



NATIONAL POWER CORPORATION

26 June 2023

HON. MANUEL N. MAMBA
Governor, Province of Cagayan
Provincial Capitol
Tuguegarao 3500
Cagayan

**SUBJECT: ERC VIRTUAL HEARING FOR PHOTOVOLTAIC MAINSTREAMING
(PVM) BENCHMARK TARIFF IN MISSIONARY AREAS**

Dear Governor Mamba:

We refer to the Order and Notice of Public Hearing both dated 15 June 2023 issued by the Energy Regulatory Commission (ERC) relative to NPC's filed Application for the Photovoltaic Mainstreaming (PVM) Benchmark Tariff under ERC Case No. 2023-056 RC.

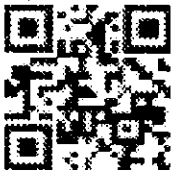
In compliance with the above Order, we are furnishing your office with a copy of the said ERC issuances for posting on your bulletin board for public information. Accordingly, we respectfully request a Certification of Posting (**Annex A**) signed by you or your duly designated representative, **bearing the seal and logo** of your office, **certifying the receipt, and posting on your bulletin boards** of the said ERC Order and Notice of Virtual Hearing. The Certification will be submitted to the ERC before the initial hearing as part of NPC's compliance with the jurisdictional requirements of the aforementioned case.

Further, if you have no dry seal and logo, kindly make a small note on the lower left side of the Certification, i.e., not using dry seal and logo so we can manifest the same to the Honorable Commission.

We will highly appreciate receiving a copy of the Certification on or before 08 August 2023 for consolidation and preparation of reports/documents relative thereof.

Governor's
Office

07/05/2023 04:53
PM



CAG-ETD-23-1330

CO-20595

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Quezon City 1100, Philippines
Tel. Nos. (632) 8921-3541 to 80 • Fax No. (632) 8921-2468
Website: www.napocor.gov.ph



Finally, we encourage you and your invitees to attend the ERC public/virtual hearing on the following schedules:

Date and Time	Platform	Activity
29 August 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements, and Expository Presentation
05 September 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

You may send the Certification via registered mail to the Electricity Tariff Division – Revenue Management Department, Corporate Affairs Group, National Power Corporation, BIR Road cor. Quezon Avenue, Diliman Quezon City, and its advance copy thru any of the following email addresses: emreyes@napocor.gov.ph or dmanabat@napocor.gov.ph.

Should you need clarifications, please feel free to contact us at (02) 8921-3541 local 5362 or 5722.

Thank you for your continued support and more power.

Respectfully yours,



RENE B. BARRUELA
Vice President
Corporate Affairs Group

Enclosure: As stated

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
PROPOSED
PHOTOVOLTAIC
MAINSTREAMING (PVM)
BENCHMARK TARIFF AND
ASSOCIATED MECHANISM**

ERC CASE NO. 2023-056 RC

NATIONAL POWER
CORPORATION,
Applicant.

Promulgated:
June 15, 2023

X-----X

ORDER

On 07 June 2023, National Power Corporation (NPC) filed an *Application* dated 02 May 2023, seeking the Commission's approval of its proposed Photovoltaic Mainstreaming (PVM) Benchmark Tariff and associated mechanism, with prayer for issuance of provisional authority.

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

BRIEF SUMMARY OF APPLICATION

1. In 2020, NPC started programming and preparing for the implementation of its Photovoltaic Mainstreaming ("PVM") projects in the missionary areas. Pursuant to this project, it entered into a Memorandum of Agreement ("MOA") with the Department of Energy ("DOE") for the Implementation of Power Supply System Project funded under FY 2021 Locally Funded Project – Total Electrification Program ("LFP-TEP"), which includes the installation of 50Wp – Solar Home System ("SHS") units to hasten the electrification of the Missionary Areas.

A copy of the MOA between NPC and DOE is hereto attached as Annex "A" and series.

2. The said MOA is in relation to DOE Circular No. 2014-07-0012¹ which was issued pursuant to Section 3(c)² of Rule 13 of the Implementing Rules and Regulations ("IRR") of the Electricity Power Industry Reform Act of 2001 ("EPIRA").

A copy of the DOE Circular No. 2014-07-0012 is hereto attached as Annex "B" and series for easy reference of this Honorable Commission.

3. With the signing of the MOA, NPC issued NPC Circular No. 2022-026³ dated 05 October 2022, governing the implementation of its PVM Projects. The said Circular states, among others:
- a. that PVM shall be considered for New Area with load demand of 20kW and below;
 - b. Areas with dispersed Households of below 300;
 - c. Areas with dispersed Households and load survey results of below 20kw; and
 - d. Dispersed households within NPC mini-grid area which are not feasible for grid extension, connection to the nearest tapping point, not contiguous and unviable to extend the line.
4. Most of the programmed PVM projects are completed and/or nearest completion, hence, the need for NPC to have its own Benchmark Tariff for this type of electrification solution. With the foregoing, NPC is hereby filing the instant Application to adopt and apply the PVM Benchmark Tariff Rates in various location in the missionary areas to hasten and achieve the total electrification in the countryside which would lead to the betterment of the standard of living and livelihood opportunities of Filipinos without access to electricity.

BACKGROUND

5. NPC is a government-owned and controlled corporation, created and existing under and by virtue of Republic Act No. 6395, as amended, with principal office address at NPC-OBC Building Complex, corner Quezon Avenue and BIR Road, East Triangle, Diliman, Quezon City.
6. Pursuant to Section 70 of R.A. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001, NPC through its Small Power Utilities Group (NPC-SPUG), with the same principal office address stated above, is responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system.

¹ Accelerating household electrification in off-grid and isolated areas through electricity supply by the regulated Solar Home Systems.

² Section 3(c) of Rule 13 of the EPIRA-IRR states "Whenever feasible, SPUG shall utilize Renewable Energy Resources."

³ Policy/Implementing Guidelines for the Photovoltaic Mainstreaming (PVM) Program of NPC.

7. One of the strategic initiatives of the previous Administration is the 100% Total Household Electrification in the country by 2022 based on CY 2015 Census with the ultimate objective of sustainable and inclusive economic growth and poverty reduction through provision of the basic electricity services for all Filipinos. Continuing the efforts of the previous administration, the new administration mandates the prioritization of the exploration and use of renewable energy.
8. Thus, NPC programmed in its previous Missionary Electrification Plans and in the 2022-2026 MEP, the PVM projects including the installation of 1,706 Solar Home System ("SHS") units as one of the electrification solutions in the missionary areas.

The electronic copy of the 2022-2026 MEP is hereto attached as Annex "C".

9. The afore-mentioned 2022-2026 MEP outlines the strategic directions of NPC pursuant to its mandated missionary electrification functions under Section 70 of the EPIRA. In furtherance of this mandate, the development of renewable energy programs and projects are consistent with RA 9513⁴ and the established targets of the DOE both in increasing energy in the country's energy mix and in promoting prevalence of renewable in off-grid areas. This is further in compliance with the provisions in the Clean Air Act in terms of the energy generation mix of fossil-fueled generating sets and renewable energy.
10. In addition, 2022-2026 MEP discuss among others, the detailed distribution of SHS beneficiaries across the country for CY 2022 and CY 2023. This is upon coordination with DOE, National Electrification Administration ("NEA") and the Electric Cooperatives ("ECs") / Local Government Units ("LGUs") for the electrification endeavors.
11. NPC thru the National Government funds piloted its own PVM program, by installing 50Wp – SHS units to hasten the total household electrification in the Missionary Areas.

