup>4</sup> Section 1. DOE Circular No. 2023-04-0008.

<sup>5</sup> Section 2.11. DOE Circular No. 2023-04-0008.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 4 OF 13**

---

facilities (the "Connection Asset") that will Connect the Project to the Visayas Grid, through the Tongonan 138kV Substation.<sup>6</sup> This Connection Asset will be used only for the purpose of Connecting the BESS to the Grid, and will be used solely by EDC and not used to serve any end-user or supplier directly.

9. Section 9 of Republic Act ("RA") 9136 or the Electric Power Industry Reform Act ("EPIRA") of 2001 expressly provides that:

"A generation company may develop and own or operate dedicated point-to-point limited transmission facilities that are consistent with the Transmission Development Plan ("TDP"): *Provided*, That such facilities are required only for the purpose of Connecting to the transmission system, and are used solely by the generating facility, subject to prior authorization by the ERC: *Provided, further*, That in the event that such assets are required for competitive purposes, ownership of the same shall be transferred to the TRANSCO at a fair market price: *Provided, finally*, That in the case of disagreement on the fair market price, the ERC shall determine the fair market value of the asset."

**B. Allegations in Support of Application**

10. On 23 October 2009, EDC was granted a Certificate of Registration<sup>7</sup> by the DOE, with Registration No. GRESC 2009-10-001. This Certificate recognizes EDC as a Renewable Energy Developer of Geothermal Energy Resources located in Kananga, Leyte ("Tongonan Geothermal Project"), which is covered by Geothermal Renewable Energy Service Contract No. 2009- 10-001.
11. As discussed above, EDC decided to develop the Project as it provides a flexible and responsive solution for integrating intermittent RE sources into the Grid. This helps maintain grid stability, improve power plant efficiency, and maximize the utilization of clean energy.
12. Thereafter, upon the request of EDC, the National Grid Corporation of the Philippines ("NGCP") conducted a System Impact Study ("SIS") to determine the technical feasibility of the proposed Project. On 23 December 2023 the NGCP issued

---

<sup>6</sup>The Options considered and the comparison of these options, Conceptual Engineering Design and Drawings, Conceptual Layout, Proof of Technical Capability (Curriculum Vitae of Relevant EDC Personnel and List of Operations and Maintenance Team on site), Gantt Chart schedule of the proposed projects, and Project Contractors are attached hereto as Annexes "N", "R", "R-1", "R-2", "S" and "T" of the Application, respectively.

<sup>7</sup>A copy of DOE Certificate of Registration No. GRESC 2009-10-001 issued to Energy Development Corporation on 23 October 2009 is attached hereto as Annex "F" of the Application. A copy of Other Relevant Certifications from DOE is attached hereto as Annex "U" of the Application.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 5 OF 13**

---

the SIS Report<sup>8</sup> concluding that the proposed Connection of the ±30 MW Tongonan Energy Storage System Project to the Visayas Grid through the Tongonan 138 kV Substation is acceptable.

13. On 02 February 2016, EDC secured an Environmental Compliance Certificate under ECC No. ECC-CO-1507-0021 from the Department of Environment and Natural Resources (“DENR”) for the Tongonan Geothermal Project. Thereafter, on 08 September 2023, the DENR sent a letter to EDC approving its request to amend ECC No. ECC-CO-1507-0021 to include the modular 30 MWhr Battery Energy Storage System (“BESS”) and the testing of the Downbore Heat Exchanger (“DBHX”) Technology.<sup>9</sup>
14. EDC also prepared a Facilities Study (“FS”) to determine the technical feasibility of connecting the proposed Project at the proposed connection point in compliance with Section 5.3 of the Philippine Grid Code and B.14 of the Open Access Transmission Service. The FS was reviewed by NGCP on 10 June 2024.<sup>10</sup>
15. In addition, EDC is also in the process of obtaining the permits and licenses needed for the construction and development of the Project and will ensure timely application for such authorizations necessary for its operation, including the Certificate of Compliance (“COC”) from this Honorable Commission.<sup>11</sup>

**THE PROJECT'S CONNECTION  
ASSET WILL BE USED ONLY  
FOR THE PURPOSE OF  
CONNECTING THE BESS TO  
THE GRID**

16. A power plant and a BESS can have connection assets or component facilities that connect the power generator and the battery, respectively, to the Grid. This is evident from the Implementing Rules and Regulations (IRR) of RA 9136 or the EPIRA, which makes it an obligation of the Generation Company “to ensure that all its facilities connected to the Grid meet the technical design and operational criteria of the Grid Code and the Distribution Code promulgated by ERC”<sup>12</sup>, as well as under DOE Circular No. 2023-04-0008 where an ESS is required to “comply with the connection and operations requirements for ESS pursuant to the PGC, WESM Rules and

---

<sup>8</sup> A copy of the letter from NGCP forwarding the SIS to EDC and NGCP’s System Impact Study on ±30 MW Tongonan Energy Storage System Project, the Final Report of the SIS, including letters to and from NGCP is attached hereto as Annex “G-series”.

<sup>9</sup> A copy of EDC’s Environmental Compliance Certificate (ECC) with No. ECC-CO-1507-0021, including letters to and from DENR are attached hereto as Annexes “H-series” respectively.

<sup>10</sup> A copy of the Facilities Study and the Review Report on the FS are attached hereto and marked as Annexes “I” and “I-1” of the Application, respectively.

<sup>11</sup> A copy of the Affidavit of Miguel Lorenzo S. De Vera, Vice President of EDC, is attached as Annex “J” of the Application.

<sup>12</sup> Sec. 4(b) (i), Rule 5.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 6 OF 13**

---

*relevant Market Manuals, and other relevant policies and regulations promulgated by the ERC and DOE*<sup>13</sup>.

17. The Connection Asset for the BESS will connect the Project to the Visayas Grid through the Tongonan 138kV Substation, and such Connection Asset will be used solely by EDC and will not be used to serve any end-user or supplier directly.

**THE PROJECT'S CONNECTION ASSET IS INCLUDED AND CONSISTENT WITH NGCP'S 2023 TDP WHICH IS FOR APPROVAL OF THE DOE**

18. The Connection Asset for the BESS is listed under Appendix 4 - Private Sector Initiated Power Projects (specifically page 193) of NGCP's 2023 TDP which is currently for the approval of the DOE. Additionally, considering the importance of the Project, EDC has submitted its request to DOE for the issuance of a Certificate of Endorsement.

