

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR AUTHORITY TO DEVELOP, OWN AND/OR OPERATE DEDICATED POINT-TO-POINT LIMITED TRANSMISSION FACILITIES TO CONNECT THE APPROX. 3500.000MW_{DC}/ 2500.000MW_{AC} PV + 4500.000 MWhr/ 1125.000MW BATTERY ENERGY STORAGE SYSTEM HYBRID TERRA SOLAR PROJECT TO THE LUZON GRID VIA BUS-IN CONNECTION ALONG NAGSAAG-SAN JOSE 500KV TRANSMISSION LINE, WITH PRAYER FOR THE ISSUANCE OF A PROVISIONAL AUTHORITY AND PROTECTIVE ORDER FOR CONFIDENTIAL TREATMENT OF INFORMATION

ERC CASE No. 2024-048 MC

TERRA SOLAR PHILIPPINES, INC. (TSPI),
Applicant.
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Promulgated:
December 5, 2024

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 04 November 2024, Terra Solar Philippines, Inc. (TSPI) filed through the Energy Virtual One-Stop Shop (EVOSS) portal, an *Application* dated 14 October 2024, seeking

the Commission's approval of its authority to develop, own and/or operate dedicated point-to-point limited transmission facilities to connect the approx. 3500.000MW_{DC}/ 2500.000MW_{AC} PV + 4500.000 MWhr/ 1125.000MW Battery Energy Storage System Hybrid Terra Solar Project to the Luzon Grid via bus-in connection along the Nagsaag-San Jose 500kV Transmission line of the National Grid Corporation of the Philippines (NGCP), with prayers for the issuance of a provisional authority and confidential treatment of information.

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

1. TSPI is a corporation duly organized and existing by virtue of and under the laws of the Republic of the Philippines, with principal office address at Tower 1 Rockwell Business Center, Ortigas Avenue, Pasig City.

Copies of TSPI's Certificate of Registration, original Articles of Incorporation, and original By-Laws are attached and respectively marked as Annexes "A", "A-1" and "A-2." The latest amended Articles of Incorporation of TSPI is attached and marked as Annex "A-3."

2. TSPI is the owner, developer, and operator of a 3,500MW_{DC}/2500MW_{AC} PV + 4500MWhr/1125MW Battery Energy Storage System (BESS) Hybrid Terra Solar Project located in Nueva Ecija and Bulacan (the "Terra Solar Project").
3. TSPI may be served with orders, notices, and other processes of this Honorable Commission through its undersigned counsel.

I. NATURE OF THE APPLICATION

4. This Application is submitted to this Honorable Commission pursuant to Section 9 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA), for its consideration and approval of TSPI's development, ownership, and operation of dedicated point-to-point limited transmission facilities which shall connect the Terra Solar Project to the transmission grid.

A copy of the Secretary's Certificate showing approval for the project, authorizing the filing of the instant Application, and appointing the authorized representatives is attached hereto and made an integral part as Annex "B."