A copy of the Executive Summary of the PVM project is hereto attached as Annex "D". Further, the sources of funds for the aforementioned 1,706 SHS units are hereto attached as Annex "E".

12. As mentioned, NPC entered into a MOA with the DOE for the electrification of unserved areas in the Missionary Areas of NPC and was funded under DOE's CY 2021 LFP-TEP.

⁴ An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes.

APPLICANT'S PVM PROGRAM AND SHS PROJECT

13. **Objectives.** The Applicant's PV Mainstreaming scheme is the provision of individual solar home system that can provide lighting and charge capability with a system for prepaid payment collection and monitoring.
14. **Project Description.** The SHS Unit of NPC's PVM program includes the following:
 - a. 50 Wp Capacity of Solar Panel
 - b. Main Unit - Battery with Charge controller (with port for charging cellphones, torch lamp and AM/FM radio)
 - c. 3 pcs. - 3 Watts LED Bulb (indoor)
 - d. 1 pc. - 1 Watt LED Bulb (outdoor)
 - e. Torch Lamp (detachable)
 - f. Radio (detachable)
15. **PVM/SHS Beneficiaries.** The table below shows the detailed distribution of 5,401 SHS units or household customers targeted in missionary areas for CY 2022 and CY 2023 under the 2022-2026 MEP; NPC's total number of beneficiaries for the PVM program will increase in the succeeding years as NPC continues its PVM projects:

Table 1: List of New Areas for PV Mainstreaming

	CY 2022	CY 2023	TOTAL
	No. of Households		
CAGAYAN	480	130	610
ISABELA	1034		1034
MASBATE	517		517
PALAWAN		809	809
EASTERN			
SAMAR		127	127
BOHOL	361	164	525
LEYTE		258	258
DINAGAT	214	110	324
ZAMBOANGA		70	70
SULU	379	226	605
BASILAN	235	287	522
			5401

A copy of the list of new areas for the PV Mainstreaming is hereto attached as Annex "F".

BENCHMARK TARIFF FOR PV MAINSTREAMING

16. **Adopting and applying applicable provisions and principles of ERC Resolution No. 17, Series of 2017, as well as the DOE Circular No. 2014-07-0012,** Applicant NPC hereto presents its own benchmark tariff mechanism and rates.
17. **Initial Capital Cost.** The initial capital cost for the PV Mainstreaming program of NPC is covered or funded by the National Government Subsidy and DOE's CY 2021 Locally Funded Projects - Total Electrification Program ("LFP-TEP").

18. Obligations to Procure, Install and Maintain the PV Mainstreaming. Applicant has the obligation to procure, install and maintain the PVM. NPC will make at least quarterly or monthly visits or as the need arises to every PVM/SHS site or member customer to inspect the system and make minor repairs. Visits for major repairs will be conducted as needed. The PVM/SHS units shall be owned by NPC and will fund the cost of replacing SHS major components as required.
19. NPC has already procured the Supply and Delivery of 1706 units for the PVM program. Thus, the Technical Specification and Operating Manual of the units are hereto submitted for easy reference of this Honorable Commission.

A copy of the Notice of Award of Contract No. LOGMSSP 2022-03-019-ZCT" for the Supply and Delivery of 1706 units of PVM is hereto attached as Annex "G" and series. Further, the Technical Specification of the units is hereto attached as Annex "H" and series. Lastly, the PVM Operating Manual is hereto attached as Annex "I" and series, respectively.

20. Basis of Benchmark PV Mainstreaming Tariff. The tariff shall be based on the best approximation of the operating and capital costs that an efficient distribution utility ("DU") would expect to incur in providing an ongoing service to all SHS member-customers, including replacing components as necessary, and covering both direct and indirect overhead costs.
21. Cost Zone. NPC adopt the cost zone of 45 km and beyond the nearest SPUG office for purposes of uniformity or cost zone applicable to small islands and islets. As such, there was no incremental cost adjustment in the allocation of the salary and per diem of the personnel in all areas.

**METHODOLOGY / RATE SETTING OF THE PROPOSED
PVM BENCHMARK TARIFF**

22. Applicant hereby proposes a calculation of the PVM benchmark tariff to be charged to its customers in missionary areas as fixed monthly charge and adopts the imposition of 50WP and cost Zone C or 45 km distance to where the customer is located. The cost components and assumptions used by the Applicant are as follows:

Table 2: Parameters of NPC's PV Mainstreaming

Parameter	Value
Total No. of Households	5401
Total No. of Sites	31
Average No. of Site per Region	10
No. of Region (LuzViMinda)	3
No. of Visits, Scheduled	4
No. of Visits Unscheduled	1
No. of Days, including travel	4
Salary, Technician 1 (PhP/month)	22,829.40
Salary, Technician 2 (PhP/month)	21,156.30

Travel Allowance (PhP/day) ¹	2,200.00
Insurance Cost (% of the total CAPEX)	0.30%
Equipment Fund (Replacement), Solar Panel, 50 Wp (PhP)	17,014.34
Equipment Fund (Replacement), Battery, (PhP)	13,691.54
Equipment Fund (Replacement), Controller, (PhP)	4,894.12
Economic Life, Solar Panel (Years)	25
Economic Life, Battery (Years)	10
Economic Life, Controller (Years)	5

Note: ¹ - based on NPC's Salary Scale for 2020 Contract of Service (COS).
² - Per Diem based on the highest rate prescribe in Executive Order No. 77, series of 2019

The description with breakdown/components of the proposed PVM Benchmark Tariff is hereto attached as Annex "J" and series.

I. Base Operating Cost

23. The base operating cost is composed of the following:
- Salaries and Per Diem of Technician 1 and Technician 2 for each region or equivalent to six (6) personnel; and
 - Insurance Cost.
24. Salaries were based on NPC's Salary Scale for 2020 Contract of Service ("COS"), a copy of which is hereto attached as Annex "J-1". Salaries are composed of Technician 1 and Technician 2 for each region or equivalent to six (6) personnel. Also attached as Annex "J-2" and series is the National Power Board approval of the NPC's Salary Scale dated 04 September 2019.
25. On the other hand, per diem is based on the highest rate prescribe in Executive Order no. 77 series of 2019 or equivalent to PhP2,200 per day. Per diem is computed using four (4) scheduled (quarterly) and one (1) unscheduled visit of two (2) personnel in each grid or equivalent to six (6) personnel.

A copy of the Allowable per diem per Executive Order No. 77 is hereto attached as Annex "J-3" and series.