**THE PROJECT'S CONNECTION ASSET IS FINANCIALLY FEASIBLE, AND EDC HAS THE FINANCIAL CAPABILITY TO DEVELOP, OPERATE, AND MAINTAIN THE CONNECTION ASSET**

19. The Connection Asset is financially feasible. The cost for constructing and developing the Connection Asset is estimated at Php 488,570,572.05.<sup>14</sup> The Project, including the Connection Asset, will be funded through a combination of debt and internally generated funds with a ratio of 70% debt and 30% equity.
20. EDC's 2022 and 2023 SEC Form 17-A will show that EDC has financial capability to undertake the construction, development, operation, and maintenance of the entire Project,<sup>15</sup> which is expected to be in operation within the fourth quarter of 2024.<sup>16</sup>
21. In order to efficiently transmit the electricity between the Project and the Visayas Grid, EDC intends to construct and develop the Connection Assets that will connect the Project to the Visayas Grid, through the Tongonan 138kV Substation.

---

<sup>13</sup> Section 7.1, DOE Circular No. 2023-04-0008.

<sup>14</sup> A copy of the Detailed Estimated Cost of the Project is attached as Annex "K" of the Application.

<sup>15</sup> A copy of EDC's SEC Form 17-A for 2022 and 2023 are attached as Annexes "L" and "L-1" of the Application, respectively.

<sup>16</sup> A copy of the Relevant Dates of the Project is attached as Annex "M" of the Application.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 7 OF 13**

---

**THE PROJECT'S CONNECTION  
ASSET IS ACCEPTABLE, AND  
EDC HAS THE TECHNICAL  
CAPABILITY TO DEVELOP,  
OPERATE, AND MAINTAIN THE  
CONNECTION ASSET**

22. In its SIS issued on 23 December 2023, NGCP has determined that the proposed connection of the ±30 MW Tongonan Battery Energy Storage System Project to the Visayas Grid through the Tongonan 138 kV Substation is acceptable.
23. Likewise, EDC's track record shows that it has the technical capability to develop, construct, operate, and maintain the Connection Asset based on the design and configuration in the SLD attached to the SIS as accepted by NGCP.
  - 23.1 EDC owns and operates the Unified Leyte Geothermal Power Plant Complex (the "ULGPP") including the Unified Leyte - Central Switching Station ("UL-CSS") which is the switchyard located inside the ULGPP and which serves as the centralized dispatching asset of the six power plants constituting the ULGPP (the "UL Plants") in relation to the import and export of generation output to the Grid.
  - 23.2 The electricity generated by the UL Plants is aggregated and conveyed to the UL CSS through a 230- kV network composed of seven (7) switchyards, 23-km transmission lines, and 33 towers. The generated electricity is aggregated and is then dispatched to the grid through two points of interconnections to Cebu and to Luzon Grids.

The operation and maintenance of the Connection Asset is planned to be carried out by personnel belonging to the Facilities Operations and Maintenance ("FOM") Group of EDC. These personnel will be under the supervision and direction of Engr. Liberato S. Virata, as the Head of EDC FOM. The personnel can all be contacted through EDC at its principal office address.<sup>17</sup>

**EDC SHOULD BE GRANTED  
AUTHORITY TO DEVELOP,  
OWN AND OPERATE THE  
CONNECTION ASSET**

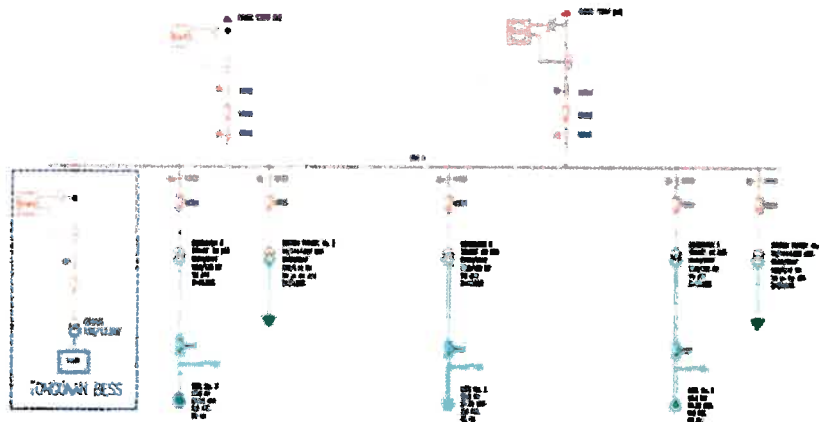
24. Pursuant to Section 9 of the EPIRA, EDC hereby applies with the Honorable Commission for authority to develop, own, and operate the Connection Asset.

---

<sup>17</sup> The list of names and addresses of personnel responsible for the design, installation, maintenance, and repair of equipment for the proposed system is attached hereto as Annex "O" of the Application.



- 24.1 EDC's Connection Asset is required only to connect the Tongonan Battery Energy Storage System Project to the Visayas Grid through the Tongonan 138 kV Substation.
- 24.2 The Connection Asset will be used solely by the Tongonan Battery Energy Storage System Project, and will not be used to serve end-users or suppliers directly.
- 24.3 If the Connection Asset is taken out of the transmission system, it will not affect the Visayas Grid or other transmission customers connected to the Visayas Grid.
25. The single-line diagram of the proposed interconnection shows that the Connection Asset will be exclusively used to connect the Project to the Visayas Grid, through the 138 kV Tongonan Substation and is not designed and configured to serve end-users or suppliers directly.<sup>18</sup>



26. EDC undertakes to ensure that the Connection Asset will comply with the existing rules and regulations, particularly the 2016 Philippine Grid Code, and undertakes to comply with all such rules and regulations.<sup>19</sup>

**Motion for Provisional Authority  
and Allegations in Support of Prayer for Provisional  
Authority**

27. Rule 14 of the Honorable Commission's Rules of Practice and Procedure authorizes the issuance of a provisional authority or an interim relief prior to a final decision, provided that the facts and circumstances warrant the issuance of the same.
28. EDC intends to achieve commercial operations for the Project

---

<sup>18</sup> A copy of the Single Line Diagram is attached as Annex "P" of the Application.