II. STATEMENT OF FACTS

5. The Terra Solar Project is a pioneering Solar Photovoltaic (PV) cells + BESS project that will be built and operated by TSPI, the details of which are more particularly described in the Project Information Sheet attached as Annex “C.”
6. TSPI is a duly registered renewable energy developer of solar energy resources, as evidenced by the Certificate of Registration dated 27 May 2024 issued by the Department of Energy (DOE), a copy of which is attached as Annex “D.”
7. TSPI is also a holder of a Solar Energy Operating Contract (SEOC) No. 2024-05-872 dated 27 May 2024, executed between the Republic of the Philippines, through the DOE, and TSPI. The SEOC grants TSPI the exclusive right to explore, develop and utilize the solar energy resources within the Contract Area (as defined in the SEOC) located in the parts of Gapan City, General Tinio, and Peñarada (*sic*) in the Province of Nueva Ecija (*sic*), and San Miguel and Doña Remedios, (*sic*) Trinidad in the Province of Bulacan. A copy of the SEOC is attached as Annex “E.”
8. The Terra Solar Project is classified as an Energy Project of National Significance (EPNS) as evidenced by a Certificate of EPNS No. 2024-07-0016 dated 23 July 2024, a copy of which is attached as Annex “F.”
9. In addition, the Philippine Board of Investments and the Department of Trade and Industry identified the Terra Solar Project as Strategic Investment pursuant to Executive Order No. 18 entitled “*Constituting Green Lanes for Strategic Investment.*” As such, the Terra Solar Project was issued with a Certificate of Endorsement (Certificate No. OSAC-SI-2024-053) dated 18 June 2024 and Certificate of Registration bestowing upon the Project entitlement to green lane issuance and processing of permits and licenses as mandated under the said Executive Order, *ie.* within 3 working days in case of simple transactions, 7 working days in case of complex transactions, and 20 working days for highly technical transactions from the date the complete application was received. A copy of the said Certificate of Endorsement is attached as Annex “F-1” and the Certificate of Registration is hereto attached as Annex F-2.”
10. The Terra Solar Project will supply to the Manila Electric Company commencing first quarter of 2026. The project will be developed in two phases: Phase 1, which is approximately 2500.000 MW_{DC}/ 1785.7143 MW_{AC} PV+ 3300.000 MWhr/825.000 MW BESS, is targeted to be operation in the first quarter of 2026; while Phase 2, which is approximately 1,000.000 MW_{DC} / 714.2857 MW_{AC} PV + 1,200.000 MWhr/300.000 MW BESS, is expected to begin commercial operations in the first quarter of 2027. The Power Supply Agreement has been approved by the Honorable Commission

in a decision dated 08 August 2023 in ERC Case No.2023-014RC titled “In the Matter of the Application for the Approval of the Power Supply Agreement between Manila Electric Company and Terra Solar Philippines, Inc.”

11. Pursuant to the SEOC and its contractual obligations in the approved PSA, TSPI is developing the Terra Solar Project which is targeted to undergo testing and commissioning prior to its committed delivery date of 26 February 2026.
12. In order to test, commission, and export energy from the Terra Solar Project to the transmission grid, TSPI shall develop and construct Dedicated Point-to-Point Limited Transmission Facilities, comprising of the following equipment:
 - a. Terra Solar Gapan Main Collector 500 kV Substation, consisting of 3x1000MVA 500/230/13.8kV @333MVA Single Phase Autotransformers in bank;
 - b. Four (4) bays of 500kV switchyard, 200 meters, more or less, from 3x1000MVA transformers to the gantry of the 500kV Switchyard;
 - c. Two (2) double circuit 500kV Transmission Line, 4x410sqmm TACSR from the Terra Solar Gapan Main Collector 500 kV Substation and will bus-in to the existing NGCP Nagsaag - San Jose 500kV Transmission Line, with an approximate length of 13 kilometers;
 - d. Metering facilities to be connected at the high side (500 kV) of each transformer bank; and
 - e. Related primary and secondary equipment necessary to complete and operate the grid interconnection.
13. The National Grid Corporation of the Philippines (NGCP) conducted a System Impact Study (SIS), which included a study of the supply and demand in the area. A copy of the SIS is attached as Annex “G”,¹ the Demand-Supply data found on page 7 of the SIS is marked as Annex “G-1,”² and the NGCP letter dated 17 July 2024 is attached and marked as Annex “G-2.”³
14. A Facilities Study was also conducted for the Terra Solar Project to ensure that the equipment to be installed will satisfy the recommendations in the SIS, and that the Dedicated Point

¹ Subject of a Motion for Confidential Treatment of Information.

² *Ibid.*

³ *Ibid.*

to Point Limited Transmission Facilities comply with the Philippine Grid Code and other relevant rules. The Facilities Study was subjected to NGCP's review. A copy of the Facilities Study and NGCP's review thereto is attached and made integral parts hereof as Annexes "H to H-1."⁴