26. Insurance Cost is equivalent to 0.30% of the capital cost of the equipment necessary for the maintenance of SHS equipment to cover damages that are not caused by its usual wear and tear.
27. The Monthly Base Operating Costs shall be calculated based on the following:

$$\text{MoBOC} = \text{MoS} + \text{MoPD} + \text{MoI}$$

Where,
 MoBOC – Monthly Base Operating Costs per SHS unit

MoS – Monthly Salaries of Personnel per SHS unit
MoPD – Monthly Per Diem for the scheduled and
unscheduled visits to maintain the SHS
per SHS unit
MoI – Monthly Insurance

- Monthly Salaries of Personnel for the PVM are computed as follows:

Technician 1= PhP22,829.40 per month

$$\begin{aligned}\text{MoS1} &= (\text{Salary Rate} \times \# \text{ of personnel}) / \text{PVM units} \\ &= (\text{PhP}22,829.40 \times 3) / 5,401 \\ &= \text{PhP}68,488.20 / 5,401 \\ &= \text{PhP}12.68 \text{ per month}\end{aligned}$$

Technician 2= PhP21,156.30 per month

$$\begin{aligned}\text{MoS2} &= (\text{Salary Rate} \times \# \text{ of personnel}) / \text{PVM units} \\ &= (\text{PhP}21,156.30 \times 3) / 5,401 \\ &= \text{PhP}63,468.90 / 5,401 \\ &= \text{PhP}11.75 \text{ per month}\end{aligned}$$

- Monthly Per Diem for the PVM is computed as follows:

Per diem = PhP2,200 per day

$$\begin{aligned}\text{MoPD} &= \text{Amount} \times \# \text{ of sites} \times \text{total} \# \text{ visits per} \\ &\quad \text{day, including travel time} \times \# \text{ of visit} \\ &\quad \text{per year} / 12 \text{ months} / \text{PVM units} \\ &= \text{PhP}2,200 \times 31 \text{ sites} \times 4 \times 5 / 12 \text{ months} \\ &= \text{PhP}113,666.67 / 5,401 \\ &= \text{PhP}21.05 \text{ per month each for Technician} \\ &\quad \text{1 and Technician 2}\end{aligned}$$

- Monthly Insurance for the PVM is computed as follows:

Total Capital Cost = solar panel + battery + controller

$$\begin{aligned}&= \text{PhP}17,014.34 + 13,691.54 + 4,894.12 \\ &= \text{PhP}35,600.00\end{aligned}$$

$$\begin{aligned}\text{MoI} &= \text{total contract price} \times 0.30\% / 12 \text{ months} \\ &= \text{PhP}106.80 / 12 \text{ months} \\ &= \text{PhP}8.90 \text{ per month}\end{aligned}$$

II. Capital Cost

28. There was no capital cost considered in this instant Application considering that the PVM projects were funded under National Government Subsidy and the CY 2021 DOE LFP-TEP.

III. Equipment or Replacement Cost Fund

29. Though SHS were subsidized by DOE and National Government, and that ownership will be transferred after the installation, the Applicant shall be responsible for the maintenance and subsequent replacement of all major

components of the SHS (module, mounting, battery, controller).

30. Attached as Annex "K" is the computation of equipment or replacement cost fund for the solar panel, battery and controller. The costs of replacements will be covered by a separate and ring-fenced Replacement Cost Fund (RCF).
31. The RCF charges shall be determined as the sum of the replacement costs of the individual components of an individual PVM divided by their expected life (in months).
32. The Equipment or Replacement Costs Fund shall be calculated based on the following:

$$\text{MoRCF} = \text{MoAICSP} + \text{MoAICB} + \text{MoAICC}$$

Where,

MoRCF – Monthly Replacement Costs Fund

MoAICSP – Monthly Allowable Investment Costs for Solar Panel

MoAICB – Monthly Allowable Investment Costs for Battery

MoAICC – Monthly Allowable Investment Costs for Controller

$$1) \quad \text{Solar Panel Investment Cost} = \text{PhP}17,014.34 \times 33\%$$

$$\begin{aligned} \text{MoAICSP} &= \frac{[\text{Investment cost} \times 33\%]}{\text{economic life}} \\ &= \frac{\text{PhP}17,014.34 \times 33\%}{25 / 12} \\ &= \text{PhP}18.72 \text{ per month} \end{aligned}$$

$$2) \quad \text{Battery Investment Cost} = \text{PhP}13,691.54 \times 95\% \times 80\%$$

$$\begin{aligned} \text{MoAICB} &= \frac{[\text{Investment cost} \times 95\%] \times 80\%}{\text{economic life} / 12 \text{ months}} \\ &= \frac{\text{PhP}13,691.54}{10 / 12} \\ &= \text{PhP}86.71 \text{ per month} \end{aligned}$$

$$3) \quad \text{Controller Investment Cost} = \text{PhP}4,894.$$

$$\begin{aligned} \text{MoAICC} &= \frac{\text{Investment cost}}{\text{economic life} / 12 \text{ months}} \\ &= \frac{\text{PhP}4,894.12}{5 / 12} \\ &= \text{PhP}81.57 \text{ per month} \end{aligned}$$

$$4) \quad \text{MORCF} = \text{MoAICSP} + \text{MoAICB} + \text{MoAICC}$$

$$\begin{aligned} &= \text{PhP}18.72 + \text{PhP}86.71 + \text{PhP}81.57 \\ &= \text{PhP}187.00 \text{ per month} \end{aligned}$$

33. Applicant NPC adopts the following equipment or replacement cost fund components and parameters:

Table 3: Component of replacement costs fund

Component	Investment cost per unit	Economic Life	Other Details
Solar Panel Capacity (Wp)	17,014.34	25	33% of the cost shall be needed to replace/maintain the solar panel, with 25-year design life

Battery (Ah)	13,691.54	10	Cost is based on 95% supplier listed price and assumes 80%, with 10-year design life
Controller (A)	4,894.12	5	Cost is based on 100%, with 5-year design life

34. The Applicant would like to take note that the above cost is based on the contract price for the supply and delivery of 1706 SHS units while the assumptions and the economic life used were all based on the approved benchmark tariff of the Electric Cooperatives under ERC Case No. 2014-003 RM.

IV. Cost Zone and Adjustment

35. NPC filed for a cost zone of 45 km and beyond the nearest SPUG office for purposes of uniformity in the island or off-grid areas. As such, there was no adjustment in the allocation of the salary and per diem of the personnel in all areas. The cost zone used was similar to Zone C of the ECs under the above-mentioned Decision on 2014-003 RM.

V. Benchmark Tariff

36. Considering all the foregoing, Applicant arrived at the following tariff computation:

Particulars	PhP/month
Base Operating Costs	
Salary	
Technician 1	12.68
Technician 2	11.75
Per Diem	
Technician 1	21.05
Technician 2	21.05
Total Payroll	66.52
Insurance	8.90
Total Operating Costs	75.42
Replacement Costs Fund	
Solar Panel Capacity (WP)	18.72
Battery (Ah)	86.71
Controller (A)	81.57
Total EF	187.00
Total PVM Tariff	262.42

37. Applicant proposes the benchmark tariff as follows:

Type	Zone	Duration	PhP/month*
1	50 Wp	30 days	262.00

**rounded-off figures*

38. To support the above calculation, the Applicant hereto attached the proposed PVM/SHS Tariff to be charged to the customers as Annex "L".
39. These PVM tariff to be charged in the off-grid customers will be supported by a pre-paid loading scheme.