<sup>19</sup> An Undertaking to Comply with the 2016 Philippine Grid Code is attached as Annex "Q" of the Application.

within the fourth quarter of 2024 to be able to inject and absorb power from the Grid which will be able address the possible curtailment of non-VRE projects and help provide grid stability and reliability. The Connection Assets, which will convey electricity between the Project and the Visayas Grid, is indispensable to the commercial operations of the Project.

29. In anticipation of the increased VRE penetration, the completion of the Project within the projected time frame is critical to ensure that additional VRE projects will increase the overall capacity of the Luzon Grid and not result in curtailment of existing non-VRE projects. Furthermore, the Project can also provide grid frequency regulation, the demand for which is expected to increase as VRE capacity increases. As such, EDC respectfully prays that the Honorable Commission provisionally authorize the development, ownership, and operation of the Connection Asset considering that the power demand projected by the DOE warrants the issuance of a Provisional Authority.<sup>20</sup>
30. It is in such context that EDC respectfully prays that a provisional authority be immediately issued for the development and construction of the Connection Asset.

**OTHER RELATED DOCUMENTS**

31. In further support of the instant application, the Applicant most respectfully submits to the Honorable Commission, the following documents:

Annex	Document
A	Certificate of Incorporation of EDC
B	Amended Articles of Incorporation of EDC
B-1	By-Laws of EDC
B-2	Secretary's Certificate
C	Latest General Information Sheet of EDC
D	Excerpt from DOE Power Development Plan 2020-2040
D-1	Excerpt of NGCP's recommended Transmission Development Plan 2023-2040 showing the Project
D-2	Request for DOE Endorsement dated June 28, 2024
E*	Project Background and Description
E-1*	Project Description (Interconnection Facilities)
E-2*	Project Rationale
E-3*	Feasibility Study
F	DOE Certificate of Registration No. GRESC 2009-10-001

<sup>20</sup> The Affidavit of Mr. Miguel De Vera in support of the Prayer for the issuance of Provisional Authority is attached as Annex "V" of the Application.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 10 OF 13**

G-series	Letter from NGCP forwarding the SIS to EDC and NGCP's System Impact Study on ±30 MW Tongonan Energy Storage System Project, including letters to and from NGCP
H-series	Environmental Compliance Certificate under ECC No. ECC-CO-1507-0021, including letters to and from DENR
I*	Facilities Study
I-1*	Review Report on the FS dated October 24, 2022
J	Affidavit of Miguel Lorenzo S. De Vera, Vice President, stating that the necessary applications for approval and endorsement of the Project will be filed with the relevant government authorities
K*	Detailed Estimated Cost of the Project
L	SEC Form 17-A for 2022
L-1	SEC Form 17-A for 2023
M	Relevant Dates of the Project
N*	Options considered and the comparison of these options
O*	The list of names and addresses of personnel responsible for the design, installation, maintenance, and repair of equipment for the proposed system
P	Single Line Diagram
Q	Undertaking to Comply with the 2016 Philippine Grid Code
R*	Conceptual Engineering Design and Drawings
R-1*	Conceptual Layout
R-2*	Proof of Technical Capability (Curriculum Vitae of Relevant EDC Personnel and List of Operations and Maintenance Team on site)
S*	Gantt Chart schedule of the proposed projects
T*	Project Contractors
U	Other relevant certifications from the DOE
V	Affidavit in Support of the Prayer for the Issuance of Provisional Authority

*\*Subject to motion for confidential treatment of information*

**Motion for Confidential Treatment of Information and Allegations in Support of the Prayer for Confidential Treatment of Information**

32. The Honorable Commission may, upon request of a party and determining that the disclosure of information requested to be treated as confidential information is justified, treat certain information submitted to it as confidential. Applicant is bound by confidentiality agreements prohibiting the disclosure of any business, technical, marketing, operational, organizational, financial or other information and trade secrets and other confidential documents, papers and information, as well as bound by data privacy law and rules as regards confidentiality of personal information of personnel or individuals.

33. Accordingly, the Applicant respectfully requests before the Honorable Commission that Annexes "E" to "E-3", "I" to "I-1", "K", "N", "O", "R" to "R-2", "S" and "T" attached hereto not be disclosed and be treated as confidential in accordance with Rule 4 of the ERC Rules. Annexes "E" to "E-3", "I" to "I-1", "K", "N", "O", "R" to "R-2", "S" and "T", attached hereto contain confidential information critical to the business operation of the Applicant, including trade secrets and business calculations, assumptions and projections, as well as personal employee information which may be covered by the Data Privacy Act.

**PRAYER**

WHEREFORE, Applicant EDC most respectfully prays that this Honorable Commission:

1. Issue an order provisionally authorizing EDC to develop, own, and operate the Connections Asset for Tongonan Battery Energy Storage System Project; and
2. After due notice and hearing, issue a final order: i) making the provisional authority a permanent authority to develop, own and operate the Connection Asset; and ii) authorizing EDC to operate and maintain the Connection Asset until such time said Connection Asset is otherwise reclassified, owned, operated and maintained b NGCP.
3. Issue an Order declaring the documents, and the information therein, duly marked as Annexes "E" to "E-3", "I" to "I-1", "K", "N", "O", "R" to "R-2", "S" and "T", as confidential information, within the purview of Rule 4 of the ERC Rules, thereby directing the same to be treated with confidentiality and be protected from public disclosure.

Other reliefs as may be appropriate under the circumstances are likewise prayed for.