15. Based on the foregoing studies, the Terra Solar Gapan Main Collector 500 kV Substation (identified in Paragraph 12.a above), will be solely utilized by the Terra Solar Project in supplying energy to the grid.
16. On the other hand, remaining components of the facilitates (identified in Paragraph 12.b to 12.e) will form part of the 500kV transmission backbone of NGCP, namely: (i) four (4) bays of 500kV switchyard, 200 meters, more or less, from 3x1000MVA transformers to the gantry of the 500kV Switchyard; (ii) two (2) double circuit 500kV Transmission Lines, 4x410sqmm TACSR from the Terra Solar Gapan Main Collector 500 kV Substation and will bus-in to the existing NGCP Nagsaag - San Jose 500kV Transmission Line, with an approximate length of 13 kilometers; (iii) metering facilities to be connected at the high side (500 kV) of each transformer bank; and (iv) related primary and secondary equipment necessary to complete and operate the grid interconnection.
17. The SIS states that the outage of the Terra Solar Gapan Main Collector 500 kV Substation (*referred to in the SIS as "Nueva Ecija 2 Substation"*) and the 4-500kV Transmission Lines will affect all generators⁵ connected thereto and will disrupt the supply of power to Metro Manila loads. Pertinent portion of the SIS reads:

"The generation capacity additions in North Luzon are interrelated as they will be using the same 500 kV or 230 kV transmission backbone. xxx The combined current and projected local loads in North Luzon can considerably utilize the electricity coming from the generation sources in the area. **However, there is still a significant available surplus that can be delivered to the load center in Metro Manila using the existing 500 kV transmission facilities.** xxx⁶ (Emphasis supplied)

18. In such case and upon determination by the Honorable Commission, TSPI shall transfer the pertinent assets to NGCP at fair market price consistent with the provisions of Section 9 of Republic Act No. 9136, which states:

⁴ *Ibid.*

⁵ See page 7 of the SIS for the list of generators.

⁶ See page 3 of the SIS.

“A generation company may develop and own or operate dedicated point-to-point limited transmission facilities that are consistent with the 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. xxx

19. In determining the final route of the bus-in connection, TSPI considered other possible options for the connection of the Terra Solar Plant to the transmission grid. After a thorough review of the available options, TSPI determined that the bus-in connection along the Nagsaag-San Jose 500Kv Transmission Line is the most cost-effective and technically viable option for the immediate interconnection of the Terra Solar Project. A copy of the *Alternatives Considered* is attached as Annex “I.”
20. In light of the foregoing, TSPI respectfully seeks approval from the Honorable Commission to develop, construct, own and operate the Dedicated Point-to-Point Limited Transmission Facilities to connect the Terra Solar Project to the Luzon Grid.
21. Once completed, the operation, service and maintenance of the said facilities is proposed to be undertaken by NGCP, consistent with the decisions of the Honorable Commission on similar applications. A copy of TSPI’s letter to NGCP containing the said request is attached as Annex “J” and NGCP’s reply to the said request is attached as Annex “J-1.”
22. In further support of this Application, TSPI respectfully submits the following documents:

Annex	Documents
K	Single Line Diagram
L and L-1*	Conceptual Engineering Design and Drawings*
M*	Project Cost Estimates*
N	Gantt Charts
O	Relevant Dates
P	Company Profile of Project Contractors
Q	NGCP letter confirming that the status of the execution of the Connection Agreement
R	Sworn Statement as regards the permits

S	Environmental Compliance Certificate
T and T-1	Key Management Officials and Latest General Information Sheet
U	Explanation on Non-Applicability of Other Items
V and V-1	2024-2050 Transmission Development Plan, pages 34 and 173
V-2	DOE Certificate of Endorsement for the Point to Point Facilities

** Subject of a Motion for Confidential Treatment of Information*

FINAL CONNECTION

23. The SIS report shows that NGCP may eventually transfer the connection of the TSPI to NGCP’s future San Isidro Substation. Based on the TDP, the Estimated Time of Completion of the proposed San Isidro 500kV Substation is in the 2031-2040 horizon.⁷ However, the actual completion date is still indeterminable at this point as the project has not been filed before the Honorable Commission.