40. In support of the PV Mainstreaming Program, the Applicant hereto attached as Annex "M", the electronic copy of the forms signed by the PVM/SHS beneficiaries that are willing to avail the PVM Program and to pay the PVM/SHS Tariff as well.
41. The National Power Board approved the filing of this PVM Benchmark Tariff application as evidenced by the National Power Board Resolution No. 2023-11 dated 08 March 2023, hereto attached as Annex "N".

**ADDITIONAL ALLEGATIONS IN SUPPORT FOR
PROVISIONAL AUTHORITY**

42. Applicant NPC respectfully pleads, adopts and incorporates the foregoing allegations in the proposed PVM benchmark tariff of NPC in so far as they may be applicable.
43. Out of 1,706 units, the 30% or 517 SHS units located at Masbate areas were already placed and awaiting implementation as early as July 2022, the 34% allocation for Bohol and Dinagat areas were completed in January 2023 and the rest of 36% intended for Sulu and Basilan areas were already delivered and now laid down in Zamboanga due to peace and order situation in the Western Mindanao region. The 993 DOE funded SHS funded units are scheduled for installation in the 1st quarter of 2023. In addition, the supply and delivery for another 651 SHS units for missionary areas in Cagayan and Isabela are in process. While the Terms of Reference ("TOR") for another 1,358 units are already completed and ready for procurement process.
44. Therefore, to enable NPC to efficiently operate to ensure the successful implementation of these NPC's renewable energy program thru the Photovoltaic Mainstreaming or Solar Home Systems and to provide electrification to these off-grid and far-flung households, there is an urgent need for the issuance of a provisional authority.
45. The issuance of provisional authority is allowed under Section 3 Rule 14 of the Rules of Practice and Procedure. Likewise, the authority of the Honorable Commission to issue a provisional authority is confirmed by the Supreme Court in the case of Freedom from Debt Coalition, et al., vs ERC, et. Al., G.R. No. 16113 (June 15, 2004), when it held that "the power to approve provisional rate increases is included among the powers transferred to the ERC by virtue of Section 44 since the grant of that authority is not inconsistent with the EPIRA; rather, it is in full harmony with the thrust of the law which is to strengthen the ERC as the new regulatory body".
46. NPC is thus imploring the kind consideration of this Honorable Commission and respectfully prays that the Honorable Commission approves the proposed benchmark tariff for NPC's photovoltaic mainstreaming (PVM) program. It is likewise respectfully prayed that a provisional authority

based on the foregoing premises be issued by this Honorable Commission.

PRAYER

WHEREFORE, premises considered, Applicant National Power Corporation, most respectfully prays that this Honorable Commission issue an Order:

- a. Approving r the photovoltaic mainstreaming (PVM) or solar home system (SHS) units of the NPC-SPUG areas; and
- b. Issuing a provisional authority for the adoption of the applied rates while this Application is being heard before the Commission.

Other reliefs, just and equitable, are likewise prayed for.

Finding the said *Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference and presentation of evidence on the following dates and venue, or online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020⁵ and Resolution No. 01, Series of 2021⁶ (ERC Revised Rules of Practice and Procedure):

Date and Time	Platform	Activity
29 August 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements, and Expository Presentation
05 September 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

Applicant NPC is directed to attend the said hearings at the designated venues.

⁵ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
⁶ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

RELATIVE THERETO, NPC is hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at its own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governors, the City and Municipal Mayors and the respective Local Government Unit (LGU) legislative bodies within the affected areas and the City Mayor and LGU legislative body of Quezon City for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within the affected area, by any other means available and appropriate, of the filing of the *Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives and attend the scheduled hearing; and
- 5) Furnish with copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, subject to reimbursement of reasonable photocopying costs.

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

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of the affidavits of the Editors or Business Managers of the newspapers where the said *Notice of Virtual Hearing* was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by NPC to inform the consumers within the affected areas of the filing of the *Petition*, its reasons therefor, and of the scheduled hearings thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Application* and its attachments, except those subject of a motion for confidential treatment of information, if any, by all those making requests therefor; and
- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, NPC 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, Mayors, and Local Legislative Bodies, and to submit proof of posting thereof.

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

- 1) A summary of admitted facts and proposed stipulation of facts;

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

Applicant NPC must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission **at least five (5) calendar days** before the date of the scheduled initial hearing and Pre-trial Conference pursuant to the preceding paragraph.

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

Applicant NPC 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 NPC is hereby directed to file a copy of its Expository Presentation via e-mail at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior to the scheduled virtual hearing. NPC 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 NPC is hereby directed to submit, through personal service, registered mail or ordinary mail/private courier, one (1) set of the original or certified true hard printed 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.




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

SO ORDERED.

Pasig City, 15 June 2023.

FOR AND BY AUTHORITY
OF THE COMMISSION:


MONALISA C. DIMALANTA
Chairperson and CEO _m

LS:  /  / 
LS: JFB / MAM / MCCG

ERC
Office of the Chairperson and CEO

MCD2023-004558

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Copy Furnished:

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8. House of Representatives Committee on Energy
House of Representatives
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Email: committee.energy@house.gov.ph
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Quezon City
10. Office of the Legislative Government Unit (LGU) Legislative Body
Quezon City
11. Office of the Provincial Governor
Batanes
12. Office of the LGU Legislative Body
Batanes
13. Office of the City Mayor
Basco, Batanes
14. Office of the LGU Legislative Body
Basco, Batanes
15. Office of the Municipal Mayor
Itbayat, Batanes
16. Office of the LGU Legislative Body
Itbayat, Batanes
17. Office of the Municipal Mayor
Sabtang, Batanes
18. Office of the LGU Legislative Body
Sabtang, Batanes

19. Office of the Municipal Mayor
Mahatao, Batanes
20. Office of the LGU Legislative Body
Mahatao, Batanes
21. Office of the Municipal Mayor
Uyugan, Batanes
22. Office of the LGU Legislative Body
Uyugan, Batanes
23. Office of the Municipal Mayor
Ivana, Batanes
24. Office of the LGU Legislative Body
Ivana, Batanes
25. General Manager
Batanes Electric Cooperative, Inc. (BATANELCO)
26. Office of the Provincial Governor
Cagayan
27. Office of the LGU Legislative Body
Cagayan
28. Office of the Municipal Mayor
Calayan, Cagayan
29. Office of the LGU Legislative Body
Calayan, Cagayan
30. General Manager
Cagayan II Electric Cooperative, Inc. (CAGELCO II)
31. Office of the Provincial Governor
Apayao
32. Office of the LGU Legislative Body
Apayao
33. Office of the Municipal Mayor
Kabugao, Apayao
34. Office of the LGU Legislative Body
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35. Office of the Provincial Governor
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36. Office of the LGU Legislative Body
Kalinga
37. Office of the Municipal Mayor
Lubuagan, Kalinga
38. Office of the LGU Legislative Body
Lubuagan, Kalinga
39. General Manager
Kalinga-Apayao Electric Cooperative, Inc. (KAELCO)
40. Office of the Provincial Governor
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45. Office of the LGU Legislative Body
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46. Office of the Municipal Mayor
Dinapigue, Isabela
47. Office of the LGU Legislative Body
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48. General Manager
Isabela II Electric Cooperative, Inc. (ISELCO II)
49. Office of the Provincial Governor
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50. Office of the LGU Legislative Body
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51. Office of the Municipal Mayor
Casiguran, Aurora
52. Office of the LGU Legislative Body
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53. Office of the Municipal Mayor
Dingalan, Aurora
54. Office of the LGU Legislative Body
Dingalan, Aurora
55. Office of the Municipal Mayor
Dilasag, Aurora
56. Office of the LGU Legislative Body
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57. Office of the Municipal Mayor
Dinalungan, Aurora
58. Office of the LGU Legislative Body
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59. General Manager
Aurora Electric Cooperative, Inc. (AURELCO)
60. Office of the Provincial Governor
Quezon
61. Office of the LGU Legislative Body
Quezon
62. Office of the Municipal Mayor
Jomalig, Quezon