The Commission hereby sets instant *Application* for hearing for determination of compliance with the jurisdictional requirements, expository presentation, and Pre-trial Conference<sup>21</sup> on **04 October**

---

<sup>21</sup> In the Commission's *Advisory* dated 26 July 2023, the Commission adopted the Summary Proceedings in accordance with Rule 17 of the Commission's Revised Rules of Practice and Procedure (ERC Revised RPP) in the filing, processing and evaluation of the applications for authority to develop and own or operate dedicated point-point limited transmission facilities, in the following instances: (1) Applications without intervenor, or uncontested applications; and (2) Applications with intervenors, provided all parties have agreed to subject the application to summary proceedings. Under the said summary proceedings and in accordance with Rule 17 of the ERC Revised RPP, the Applicant's presentation of evidence is through the submission and offering of the affidavits of its witnesses and other pieces of evidence within the time allowed by the Commission.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 12 OF 13**

---

**2024 (Friday) at nine o'clock in the morning (9:00 A.M.), through MS Teams Application as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>22</sup> and Resolution No. 01, Series of 2021<sup>23</sup> (ERC Revised Rules of Practice and Procedure).**

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](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph). The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, any persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at [docket@erc.ph](mailto:docket@erc.ph), and copy furnishing the Legal Service through [legal@erc.ph](mailto: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;
- 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](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), 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

---

<sup>22</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>23</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

**ERC CASE NO. 2024-035 MC**  
**NOTICE OF VIRTUAL HEARING / 30 AUGUST 2024**  
**PAGE 13 OF 13**

---

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](http://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](mailto: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.

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 30<sup>th</sup> day of August 2024 in Pasig City.

  
**MONALISA C. DIMALANTA**  
Chairperson and CEO *JMS*

  
LS: SJD/LSP/KT

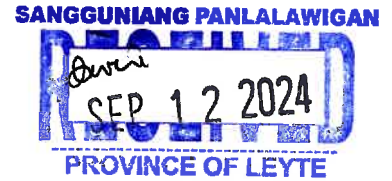
**ERC**  
Office of the Chairperson and CEO



MCD2024-019645

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
APPLICATION FOR  
AUTHORITY TO DEVELOP,  
OWN AND OPERATE  
DEDICATED POINT-TO-  
POINT LIMITED  
TRANSMISSION FACILITIES  
TO CONNECT THE  
TONGONAN BATTERY  
ENERGY STORAGE SYSTEM  
TO THE VISAYAS GRID,  
WITH MOTION FOR  
PROVISIONAL AUTHORITY  
AND FOR CONFIDENTIAL  
TREATMENT OF  
INFORMATION,**



**ERC CASE NO. 2024-035 MC**

**ENERGY DEVELOPMENT  
CORPORATION,**  
*Applicant.*  
X-----X

**Promulgated:**  
August 30, 2024

**ORDER**

On 26 July 2024, Energy Development Corporation (EDC) filed, through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application*, dated 12 July 2024, seeking the Commission's approval for the authority to develop, own and operate dedicated point-to-point limited transmission facilities to connect the Tongonan Battery Energy Storage System (Tongonan BESS) to the Visayas Grid, with motion for provisional authority and for confidential treatment of information.

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

**A. Introduction**

1. EDC is a corporation duly organized and validly existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 9<sup>th</sup> Floor, Rockwell Business

Jms

Center Tower 3, Ortigas Avenue, Pasig City. It may be served with orders and other legal processes through the undersigned counsel.

2. EDC is in the business of generation, sale, and supply of electricity from renewable energy ("RE") sources, including participation and trading in any market for electricity, ancillary power, or intangible assets and to engage in additional business activities arising from or related to EDC's primary purpose, including energy storage<sup>1</sup>
3. In its Power Development Plan 2020-2040, the Department of Energy ("DOE") recognizes the growing demand for power in the Philippines. For the Visayas Grid, the DOE projects the peak demand to more than quadruple, from 2,201 MW in 2020 to 8,982 MW in 2040. Given this, and based on its simulations for a high-demand scenario vis-a-vis an aspirational target of 50% renewable energy power generation mix by 2040 (i.e., "RE50-High Demand Scenario"), the DOE projects that a total of 19,195 MW new build capacities must be added to meet the demand and reserve margin requirements of the Grid. Renewable energy's share in these new build capacities is broken down as follows: 9,992 MW from solar; 4,335 MW from hydro; 3,768 MW from wind; 860 MW from gas; and 240 MW from geothermal.<sup>2</sup>
4. Leyte is an island sub-grid, and the gateway for power exchange between Visayas and Luzon. On average, about 200 MW passes through the HVDC line, in either direction. Momentary excess supply passing through Leyte can cause grid frequency to increase. It is at these moments when output from EDC's fully contracted baseload geothermal power plant is curtailed by the Grid operator to maintain grid stability. This Grid event is indicative of a need for an ancillary service provider in Leyte.
5. Moreover, further ahead into 2040, the Grid operator is expecting a significant penetration of variable renewable energy ("VRE") plants in Visayas. In the Capacity Expansion Model of the NGCP, new VREs are expected to reach 7,425 MW in 2040. This will be 67% of the total supply (11,034 MW) and 84% of peak demand (8,827 MW). This dramatic increase in variable renewable energy ("VRE") could lead to widespread curtailment of non-VRE plants during peak hours similar to the situation in Negros Island. The intermittence of VRE will negatively impact grid stability, and necessitate a combination of higher

---

<sup>1</sup> Copies of EDC's Certificate of Incorporation, Amended Articles of Incorporation and By-Laws, Secretary's Certificate, and latest General Information Sheet are attached as Annexes "A", "B", "B-1", "B-2," and "C" of the Application, respectively.

<sup>2</sup> A print-out of the relevant section in the Department of Energy's ("DOE") Power Development Plan 2020- 2040 and the relevant portion of NGCP's recommended Transmission Development Plan ("TDP") 2023-2040 showing the Project are attached as Annexes "D" and "D-1" of the Application, respectively. EDC's letter to the DOE requesting Certificate of Endorsement for the Project's Connection Assets is also attached as Annex "D-2" of the Application.



flexibility from generators, and more ancillary services to balance the Grid.<sup>3</sup>

