

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
IMPLEMENTATION OF
CAPITAL EXPENDITURE
PROGRAM FOR CALENDAR
YEARS 2021-2025 (BATCH 3),
WITH PRAYER FOR THE
ISSUANCE OF PROVISIONAL
AUTHORITY**

ERC CASE NO. 2021-065 RC

**NATIONAL GRID
CORPORATION OF THE
PHILIPPINES,**

Applicant.

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Promulgated:
September 17, 2021

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 23 August 2021, National Grid Corporation of the Philippines (NGCP) filed an *Application* dated 30 July 2021, for approval of the implementation of capital expenditure program for calendar years 2021-2025 (Batch 3), with prayer for the issuance of provisional authority.

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

The Applicant

1. NGCP is a corporation created and existing under the laws of the Philippines, with principal office address at NGCP Building, Quezon Avenue corner B.I.R. Road, Diliman, Quezon City. It is the concessionaire which was granted the rights and obligation to construct, install, finance, manage, improve, expand, operate, maintain, rehabilitate, repair, refurbish, and replace the Transmission Assets pursuant to R.A. No. 9136, otherwise

ERC CASE NO. 2021-065 RC
NOTICE OF VIRTUAL HEARING/ 03 SEPTEMBER 2021
PAGE 2 OF 8

known as the “*Electric Power Industry Reform Act of 2001*” (EPIRA).

2. Pursuant to R.A. No. 9511¹, NGCP was granted the franchise to operate, manage and maintain, and in connection therewith, to engage in the business of conveying or transmitting electricity through a high-voltage backbone system of interconnected transmission lines, substations and related facilities, system operations, and other activities that are necessary to support the safe and reliable operation of the transmission system² and is authorized to charge its customers at the rates approved by the Honorable Commission.
3. This Application is filed pursuant to paragraph (d), Section 9 of the EPIRA, which directs the transmission operator to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in the pursuit of its mandate to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.
4. Notwithstanding the absence of the Final Determination for the 4th and 5th Regulatory Periods, NGCP is mandated to ensure and maintain the quality, reliability, adequacy, security, stability and integrity of the nationwide grid. To perform these tasks, NGCP seeks authority from this Honorable Commission for the immediate implementation of the following capital expenditure projects:

	PROJECT NAME	BRIEF JUSTIFICATION
1.	Luzon Voltage Improvement Project -6	<p>The project aims to address the power quality during peak load and N-1 conditions at various substation in the Luzon Grid; it intends to provide additional reactive power support in the network to maintain the system voltage within $\pm 5\%$ of the nominal voltage during normal and single outage contingencies as prescribed under the Philippine Grid Code (PGC).</p> <p>The total estimated project cost is PhP1,359.556 Mn with an implementation period of 38 months.</p>
2.	Pinamucan - Tuy 500kv Transmission Line Project	<p>The project will provide another 500kV transmission corridor to accommodate additional generation capacities in Batangas City Area, which is being promoted as an LNG Terminal Hub. The project will complement the Tuy-</p>

¹ An Act Granting the National Grid Corporation of the Philippines a Franchise to Engage in the Business of Conveying or Transmitting Electricity Through High Voltage Back-bone System or Interconnected Transmission Lines, Substations and Related Facilities, and For Other Purposes;

² Id, Section 1;