63. Office of the LGU Legislative Body
Jomalig, Quezon
64. Office of the Municipal Mayor
Patnanungan, Quezon
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Patnanungan, Quezon
66. Office of the Municipal Mayor
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67. Office of the LGU Legislative Body
Polilio, Quezon
68. General Manager
Quezon II Electric Cooperative, Inc. (QUEZELCO II)
69. Office of the Provincial Governor
Batangas
70. Office of the LGU Legislative Body
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71. Office of the Municipal Mayor
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72. Office of the LGU Legislative Body
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73. General Manager
Batangas II Electric Cooperative, Inc. (BATELEC II)
74. Office of the Provincial Governor
Marinduque
75. Office of the LGU Legislative Body
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76. Office of the Municipal Mayor
Boac, Marinduque
77. Office of the LGU Legislative Body
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78. Office of the Municipal Mayor
Mogpog, Marinduque
79. Office of the LGU Legislative Body
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80. Office of the Municipal Mayor
Santa Cruz, Marinduque
81. Office of the LGU Legislative Body
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82. Office of the Municipal Mayor
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83. Office of the LGU Body
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87. Office of the LGU Legislative Body
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88. General Manager
Marinduque Electric Cooperative, Inc. (MARELCO)
89. Office of the Provincial Governor
Occidental Mindoro
90. Office of the LGU Legislative Body
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91. Office of the City Mayor
Lubang, Occidental Mindoro
92. Office of the LGU Legislative Body
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93. Office of the Municipal Mayor
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95. Office of the Municipal Mayor
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96. Office of the LGU Legislative Body
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97. Office of the Municipal Mayor
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98. Office of the LGU Legislative Body
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99. Office of the Municipal Mayor
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101. Office of the Municipal Mayor
Calintaan, Occidental Mindoro
102. Office of the LGU Legislative Body
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103. Office of the Municipal Mayor
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104. Office of the LGU Legislative Body
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105. Office of the Municipal Mayor
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106. Office of the LGU Legislative Body
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107. Office of the Municipal Mayor
Rizal, Occidental Mindoro
108. Office of the LGU Legislative Body
Rizal, Occidental Mindoro
109. Office of the Municipal Mayor
Sablayan, Occidental Mindoro
110. Office of the LGU Legislative Body
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111. Office of the Municipal Mayor
Sta. Cruz, Occidental Mindoro
112. Office of the LGU Legislative Body
Sta. Cruz, Occidental Mindoro
113. General Manager
Occidental Mindoro Electric Cooperative, Inc. (OMECO)
114. General Manager
Lubang Island Electric Cooperative (LUBELCO)
115. Office of the Provincial Governor
Oriental Mindoro
116. Office of the LGU Legislative Body
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117. Office of the City Mayor
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118. Office of the LGU Legislative Body
Calapan, Oriental Mindoro
119. Office of the Municipal Mayor
Baco, Oriental Mindoro
120. Office of the LGU Legislative Body
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121. Office of the Municipal Mayor
San Teodoro, Oriental Mindoro
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124. Office of the LGU Legislative Body
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125. Office of the Municipal Mayor
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126. Office of the LGU Legislative Body
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127. Office of the Municipal Mayor
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137. Office of the Municipal Mayor
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139. Office of the Municipal Mayor
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147. General Manager
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150. Office of the City Mayor
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 156. Office of the Municipal Mayor
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 158. Office of the Municipal Mayor
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 160. Office of the Municipal Mayor
Coron, Palawan
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Cagayancillo, Palawan
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Cagayancillo, Palawan
 164. Office of the Municipal Mayor
Cullion, Palawan
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 166. Office of the Municipal Mayor
Cuyo, Palawan
 167. Office of the LGU Legislative Body
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 168. Office of the Municipal Mayor
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 169. Office of the LGU Legislative Body
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 170. Office of the Municipal Mayor
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 171. Office of the LGU Legislative Body
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 172. Office of the Municipal Mayor
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Taytay, Palawan
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Taytay, Palawan
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Aborlan, Palawan
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Brooke's Point, Palawan
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Española, Palawan
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Quezon, Palawan
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192. Office of the Municipal Mayor
Bataraza, Palawan
193. Office of the LGU Legislative Body
Bataraza, Palawan
194. Office of the Municipal Mayor
Dumaran, Palawan

195. Office of the LGU Legislative Body
Dumaran, Palawan
196. General Manager
Main Office
Palawan Electric Cooperative, Inc. (PALECO)
197. General Manager
Sub-Office
Palawan Electric Cooperative, Inc. (PALECO)
198. General Manager
Busuanga Island Electric Cooperative, Inc. (BISELCO)
199. Office of the Provincial Governor
Romblon
200. Office of the LGU Legislative Body
Romblon
201. Office of the City Mayor
Romblon, Romblon
202. Office of the LGU Legislative Body
Romblon, Romblon
203. Office of the Municipal Mayor
Banton, Romblon
204. Office of the LGU Legislative Body
Banton, Romblon
205. Office of the Municipal Mayor
Concepcion, Romblon
206. Office of the LGU Legislative Body
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207. Office of the Municipal Mayor
Corcuera, Romblon
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209. Office of the Municipal Mayor
Odiongan, Romblon
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Odiongan, Romblon
211. Office of the Municipal Mayor
San Fernando, Romblon
212. Office of the LGU Legislative Body
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213. Office of the Municipal Mayor
San Jose, Romblon
214. Office of the LGU Legislative Body
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215. Office of the Municipal Mayor
Alcantara, Romblon
216. Office of the LGU Legislative Body
Alcantara, Romblon