6. In anticipation of this increased VRE penetration which may negatively affect the reliability of the Grid, and to help address the increasing energy demand of the country, EDC is developing the 10MW/ 10 MWh TONGONAN ENERGY STORAGE SYSTEM ("BESS" or the "Project"). In DOE Circular No. 2023-04-0008, the DOE recognized the applications and benefits of energy storage systems (ESS) in the improvement of the electric power system in accordance with the objective of ensuring the quality, reliability, security, sustainability, and affordability of the supply of electric power, and accelerating the exploration, development, and utilization of renewable energy (RE) resources.<sup>4</sup> The DOE recognized ESS as facilities capable of absorbing energy directly from the Grid or distribution system, or from a power plant Connected to the Grid or distribution system and storing it for a period of time, and injecting stored energy when prompted, needed to ensure reliability and balanced power system.<sup>5</sup>
7. EDC's Project can significantly assist in the improvement of the electric power system as contemplated by the DOE. As a RE generator, EDC recognizes the need for BESS so that if RE plants have to curtail (reduce) RE generation due to grid limitations or excess supply, the Project can store this curtailed energy and release it later when needed, maximizing the utilization of renewable resources and reducing wasted energy. The Project can store excess energy during peak generation and release it during periods of low generation, enabling a more reliable and consistent power supply. This smooths out the fluctuations in power supply, ensuring a more consistent flow of power to the Grid. Furthermore, the Project can provide grid frequency regulation which can help stabilize the Grid. When VRE output decreases, the grid frequency can drop. The Project can quickly inject stored energy into the Grid to counteract this drop, maintaining the crucial grid frequency. Conversely, during periods of high VRE output, the Project can absorb excess energy to prevent the frequency from rising too high.
8. In order to inject and absorb power from the Grid, as needed, EDC intends to construct point-to-point limited transmission facilities (the "Connection Asset") that will Connect the Project to the Visayas Grid, through the Tongonan 138kV Substation.<sup>6</sup>

---

<sup>3</sup> The Project Background and Description, Project Description (Interconnection Facilities), Project Rationale and EDC's Feasibility Study on the Project are attached hereto as Annexes "E" to "E-3" of the Application, respectively.

<sup>4</sup> Section 1. DOE Circular No. 2023-04-0008.

<sup>5</sup> Section 2.11. DOE Circular No. 2023-04-0008.

<sup>6</sup> The Options considered and the comparison of these options, Conceptual Engineering Design and Drawings, Conceptual Layout, Proof of Technical Capability (Curriculum Vitae of Relevant EDC Personnel and List of Operations and Maintenance Team on site), Gantt Chart schedule of the proposed projects, and Project Contractors are attached hereto as Annexes "N", "R", "R-1", "R-2", "S" and "T" of the Application, respectively.

This Connection Asset will be used only for the purpose of Connecting the BESS to the Grid, and will be used solely by EDC and not used to serve any end-user or supplier directly.

9. Section 9 of Republic Act (“RA”) 9136 or the Electric Power Industry Reform Act (“EPIRA”) of 2001 expressly provides that:

“A generation company may develop and own or operate dedicated point-to-point limited transmission facilities that are consistent with the Transmission Development Plan (“TDP”): *Provided*, That such facilities are required only for the purpose of Connecting to the transmission system, and are used solely by the generating facility, subject to prior authorization by the ERC: *Provided, further*, That in the event that such assets are required for competitive purposes, ownership of the same shall be transferred to the TRANSCO at a fair market price: *Provided, finally*, That in the case of disagreement on the fair market price, the ERC shall determine the fair market value of the asset.”

**B. Allegations in Support of Application**

10. On 23 October 2009, EDC was granted a Certificate of Registration<sup>7</sup> by the DOE, with Registration No. GRESC 2009-10-001. This Certificate recognizes EDC as a Renewable Energy Developer of Geothermal Energy Resources located in Kananga, Leyte (“Tongonan Geothermal Project”), which is covered by Geothermal Renewable Energy Service Contract No. 2009- 10-001.
11. As discussed above, EDC decided to develop the Project as it provides a flexible and responsive solution for integrating intermittent RE sources into the Grid. This helps maintain grid stability, improve power plant efficiency, and maximize the utilization of clean energy.
12. Thereafter, upon the request of EDC, the National Grid Corporation of the Philippines (“NGCP”) conducted a System Impact Study (“SIS”) to determine the technical feasibility of the proposed Project. On 23 December 2023 the NGCP issued the SIS Report<sup>8</sup> concluding that the proposed Connection of the ±30 MW Tongonan Energy Storage System Project to the Visayas Grid through the Tongonan 138 kV Substation is acceptable.

---

<sup>7</sup> A copy of DOE Certificate of Registration No. GRESC 2009-10-001 issued to Energy Development Corporation on 23 October 2009 is attached hereto as Annex “F” of the Application. A copy of Other Relevant Certifications from DOE is attached hereto as Annex “U” of the Application.

<sup>8</sup> A copy of the letter from NGCP forwarding the SIS to EDC and NGCP’s System Impact Study on ±30 MW Tongonan Energy Storage System Project, the Final Report of the SIS, including letters to and from NGCP is attached hereto as Annex “G-series”.

13. On 02 February 2016, EDC secured an Environmental Compliance Certificate under ECC No. ECC-CO-1507-0021 from the Department of Environment and Natural Resources (“DENR”) for the Tongonan Geothermal Project. Thereafter, on 08 September 2023, the DENR sent a letter to EDC approving its request to amend ECC No. ECC-CO-1507-0021 to include the modular 30 MWhr Battery Energy Storage System (“BESS”) and the testing of the Downbore Heat Exchanger (“DBHX”) Technology.<sup>9</sup>
14. EDC also prepared a Facilities Study (“FS”) to determine the technical feasibility of connecting the proposed Project at the proposed connection point in compliance with Section 5.3 of the Philippine Grid Code and B.14 of the Open Access Transmission Service. The FS was reviewed by NGCP on 10 June 2024.<sup>10</sup>
15. In addition, EDC is also in the process of obtaining the permits and licenses needed for the construction and development of the Project and will ensure timely application for such authorizations necessary for its operation, including the Certificate of Compliance (“COC”) from this Honorable Commission.<sup>11</sup>

**THE PROJECT’S CONNECTION  
ASSET WILL BE USED ONLY  
FOR THE PURPOSE OF  
CONNECTING THE BESS TO  
THE GRID**

16. A power plant and a BESS can have connection assets or component facilities that connect the power generator and the battery, respectively, to the Grid. This is evident from the Implementing Rules and Regulations (IRR) of RA 9136 or the EPIRA, which makes it an obligation of the Generation Company “to ensure that all its facilities connected to the Grid meet the technical design and operational criteria of the Grid Code and the Distribution Code promulgated by ERC”<sup>12</sup>, as well as under DOE Circular No. 2023-04-0008 where an ESS is required to “comply with the connection and operations requirements for ESS pursuant to the PGC, WESM Rules and relevant Market Manuals, and other relevant policies and regulations promulgated by the ERC and DOE”<sup>13</sup>.
17. The Connection Asset for the BESS will connect the Project to the Visayas Grid through the Tongonan 138kV Substation, and such Connection Asset will be used solely by EDC and will not be used to serve any end-user or supplier directly.