ERC CASE NO. 2021-065 RC
NOTICE OF VIRTUAL HEARING/ 03 SEPTEMBER 2021
PAGE 3 OF 8

		<p>Silang 500kV Transmission Line (part of Tuy 500kV Substation Project) and Taguig- Silang 500kV Transmission Line Projects.</p> <p>The total estimated project cost is PhP6,240.803Mn and with an implementation period of 65 months.</p>
3	South Luzon Substation Upgrading Project 2	<p>The project aims to cater the load growth and provide N-1 contingency to various substations in NGCP's South Luzon Region; to ensure reliability and flexibility of operations on the various substations; and to improve power quality.</p> <p>The total estimated project cost is PhP5,775.135Mn with an implementation period of 60 months.</p>
4	Ambuklao-Binga 230kV Transmission Line Upgrading Project	<p>The project aims to address the overloading of Ambuklao-Binga 230kV Transmission Line during N-1 contingency by constructing a new 230kV double circuit line and taking into consideration the maximum dispatch of existing and incoming power plants in Cagayan Valley and Mountain Province Area; it also aims to upgrade the existing line to address its old condition.</p> <p>The total estimated project cost is PhP1,021.217Mn with an implementation period of 130 months.</p>
5	Binga - San Manuel 230kV Transmission Line Project	<p>The project aims to address the overloading of Binga- San Manuel 230kV Transmission Line; to provide N-1 contingency provision during maximum dispatch of power plants in Cagayan and Mountain Province Area; and additional generation capacity from future Renewable Energy Sources.</p> <p>The estimated cost of the project is PhP3,633.129Mn with an implementation period of 129 months.</p>

The *Project Application Documents* of Batch 3 Luzon Projects is hereto attached as **Annex "A"**.

6	Permanent Restoration of Panitan-Nabas 138kV Line affected by Typhoon Ursula	<p>The project will ensure system reliability and integrity of the Panitan-Nabas 138kV Line; minimize exposure to fault along</p>
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ERC CASE NO. 2021-065 RC
NOTICE OF VIRTUAL HEARING/ 03 SEPTEMBER 2021
PAGE 4 OF 8

		<p>the temporary by-pass line for the Panitan-Nabas 138kV Line, hence, will avoid load curtailment; and retrieve the temporary structures used for the by-pass line to ensure sufficient availability of temporary structures for future emergencies.</p> <p>The total estimated project cost is PhP316.975Mn and with an implementation period of 17 months.</p>
7	Visayas Voltage Improvement Project 2	<p>The project will address the power quality issues that will be experienced as early as 2021 at various areas in Visayas based on the projected demand; improve the reactive power support in the area; prevent load curtailment; and improve the stability of the Visayas Grid during occurrence of faults.</p> <p>The total estimated project cost is PhP2,265.103Mn with an implementation period of 28 months.</p>

The *Project Application Documents, Batch 3 Visayas Projects* is hereto attached as **Annex “B”**.

8	Malaybalay 138kV Substation Project	<p>The project aims to address the frequent unexpected power interruptions being experienced by customers and stakeholders in the Malaybalay City, Valencia City, and adjacent municipalities; to address the looming under voltage in the area; to mitigate the imminent thermal overloading of Maramag – Malaybalay 69 kV Line; and to improve system reliability by providing a new connection point for BUSECO, FIBECO, and other connected customers.</p> <p>The total estimated project cost is PhP1,936.147Mn with an implementation period of 38 months.</p>
9	Tumaga 138kV Substation Project	<p>The project aims to mitigate the anticipated overloading of the Pitogo - Tumaga-Zamboanga 69kV Line by redirecting the connection of ZAMCELCO’s Tumaga and Putik Load End Substations at the new Tumaga 138kV Substation; to help improve voltage profile in ZAMCELCO’s franchise area; and to provide a new connection point for ZAMCELCO.</p> <p>The total estimated project cost of the project is PhP2,332.496Mn</p>

ERC CASE NO. 2021-065 RC
NOTICE OF VIRTUAL HEARING/ 03 SEPTEMBER 2021
PAGE 5 OF 8

		with an implementation period of 48 months.
10	Sultan Kudarat - Pinarang 69kV Transmission Line Upgrading Project	<p>The project is aimed to improve system reliability to address the rotational power interruption due to opening of a shared power circuit breaker during load shifting, line fault, or preventive maintenance of the Sultan Kudarat-DSA-Tacurong 69kV line.</p> <p>The total estimated project cost is PhP540.807Mn with an implementation period of 24 months.</p>

The *Project Application Documents* of Batch 3 Mindanao projects is hereto attached as **Annex “C”**.