217. Office of the Municipal Mayor
Calatrava, Romblon
218. Office of the LGU Legislative Body
Calatrava, Romblon
219. Office of the Municipal Mayor
Ferrol, Romblon
220. Office of the LGU Legislative Body
Ferrol, Romblon
221. Office of the Municipal Mayor
Looc, Romblon
222. Office of the LGU Legislative Body
Looc, Romblon
223. Office of the Municipal Mayor
San Agustin, Romblon
224. Office of the LGU Legislative Body
San Agustin, Romblon
225. Office of the Municipal Mayor
San Andres, Romblon
226. Office of the LGU Legislative Body
San Andres, Romblon
227. Office of the Municipal Mayor
Santa Fe, Romblon
228. Office of the LGU Legislative Body
Santa Fe, Romblon
229. Office of the Municipal Mayor
Sta. Maria (Imelda), Romblon
230. Office of the LGU Legislative Body
Sta. Maria (Imelda), Romblon
231. Office of the Municipal Mayor
Magdiwang, Romblon
232. Office of the LGU Legislative Body
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233. Office of the Municipal Mayor
Cadidiocan, Romblon
234. Office of the LGU Legislative Body
Cadidiocan, Romblon
235. General Manager
Romblon Electric Cooperative, Inc. (ROMELCO)
236. General Manager
Tablas Island Electric Cooperative, Inc. (TIELCO)
237. Provincial Governor
Camarines Sur
238. Office of the LGU Legislative Body
Camarines Sur

239. Office of the Municipal Mayor
Caramoan, Camarines Sur
 240. Office of the LGU Legislative Body
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 241. Office of the Municipal Mayor
Garchitorena, Camarines Sur
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 243. Office of the Municipal Mayor
Sagay, Camarines Sur
 244. Office of the LGU Legislative Body
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 245. General Manager
Camarines Sur IV Electric Cooperative, Inc. (CASURECO IV)
 246. Provincial Governor
Catanduanes
 247. Office of the LGU Legislative Body
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 248. Office of the Municipal Mayor
Bato, Catanduanes
 249. Office of the LGU Legislative Body
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 250. Office of the Municipal Mayor
Caramoran, Catanduanes
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Caramoran, Catanduanes
 252. Office of the Municipal Mayor
Viga, Catanduanes
 253. Office of the LGU Legislative Body
Viga, Catanduanes
 254. Office of the Municipal Mayor
Pandan, Catanduanes
 255. Office of the LGU Legislative Body
Pandan, Catanduanes
 256. Office of the Municipal Mayor
Bagamonoc, Catanduanes
 257. Office of the LGU Legislative Body
Bagamonoc, Catanduanes
 258. Office of the Municipal Mayor
Panganiban (Payo), Catanduanes
 259. Office of the LGU Legislative Body
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 268. Office of the Municipal Mayor
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 269. Office of the LGU Legislative Body
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 270. General Manager
First Catanduanes Electric Cooperative, Inc. (FICELCO)
 271. Provincial Governor
Albay
 272. Office of the LGU Legislative Body
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 273. Office of the Municipal Mayor
Rapu-rapu, Albay
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 275. General Manager
Albay Electric Cooperative, Inc. (ALECO)
 276. Provincial Governor
Masbate
 277. Office of the LGU Legislative Body
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 278. Office of the City Mayor
Masbate, Masbate
 279. Office of the LGU Legislative Body
Masbate, Masbate
 280. Office of the Municipal Mayor
Aroroy, Masbate
 281. Office of the LGU Legislative Body
Aroroy, Masbate
 282. Office of the Municipal Mayor
Baleno, Masbate
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283. Office of the LGU Legislative Body
Baleno, Masbate
284. Office of the Municipal Mayor
Balud, Masbate
285. Office of the LGU Legislative Body
Balud, Masbate
286. Office of the Municipal Mayor
Batuan, Masbate
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Batuan, Masbate
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Cataingan, Masbate
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Cawayan, Masbate
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Cawayan, Masbate
292. Office of the Municipal Mayor
Dimasalang, Masbate
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294. Office of the Municipal Mayor
Esperanza, Masbate
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Esperanza, Masbate
296. Office of the Municipal Mayor
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298. Office of the Municipal Mayor
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299. Office of the LGU Legislative Body
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300. Office of the Municipal Mayor
Mobo, Masbate
301. Office of the Legislative Government Unit (LGU) Legislative Body Legislative Body
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302. Office of the Municipal Mayor
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 - 310. Office of the Municipal Mayor
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 - 312. Office of the Municipal Mayor
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 - 314. Office of the Municipal Mayor
San Pascual, Masbate
 - 315. Office of the LGU Legislative Body
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 - 316. Office of the Municipal Mayor
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 - 317. Office of the LGU Legislative Body
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 - 318. General Manager
Masbate Electric Cooperative, Inc. (MASELCO)
 - 319. General Manager
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 - 320. Office of the Provincial Governor
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 - 321. Office of the LGU Legislative Body
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 - 322. Office of the Municipal Mayor
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 - 323. Office of the LGU Legislative Body
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 - 324. Office of the Provincial Governor
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 - 325. Office of the LGU Legislative Body
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 - 326. Office of the Municipal Mayor
Nueva Valencia, Guimaras
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- 327. Office of the LGU Legislative Body
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 - 328. Office of the Provincial Governor
Antique
 - 329. Office of the LGU Legislative Body
Antique
 - 330. Office of the Municipal Mayor
Caluya, Antique
 - 331. Office of the LGU Legislative Body
Caluya, Antique
 - 332. Office of the Municipal Mayor
Culasi, Antique
 - 333. Office of the LGU Legislative Body
Culasi, Antique
 - 334. General Manager
Antique Electric Cooperative, Inc. (ANTECO)
 - 335. Office of the Provincial Governor
Cebu
 - 336. Office of the LGU Legislative Body
Cebu
 - 337. Office of the Municipal Mayor
Bantayan, Cebu
 - 338. Office of the LGU Legislative Body
Bantayan, Cebu
 - 339. Office of the Municipal Mayor
Pilar, Cebu
 - 340. Office of the LGU Legislative Body
Pilar, Cebu
 - 341. Office of the Municipal Mayor
Poros, Cebu
 - 342. Office of the LGU Legislative Body
Poros, Cebu
 - 343. Office of the Municipal Mayor
Santa Fe, Cebu
 - 344. Office of the LGU Legislative Body
Santa Fe, Cebu
 - 345. General Manager
Bantayan Electric Cooperative, Inc. (BANELCO)
 - 346. General Manager
Camotes Electric Cooperative, Inc. (CELCO)
 - 347. Office of the Provincial Governor
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 - 348. Office of the LGU Legislative Body
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353. Office of the Municipal Mayor
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354. Office of the LGU Legislative Body
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355. General Manager
Province of Siquijor Electric Cooperative, Inc. (PROSIELCO)
356. Office of the Provincial Governor
Biliran
357. Office of the LGU Legislative Body
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358. Office of the Municipal Mayor
Maripipi, Biliran
359. Office of the LGU Legislative Body
Maripipi, Biliran
360. General Manager
Maripipi Multi-Purpose Cooperative, Inc. (MMPC)
361. Office of the Provincial Governor
Southern Leyte
362. Office of the LGU Legislative Body
Southern Leyte
363. Office of the Municipal Mayor
Limasawa, Southern Leyte
364. Office of the LGU Legislative Body
Limasawa, Southern Leyte
365. General Manager
Southern Leyte Electric Cooperative, Inc. (SOLECO)
366. Office of the Provincial Governor
Samar
367. Office of the LGU Legislative Body
Samar
368. Office of the Municipal Mayor
Almagro, Samar
369. Office of the LGU Legislative Body
Almagro, Samar
370. Office of the Municipal Mayor
Santo Niño, Samar