ALLEGATIONS IN SUPPORT OF PRAYER FOR TREATMENT OF CONFIDENTIAL INFORMATION

24. TSPI respectfully requests that the information contained in the following documents be treated as confidential information pursuant to Rule 4 of the Honorable Commission’ Revised Rules of Practice and Procedure:

Annex	Documents
G, G-1 and G-2	SIS and NGCP letter on SIS
H and H-1	FS and NGCP approval of FS
L and L-1	Conceptual Engineering Designs
M	Project Cost Estimates

25. These documents pertain to sensitive information relating to TSPI’s internal strategies and the project’s cost breakdown. In the event that these are disclosed to the public, TSPI’s competitiveness will be adversely affected. Thus, the information contained in those documents are within the ambit of proprietary trade secrets which are entitled to protection under the Constitution, statutes, and pertinent rules and regulations of this Honorable Commission.
26. Further, in the issued ADVISORY of the Honorable Commission dated 13 November 2023, these documents are listed as confidential documents. It is respectfully submitted therefore that ANNEXES G, G-1, G-2 H, H-1, L, L-1, and M fall within the bounds of proprietary “trade secrets” which are

⁷ See Annex V.

entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.

27. TSPI respectfully requests that the documents marked as ANNEXES G, G-1, G-2 H, H-1, L, L-1, and M be treated as confidential during the pendency of this Application and any time thereafter, and that these be used solely for the purpose of evaluation.

PRAYER FOR ISSUANCE OF PROVISIONAL AUTHORITY
OR INTERIM RELIEF

28. All the foregoing allegations are herein re-pleaded by reference in support of this Prayer for the issuance of a provisional authority or interim relief.
29. Connecting the Terra Solar Project to the Luzon Grid via bus-in connection along the Nagsaag-San Jose 500kV Transmission Line is an essential requisite to the plant's commercial operations scheduled in the first quarter of 2026.
30. The expected need of MERALCO for capacity to be used in its franchise area in the coming years warrants the issuance of the provisional authority. The PSA between MERALCO and TSPI was approved with finality by this Honorable Commission in a Decision dated 08 August 2023.
31. Furthermore, the RE Law has declared that it is the policy of the State to *accelerate the exploration and development of renewable energy resources such as.. solar.. including hybrid systems* , to achieve energy self reliance, through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets.⁸
32. Lastly, as alleged above, the Terra Solar Project is considered an EPNS⁹ and is a holder of a BOI Certificate of Registration.¹⁰ As such, the Terra Solar Project is entitled to an expedited timeline in the issuance of permits and licences, (*sic*) among others.
33. In support of the prayer for the immediate issuance of a provisional authority, a copy of the affidavit executed by Mr. Philip D. Dasalla is hereto attached and made an integral part hereof as Annex "W."

PRAYER

WHEREFORE, premises considered, TSPI respectfully prays for the Honorable Commission to

⁸ RA 9513, Sec2(a)

⁹ See Annex F.

¹⁰ See Annex F-1 and F-2.

1. Declare the information contained in ANNEXES G, G-1, G-2 H, H-1, L, L-1, and M as Confidential information and issue a Protective Order pursuant to Rule 4 of the ERC Revised Rules of Practice and Procedure;
2. Immediately issue an Order granting PROVISIONAL AUTHORITY for the implementation of the development of the Dedicated Point-to-Point Limited Transmission Facilities to connect the Terra Solar Project to the Luzon Grid;
3. Confirm the classification of the Dedicated Point-to-Point Limited Transmission Facilities;
4. After hearing, immediately issue a Decision approving the Application within the processing time of Green Lanes for Strategic Investments; and
5. Compute the permit fee based on the approved connection assets of TSPI.

TSPI prays for other just and equitable relief under the premises.

The Commission hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, and Pre-trial Conference¹¹ on **14 January 2025 (Tuesday) at two o'clock in the afternoon (2:00 P.M.)**, through **MS Teams Application** as the online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020¹² and Resolution No. 01, Series of 2021 (ERC Revised Rules of Practice and Procedure).¹³

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.

¹¹ 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 intervenors, 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.

¹² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

¹³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Moreover, any person who has an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at docket@erc.ph, copy furnishing the Legal Service through legal@erc.ph, a verified Petition to Intervene **at least five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition must follow 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 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, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment **at least five (5) calendar days** prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

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

All interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof, either through personal service, registered or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

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

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

WITNESS, the Honorable Chairperson and CEO **MONALISA C. DIMALANTA**, and Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 5th day of December 2024 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


KRISHA MARIE T. BUELA
Director III, Legal Service