11	Grid Protection Relay Replacement Project (Phase 1, 2 and 3)	<p>The project involves the replacement of protection relays in the Luzon, Visayas and Mindanao Grid to ensure safe, secure and reliable operation of the Grid; The replacement is necessary as there are protection relays found to be defective, obsolete and outdated; There are transmission line and High Voltage equipment with no redundant protections; and There are substations with no Breaker Failure Relays installed.</p> <p>The total estimated project cost is PhP8,893.80Mn with and implementation period of 72 months. The GPRRP is targeted to be completed in 2025.</p>
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The *Project Application Documents* of Grid Protection Relay Replacement Project (Phase 1, 2, and 3) is hereto attached as **Annex “D”**.

Justifications for the Issuance of Provisional Approval

5. To reiterate, NGCP is required under paragraph (d), Section 9 of the EPIRA to seek prior approval from the Honorable Commission of any plan for expansion or improvement of its facilities in relation to its authority and responsibility to construct, install, finance, improve, expand, rehabilitate and repair the nationwide transmission system and the grid.
6. Along with its responsibility for the planning, construction and centralized operation and maintenance of its high voltage transmission facilities, it is indispensable for NGCP to ensure a reliable and high-performance operation of the transmission system. Thus, to avoid disruption of operation and to ensure continuous compliance with NGCP’s mandate under the EPIRA as the transmission operator, it is imperative that the

implementation of the proposed CAPEX projects be immediately approved.

7. In order to avoid the disruption of operation and remain in compliance with its mandate under the EPIRA as the transmission operator, it is imperative that the implementation of the proposed CAPEX projects be immediately approved.
8. In support of this application, NGCP submits the Judicial Affidavits of *Engr. Eufemio C. Buluran, Jr.*, *Engr. Michael R. Baylousis*, *Engr. Fernando S. Javier*, and *Engr. Vicente N. Loria* attached as **Annexes “E” to “H”**, respectively.

PRAYER

WHEREFORE, NGCP most respectfully prays this Honorable Commission to:

1. Immediately **ISSUE** an Order provisionally authorizing the implementation of the proposed CAPEX projects covered in this instant Application; and
2. **APPROVE**, after notice and hearing, the proposed CAPEX projects.

NGCP prays for other equitable relief.

The Commission has set the *Application* for determination of compliance with the jurisdictional requirements, expository presentation, pre-trial conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020,³ dated 24 September 2020, and Resolution No. 01, Series of 2021, dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):⁴

Date	Platform	Activity
15 October 2021 (Friday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams Application	Determination of compliance with jurisdictional requirements and Expository Presentation for the Luzon, Visayas and Mindanao Stakeholders

³ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

⁴ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

ERC CASE NO. 2021-065 RC
NOTICE OF VIRTUAL HEARING/ 03 SEPTEMBER 2021
PAGE 7 OF 8

Date	Platform	Activity
22 October 2021 (Friday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and Presentation of Evidence
29 October 2021 (Friday) at two o'clock in the afternoon (2:00 P.M.)		Presentation of Evidence

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled initial virtual hearing, via electronic mail (e-mail) at docket@erc.ph, 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, copy furnish the Legal Service through legal@erc.ph, a verified Petition to Intervene at least five (5) calendar days prior to the date of the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
- 3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure. No particular form of Opposition or Comment is

ERC CASE NO. 2021-065 RC
NOTICE OF VIRTUAL HEARING/ 03 SEPTEMBER 2021
PAGE 8 OF 8

required, but the document, letter, or writing should contain the following:

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


Any of the persons mentioned in the preceding paragraphs may access the copy of the *Application* on the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, thru legal.virtualhearings@erc.ph, with their respective e-mail addresses and indicating therein the case number of the instant *Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

WITNESS, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 3rd day of September 2021 in Pasig City.


AGNES VST DEVANADERA
Chairperson and CEO




LS: KPA/ARG/MCCG