371. Office of the LGU Legislative Body
Santo Niño, Samar
372. Office of the Municipal Mayor
Tagapul-an, Samar
373. Office of the LGU Legislative Body
Tagapul-an, Samar
374. Office of the Municipal Mayor
Zumarraga, Samar
375. Office of the LGU Legislative Body
Zumarraga, Samar
376. General Manager
Samar I Electric Cooperative, Inc. (SAMELCO I)
377. General Manager
Samar II Electric Cooperative, Inc. (SAMELCO II)
378. Office of the Provincial Governor
Northern Samar
379. Office of the LGU Legislative Body
Northern Samar
380. Office of the Municipal Mayor
Biri, Northern Samar
381. Office of the LGU Legislative Body
Biri, Northern Samar
382. Office of the Municipal Mayor
Capul, Northern Samar
383. Office of the LGU Legislative Body
Capul, Northern Samar
384. Office of the Municipal Mayor
San Antonio, Northern Samar
385. Office of the LGU Legislative Body
San Antonio, Northern Samar
386. Office of the Municipal Mayor
San Vicente, Northern Samar
387. Office of the LGU Legislative Body
San Vicente, Northern Samar
388. General Manager
Northern Samar Electric Cooperative, Inc. (NORSAMELCO)
389. Office of the Provincial Governor
Bohol
390. Office of the LGU Legislative Body
Bohol
391. Office of the Municipal Mayor
Baclayon, Bohol
392. Office of the LGU Legislative Body
Baclayon, Bohol

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- 393. Office of the Municipal Mayor
Calape, Bohol
- 394. Office of the LGU Legislative Body
Calape, Bohol
- 395. Office of the Municipal Mayor
Inabanga, Bohol
- 396. Office of the LGU Legislative Body
Inabanga, Bohol
- 397. Office of the Municipal Mayor
Loon, Bohol
- 398. Office of the LGU Legislative Body
Loon, Bohol
- 399. Office of the Municipal Mayor
Panglao, Bohol
- 400. Office of the LGU Legislative Body
Panglao, Bohol
- 401. Office of the Municipal Mayor
Tubigon, Bohol
- 402. Office of the LGU Legislative Body
Tubigon, Bohol
- 403. Office of the Provincial Governor
Zamboanga del Sur
- 404. Office of the LGU Legislative Body
Zamboanga del Sur
- 405. Office of the Provincial Governor
Davao del Sur
- 406. Office of the LGU Legislative Body
Davao del Sur
- 407. Office of the Municipal Mayor
Jose Abad Santos, Davao del Sur
- 408. Office of the LGU Legislative Body
Jose Abad Santos, Davao del Sur
- 409. Office of the Provincial Governor
Saranggani
- 410. Office of the LGU Legislative Body
Saranggani
- 411. Office of the Provincial Governor
Davao del Norte
- 412. Office of the LGU Legislative Body
Davao del Norte
- 413. Office of the City Mayor
Samal, Davao del Norte
- 414. Office of the LGU Legislative Body
Samal, Davao del Norte

415. General Manager
Davao del Norte Electric Cooperative, Inc. (DANECO)
 416. Office of the Provincial Governor
Sultan Kudarat
 417. Office of the LGU Legislative Body
Sultan Kudarat
 418. Office of the Municipal Mayor
Kalamansig, Sultan Kudarat
 419. Office of the LGU Legislative Body
Kalamansig, Sultan Kudarat
 420. Office of the Municipal Mayor
Lebak, Sultan Kudarat
 421. Office of the LGU Legislative Body
Lebak, Sultan Kudarat
 422. Office of the Municipal Mayor
Palimbang, Sultan Kudarat
 423. Office of the LGU Legislative Body
Palimbang, Sultan Kudarat
 424. Office of the Municipal Mayor
Sen. Ninoy Aquino, Sultan Kudarat
 425. Office of the LGU Legislative Body
Sen. Ninoy Aquino, Sultan Kudarat
 426. General Manager
Sultan Kudarat Electric Cooperative, Inc. (SUKELKO)
 427. Office of the Provincial Governor
Basilan
 428. Office of the LGU Legislative Body
Basilan
 429. Office of the City Mayor
Isabela, Basilan
 430. Office of the LGU Legislative Body
Isabela, Basilan
 431. Office of the Provincial Governor
Sulu
 432. Office of the LGU Legislative Body
Sulu
 433. Office of the Municipal Mayor
Jolo, Sulu
 434. Office of the LGU Legislative Body
Jolo, Sulu
 435. Office of the Municipal Mayor
Luuk, Sulu
 436. Office of the LGU Legislative Body
Luuk, Sulu
-

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437. Office of the Municipal Mayor
Siasi, Sulu
438. Office of the LGU Legislative Body
Siasi, Sulu
439. Office of the Municipal Mayor
Bangulngi (Tongkil), Sulu
440. Office of the LGU Legislative Body
Bangulngi (Tongkil), Sulu
441. Office of the Municipal Mayor
Hadju Pangalima Tahil (Marungas), Sulu
442. Office of the LGU Legislative Body
Hadju Pangalima Tahil (Marungas), Sulu
443. Office of the Municipal Mayor
Lugus, Sulu
444. Office of the LGU Legislative Body
Lugus, Sulu
445. Office of the Municipal Mayor
Pangutaran, Sulu
446. Office of the LGU Legislative Body
Pangutaran, Sulu
447. Office of the Municipal Mayor
Pata, Sulu
448. Office of the LGU Legislative Body
Pata, Sulu
449. Office of the Municipal Mayor
Tapul, Sulu
450. Office of the LGU Legislative Body
Tapul, Sulu
451. General Manager
Sulu Electric Cooperative, Inc. (SULECO)
452. General Manager
Siasi Electric Cooperative, Inc. (SIASELCO)
453. Office of the Provincial Governor
Tawi-tawi
454. Office of the LGU Legislative Body
Tawi-tawi
455. Office of the Municipal Mayor
Bongao, Tawi-tawi
456. Office of the LGU Legislative Body
Bongao, Tawi-tawi
457. Office of the Municipal Mayor
Mapun, Tawi-tawi
458. Office of the LGU Legislative Body
Mapun, Tawi-tawi
459. Office of the Municipal Mayor

- Pangalima Sugala, Tawi-tawi
460. Office of the LGU Legislative Body
Pangalima Sugala, Tawi-tawi
 461. Office of the Municipal Mayor
Simunul, Tawi-tawi
 462. Office of the LGU Legislative Body
Simunul, Tawi-tawi
 463. Office of the Municipal Mayor
Sitangkai, Tawi-tawi
 464. Office of the LGU Legislative Body
Stitangkai, Tawi-tawi
 465. Office of the Municipal Mayor
Tandubas, Tawi-tawi
 466. Office of the LGU Legislative Body
Tandubas, Tawi-tawi
 467. Office of the Municipal Mayor
Sapa-sapa, Tawi-tawi
 468. Office of the LGU Legislative Body
Sapa-sapa, Tawi-tawi
 469. Office of the Municipal Mayor
South Ubian, Tawi-tawi
 470. Office of the LGU Legislative Body
South Ubian, Tawi-tawi
 471. General Manager
Tawi-tawi Electric Cooperative, Inc. (TAWELCO)
 472. General Manager
Cagayan de Sulu Electric Cooperative, Inc. (CASELCO)
 473. Office of the Provincial Governor
Dinagat Islands
 474. Office of the LGU Legislative Body
Dinagat Islands
 475. Office of the Municipal Mayor
San Jose, Dinagat Islands
 476. Office of the LGU Legislative Body
San Jose, Dinagat Islands
 477. Office of the Municipal Mayor
Loreto, Dinagat Islands
 478. Office of the LGU Legislative Body
Loreto, Dinagat Islands
 479. General Manager
Dinagat Islands Electric Cooperative, Inc. (DIELCO)
 480. Office of the Provincial Governor
Surigao del Norte
 481. Office of the LGU Legislative Body
Surigao del Norte
-