---

<sup>9</sup> A copy of EDC’s Environmental Compliance Certificate (ECC) with No. ECC-CO-1507-0021, including letters to and from DENR are attached hereto as Annexes “H-series” respectively.

<sup>10</sup> A copy of the Facilities Study and the Review Report on the FS are attached hereto and marked as Annexes “I” and “I-1” of the Application, respectively.

<sup>11</sup> A copy of the Affidavit of Miguel Lorenzo S. De Vera, Vice President of EDC, is attached as Annex “J” of the Application.

<sup>12</sup> Sec. 4(b) (i), Rule 5.

<sup>13</sup> Section 7.1, DOE Circular No. 2023-04-0008.

**THE PROJECT'S CONNECTION ASSET IS INCLUDED AND CONSISTENT WITH NGCP's 2023 TDP WHICH IS FOR APPROVAL OF THE DOE**

18. The Connection Asset for the BESS is listed under Appendix 4 - Private Sector Initiated Power Projects (specifically page 193) of NGCP's 2023 TDP which is currently for the approval of the DOE. Additionally, considering the importance of the Project, EDC has submitted its request to DOE for the issuance of a Certificate of Endorsement.

**THE PROJECT'S CONNECTION ASSET IS FINANCIALLY FEASIBLE, AND EDC HAS THE FINANCIAL CAPABILITY TO DEVELOP, OPERATE, AND MAINTAIN THE CONNECTION ASSET**

19. The Connection Asset is financially feasible. The cost for constructing and developing the Connection Asset is estimated at Php 488,570,572.05.<sup>14</sup> The Project, including the Connection Asset, will be funded through a combination of debt and internally generated funds with a ratio of 70% debt and 30% equity.
20. EDC's 2022 and 2023 SEC Form 17-A will show that EDC has financial capability to undertake the construction, development, operation, and maintenance of the entire Project,<sup>15</sup> which is expected to be in operation within the fourth quarter of 2024.<sup>16</sup>
21. In order to efficiently transmit the electricity between the Project and the Visayas Grid, EDC intends to construct and develop the Connection Assets that will connect the Project to the Visayas Grid, through the Tongonan 138kV Substation.

**THE PROJECT'S CONNECTION ASSET IS ACCEPTABLE, AND EDC HAS THE TECHNICAL CAPABILITY TO DEVELOP, OPERATE, AND MAINTAIN THE CONNECTION ASSET**

22. In its SIS issued on 23 December 2023, NGCP has determined that the proposed connection of the ±30 MW Tongonan Battery Energy Storage System Project to the Visayas Grid through the Tongonan 138 kV Substation is acceptable.

---

<sup>14</sup> A copy of the Detailed Estimated Cost of the Project is attached as Annex "K" of the Application.

<sup>15</sup> A copy of EDC's SEC Form 17-A for 2022 and 2023 are attached as Annexes "L" and "L-1" of the Application, respectively.

<sup>16</sup> A copy of the Relevant Dates of the Project is attached as Annex "M" of the Application.

23. Likewise, EDC's track record shows that it has the technical capability to develop, construct, operate, and maintain the Connection Asset based on the design and configuration in the SLD attached to the SIS as accepted by NGCP.

23.1 EDC owns and operates the Unified Leyte Geothermal Power Plant Complex (the "ULGPP") including the Unified Leyte - Central Switching Station ("UL-CSS") which is the switchyard located inside the ULGPP and which serves as the centralized dispatching asset of the six power plants constituting the ULGPP (the "UL Plants") in relation to the import and export of generation output to the Grid.

23.2 The electricity generated by the UL Plants is aggregated and conveyed to the UL CSS through a 230- kV network composed of seven (7) switchyards, 23-km transmission lines, and 33 towers. The generated electricity is aggregated and is then dispatched to the grid through two points of interconnections to Cebu and to Luzon Grids.

The operation and maintenance of the Connection Asset is planned to be carried out by personnel belonging to the Facilities Operations and Maintenance ("FOM") Group of EDC. These personnel will be under the supervision and direction of Engr. Liberato S. Virata, as the Head of EDC FOM. The personnel can all be contacted through EDC at its principal office address.<sup>17</sup>

**EDC SHOULD BE GRANTED  
AUTHORITY TO DEVELOP,  
OWN AND OPERATE THE  
CONNECTION ASSET**

24. Pursuant to Section 9 of the EPIRA, EDC hereby applies with the Honorable Commission for authority to develop, own, and operate the Connection Asset.

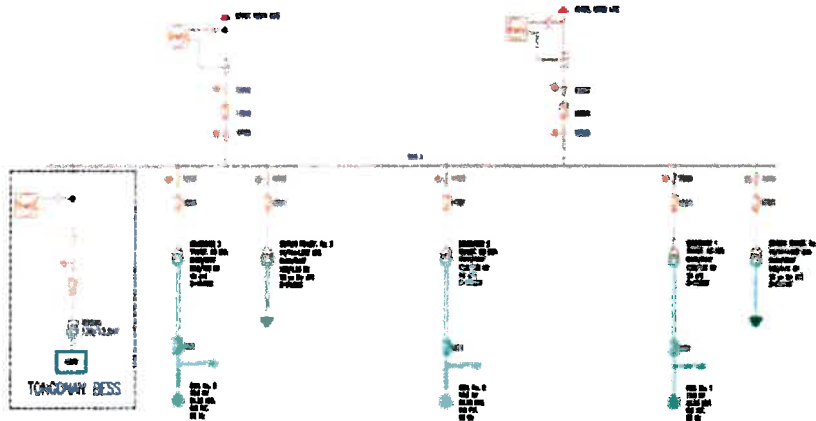
24.1 EDC's Connection Asset is required only to connect the Tongonan Battery Energy Storage System Project to the Visayas Grid through the Tongonan 138 kV Substation.

24.2 The Connection Asset will be used solely by the Tongonan Battery Energy Storage System Project, and will not be used to serve end-users or suppliers directly.

---

<sup>17</sup> The list of names and addresses of personnel responsible for the design, installation, maintenance, and repair of equipment for the proposed system is attached hereto as Annex "O" of the Application.

- 24.3 If the Connection Asset is taken out of the transmission system, it will not affect the Visayas Grid or other transmission customers connected to the Visayas Grid.
25. The single-line diagram of the proposed interconnection shows that the Connection Asset will be exclusively used to connect the Project to the Visayas Grid, through the 138 kV Tongonan Substation and is not designed and configured to serve end-users or suppliers directly.<sup>18</sup>



26. EDC undertakes to ensure that the Connection Asset will comply with the existing rules and regulations, particularly the 2016 Philippine Grid Code, and undertakes to comply with all such rules and regulations.<sup>19</sup>

**Motion for Provisional Authority  
and Allegations in Support of Prayer for Provisional  
Authority**

27. Rule 14 of the Honorable Commission's Rules of Practice and Procedure authorizes the issuance of a provisional authority or an interim relief prior to a final decision, provided that the facts and circumstances warrant the issuance of the same.
28. EDC intends to achieve commercial operations for the Project within the fourth quarter of 2024 to be able to inject and absorb power from the Grid which will be able address the possible curtailment of non-VRE projects and help provide grid stability and reliability. The Connection Assets, which will convey electricity between the Project and the Visayas Grid, is indispensable to the commercial operations of the Project.
29. In anticipation of the increased VRE penetration, the completion of the Project within the projected time frame is critical to ensure that additional VRE projects will increase the

---

<sup>18</sup> A copy of the Single Line Diagram is attached as Annex "P" of the Application.

<sup>19</sup> An Undertaking to Comply with the 2016 Philippine Grid Code is attached as Annex "Q" of the Application.

overall capacity of the Luzon Grid and not result in curtailment of existing non-VRE projects. Furthermore, the Project can also provide grid frequency regulation, the demand for which is expected to increase as VRE capacity increases. As such, EDC respectfully prays that the Honorable Commission provisionally authorize the development, ownership, and operation of the Connection Asset considering that the power demand projected by the DOE warrants the issuance of a Provisional Authority.<sup>20</sup>

30. It is in such context that EDC respectfully prays that a provisional authority be immediately issued for the development and construction of the Connection Asset.

**OTHER RELATED DOCUMENTS**

31. In further support of the instant application, the Applicant most respectfully submits to the Honorable Commission, the following documents:

Annex	Document
A	Certificate of Incorporation of EDC
B	Amended Articles of Incorporation of EDC
B-1	By-Laws of EDC
B-2	Secretary's Certificate
C	Latest General Information Sheet of EDC
D	Excerpt from DOE Power Development Plan 2020-2040
D-1	Excerpt of NGCP's recommended Transmission Development Plan 2023-2040 showing the Project
D-2	Request for DOE Endorsement dated June 28, 2024
E*	Project Background and Description
E-1*	Project Description (Interconnection Facilities)
E-2*	Project Rationale
E-3*	Feasibility Study
F	DOE Certificate of Registration No. GRESC 2009-10-001
G-series	Letter from NGCP forwarding the SIS to EDC and NGCP's System Impact Study on ±30 MW Tongonan Energy Storage System Project, including letters to and from NGCP
H-series	Environmental Compliance Certificate under ECC No. ECC-CO-1507-0021, including letters to and from DENR
I*	Facilities Study
I-1*	Review Report on the FS dated October 24, 2022

<sup>20</sup> The Affidavit of Mr. Miguel De Vera in support of the Prayer for the issuance of Provisional Authority is attached as Annex "V" of the Application.

Jms

J	Affidavit of Miguel Lorenzo S. De Vera, Vice President, stating that the necessary applications for approval and endorsement of the Project will be filed with the relevant government authorities
K*	Detailed Estimated Cost of the Project
L	SEC Form 17-A for 2022
L-1	SEC Form 17-A for 2023
M	Relevant Dates of the Project
N*	Options considered and the comparison of these options
O*	The list of names and addresses of personnel responsible for the design, installation, maintenance, and repair of equipment for the proposed system
P	Single Line Diagram
Q	Undertaking to Comply with the 2016 Philippine Grid Code
R*	Conceptual Engineering Design and Drawings
R-1*	Conceptual Layout
R-2*	Proof of Technical Capability (Curriculum Vitae of Relevant EDC Personnel and List of Operations and Maintenance Team on site)
S*	Gantt Chart schedule of the proposed projects
T*	Project Contractors
U	Other relevant certifications from the DOE
V	Affidavit in Support of the Prayer for the Issuance of Provisional Authority

*\*Subject to motion for confidential treatment of information*

**Motion for Confidential Treatment of Information and Allegations in Support of the Prayer for Confidential Treatment of Information**

32. The Honorable Commission may, upon request of a party and determining that the disclosure of information requested to be treated as confidential information is justified, treat certain information submitted to it as confidential. Applicant is bound by confidentiality agreements prohibiting the disclosure of any business, technical, marketing, operational, organizational, financial or other information and trade secrets and other confidential documents, papers and information, as well as bound by data privacy law and rules as regards confidentiality of personal information of personnel or individuals.
33. Accordingly, the Applicant respectfully requests before the Honorable Commission that Annexes "E" to "E-3", "I" to "I-1", "K", "N", "O", "R" to "R-2", "S" and "T" attached hereto not be disclosed and be treated as confidential in accordance with Rule 4 of the ERC Rules. Annexes "E" to "E-3", "I" to "I-1", "K", "N", "O", "R" to "R-2", "S" and "T", attached hereto contain confidential information critical to the business operation of the Applicant, including trade secrets and business calculations, assumptions and projections, as well as personal



employee information which may be covered by the Data Privacy Act.

**PRAYER**

WHEREFORE, Applicant EDC most respectfully prays that this Honorable Commission:

1. Issue an order provisionally authorizing EDC to develop, own, and operate the Connections Asset for Tongonan Battery Energy Storage System Project; and
2. After due notice and hearing, issue a final order: i) making the provisional authority a permanent authority to develop, own and operate the Connection Asset; and ii) authorizing EDC to operate and maintain the Connection Asset until such time said Connection Asset is otherwise reclassified, owned, operated and maintained b NGCP.
3. Issue an Order declaring the documents, and the information therein, duly marked as Annexes "E" to "E-3", "I" to "I-1", "K", "N", "O", "R" to "R-2", "S" and "T", as confidential information, within the purview of Rule 4 of the ERC Rules, thereby directing the same to be treated with confidentiality and be protected from public disclosure.

Other reliefs as may be appropriate under the circumstances 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, and Pre-trial Conference<sup>21</sup> on **04 October 2024 (Friday) at nine o'clock in the morning (9:00 A.M.)**, through **MS Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>22</sup> and Resolution No. 01, Series of 2021<sup>23</sup> (ERC Revised Rules of Practice and Procedure).

---

<sup>21</sup> In the Commission's *Advisory* dated 26 July 2023, the Commission adopted the Summary Proceedings in accordance with Rule 17 of the Commission's Revised Rules of Practice and Procedure (ERC Revised RPP) in the filing, processing and evaluation of the applications for authority to develop and own or operate dedicated point-point limited transmission facilities, in the following instances: (1) Applications without intervenor, or uncontested applications; and (2) Applications with intervenors, provided all parties have agreed to subject the application to summary proceedings. Under the said summary proceedings and in accordance with Rule 17 of the ERC Revised RPP, the Applicant's presentation of evidence is through the submission and offering of the affidavits of its witnesses and other pieces of evidence within the time allowed by the Commission.

<sup>22</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>23</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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

- 1) Cause the publication of the attached *Notice of Virtual Hearing* once (1x) in a newspaper of nationwide circulation in the Philippines at its own expense, at least 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) Legislative Bodies of the areas affected by the project 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 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 and attend the scheduled hearings; 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 to reimbursement of reasonable photocopying costs.

**No later than ten (10) calendar days** prior to the date of the initial virtual hearing, EDC must submit to the Commission through the EVOSS portal and via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), 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 affidavit of the Editor or Business Manager of the newspaper where the said *Notice*

*of Virtual Hearing* was published, and the complete issue of the said newspaper;

- 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, Mayor, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by SMGP to inform the consumers within the affected area of the filing of the *Application*, its reasons therefor, and of the scheduled hearing 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, EDC is hereby required to post on its 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 LGU legislative bodies, and to submit proof of posting thereof.

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

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;

- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor, which should also be attached to the Pre-Trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-Trial Brief.

Applicant 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 virtual hearing and Pre-Trial Conference pursuant to the preceding paragraph.

Failure of EDC to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing.

Applicant EDC must also be prepared to make an expository presentation of the instant *Application*, aided by whatever communication medium that it may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Application* must be cited in support thereof.

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

Applicant EDC is further 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.

Moreover, NGCP is hereby impleaded as a necessary party to this *Application*. Accordingly, NGCP is hereby directed to submit its

Jms

**Verified Comment** via e-mail at [docket@erc.ph](mailto:docket@erc.ph), copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), at least **five (5) calendar days** prior the date of the scheduled virtual hearing.


NGCP is further 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 **Verified Comment**, **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.

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

**SO ORDERED.**

Pasig City, 30 August 2024.

FOR AND BY AUTHORITY  
OF THE COMMISSION:

  
**MONALISA C. DIMALANTA**  
Chairperson and CEO *Jms*

  
LS: SLD/LSP/KTB

**ERC**  
Office of the Chairperson and CEO



MCD2024-019645

**ERC CASE NO. 2024-035 MC**  
**ORDER / 30 AUGUST 2024**  
**PAGE 16 OF 16**

---

Copy Furnished:

1. Energy Development Corporation (EDC)  
*Applicant*  
9<sup>th</sup> Floor, Rockwell Business Center Tower 3,  
Ortigas Avenue, Pasig City
2. The Law Firm of Quiason Makalintal  
Attys. Miguel K. Mathay, Gianna Maria C. Comsti, and Keanna Darrah A. Gran  
*Counsels for EDC*  
21/F Robinsons Equitable Tower  
4 ADB Avenue, Ortigas Center,  
Pasig City, Philippines 1605  
Email: [ercfilings@qmlaw.com.ph](mailto:ercfilings@qmlaw.com.ph)
3. Office of the Solicitor General (OSG)  
134 Amorsolo Street, Legaspi Village, Makati City  
Email address: [docket@osg.gov.ph](mailto:docket@osg.gov.ph)
4. National Grid Corporation of the Philippines (NGCP)  
NGCP Building, Quezon Avenue corner BIR Road  
Diliman, Quezon City  
Email: [litigation&regulatory@ngcp.ph](mailto:litigation&regulatory@ngcp.ph)  
[corpcom@ngcp.com.ph](mailto:corpcom@ngcp.com.ph)
5. Commission on Audit (COA)  
Commonwealth Avenue, Quezon City  
Email address: [citizensdesk@coa.gov.ph](mailto:citizensdesk@coa.gov.ph)
6. Senate Committee on Energy  
GSIS Building, Roxas Boulevard, Pasay City  
Email address: [senateenergycommittee@gmail.com](mailto:senateenergycommittee@gmail.com)
7. House Committee on Energy  
Batasan Hills, Quezon City  
Email address: [committee.energy@house.gov.ph](mailto:committee.energy@house.gov.ph)
7. Office of the City Mayor  
Pasig City
8. Office of the Local Government Unit (LGU) Legislative Body  
Pasig City
9. Office of the Governor  
Province of Leyte
10. Office of the LGU Legislative Body  
Province of Leyte
11. Office of the Municipal Mayor  
Kananga, Leyte
12. Office of the Sangguniang Bayan  
Kananga, Leyte
13. Regulatory Operations Service (ROS)  
Energy Regulatory Commission  
14<sup>th</sup> Floor, Exquadra Tower, 1 Jade Drive,  
Ortigas Center San Antonio, Pasig City  
Email: [ros@erc.ph](mailto:ros@erc.ph)