- 482. Office of the City Mayor
Surigao City, Surigao del Norte
- 483. Office of the LGU Legislative Body
Surigao City, Surigao del Norte
- 484. General Manager
Surigao del Norte Electric Cooperative, Inc. (SURNECO)
- 485. Regulatory Operations Service (ROS)
14th Floor, Exquadra Tower
1 Jade Dr. Ortigas Center, Pasig City

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE
PROPOSED
PHOTOVOLTAIC
MAINSTREAMING (PVM)
BENCHMARK TARIFF AND
ASSOCIATED MECHANISM**

ERC CASE NO. 2023-056 RC

NATIONAL POWER
CORPORATION,
Applicant.

Promulgated:
June 15, 2023

x-----x

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 07 June 2023, National Power Corporation (NPC) filed an *Application* dated 02 May 2023, seeking the Commission's approval of its proposed Photovoltaic Mainstreaming (PVM) benchmark tariff and associated mechanism, with prayer for issuance of provisional authority.

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

BRIEF SUMMARY OF APPLICATION

1. In 2020, NPC started programming and preparing for the implementation of its Photovoltaic Mainstreaming ("PVM") projects in the missionary areas. Pursuant to this project, it entered into a Memorandum of Agreement ("MOA") with the Department of Energy ("DOE") for the Implementation of Power Supply System Project funded under FY 2021 Locally Funded Project – Total Electrification Program ("LFP-TEP"), which includes the installation of 50Wp – Solar Home System ("SHS") units to hasten the electrification of the Missionary Areas.

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A copy of the MOA between NPC and DOE is hereto attached as Annex "A" and series.

2. The said MOA is in relation to DOE Circular No. 2014-07-0012¹ which was issued pursuant to Section 3(c)² of Rule 13 of the Implementing Rules and Regulations ("IRR") of the Electricity Power Industry Reform Act of 2001 ("EPIRA").

A copy of the DOE Circular No. 2014-07-0012 is hereto attached as Annex "B" and series for easy reference of this Honorable Commission.

3. With the signing of the MOA, NPC issued NPC Circular No. 2022-026³ dated 05 October 2022, governing the implementation of its PVM Projects. The said Circular states, among others:
 - a. that PVM shall be considered for New Area with load demand of 20kW and below;
 - b. Areas with dispersed Households of below 300;
 - c. Areas with dispersed Households and load survey results of below 20kw; and
 - d. Dispersed households within NPC mini-grid area which are not feasible for grid extension, connection to the nearest tapping point, not contiguous and unviable to extend the line.
4. Most of the programmed PVM projects are completed and/or nearest completion, hence, the need for NPC to have its own Benchmark Tariff for this type of electrification solution. With the foregoing, NPC is hereby filing the instant Application to adopt and apply the PVM Benchmark Tariff Rates in various location in the missionary areas to hasten and achieve the total electrification in the countryside which would lead to the betterment of the standard of living and livelihood opportunities of Filipinos without access to electricity.

BACKGROUND

5. NPC is a government-owned and controlled corporation, created and existing under and by virtue of Republic Act No. 6395, as amended, with principal office address at NPC-OBC Building Complex, corner Quezon Avenue and BIR Road, East Triangle, Diliman, Quezon City.
6. Pursuant to Section 70 of R.A. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA) of 2001, NPC through its Small Power Utilities Group (NPC-SPUG), with the same principal office address stated above, is responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system.

¹ Accelerating household electrification in off-grid and isolated areas through electricity supply by the regulated Solar Home Systems.

² Section 3(c) of Rule 13 of the EPIRA-IRR states "Whenever feasible, SPUG shall utilize Renewable Energy Resources."

³ Policy/Implementing Guidelines for the Photovoltaic Mainstreaming (PVM) Program of NPC.

7. One of the strategic initiatives of the previous Administration is the 100% Total Household Electrification in the country by 2022 based on CY 2015 Census with the ultimate objective of sustainable and inclusive economic growth and poverty reduction through provision of the basic electricity services for all Filipinos. Continuing the efforts of the previous administration, the new administration mandates the prioritization of the exploration and use of renewable energy.
8. Thus, NPC programmed in its previous Missionary Electrification Plans and in the 2022-2026 MEP, the PVM projects including the installation of 1,706 Solar Home System ("SHS") units as one of the electrification solutions in the missionary areas.

The electronic copy of the 2022-2026 MEP is hereto attached as Annex "C".

9. The afore-mentioned 2022-2026 MEP outlines the strategic directions of NPC pursuant to its mandated missionary electrification functions under Section 70 of the EPIRA. In furtherance of this mandate, the development of renewable energy programs and projects are consistent with RA 9513⁴ and the established targets of the DOE both in increasing energy in the country's energy mix and in promoting prevalence of renewable in off-grid areas. This is further in compliance with the provisions in the Clean Air Act in terms of the energy generation mix of fossil-fueled generating sets and renewable energy.
10. In addition, 2022-2026 MEP discuss among others, the detailed distribution of SHS beneficiaries across the country for CY 2022 and CY 2023. This is upon coordination with DOE, National Electrification Administration ("NEA") and the Electric Cooperatives ("ECs") / Local Government Units ("LGUs") for the electrification endeavors.
11. NPC thru the National Government funds piloted its own PVM program, by installing 50Wp – SHS units to hasten the total household electrification in the Missionary Areas.

A copy of the Executive Summary of the PVM project is hereto attached as Annex "D". Further, the sources of funds for the aforementioned 1,706 SHS units are hereto attached as Annex "E".
12. As mentioned, NPC entered into a MOA with the DOE for the electrification of unserved areas in the Missionary Areas of NPC and was funded under DOE's CY 2021 LFP-TEP.

⁴ An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes.

APPLICANT'S PVM PROGRAM AND SHS PROJECT

13. Objectives. The Applicant's PV Mainstreaming scheme is the provision of individual solar home system that can provide lighting and charge capability with a system for prepaid payment collection and monitoring.
14. Project Description. The SHS Unit of NPC's PVM program includes the following:
 - a. 50 Wp Capacity of Solar Panel
 - b. Main Unit - Battery with Charge controller (with port for charging cellphones, torch lamp and AM/FM radio)
 - c. 3 pcs. - 3 Watts LED Bulb (indoor)
 - d. 1 pc. - 1 Watt LED Bulb (outdoor)
 - e. Torch Lamp (detachable)
 - f. Radio (detachable)
15. PVM/SHS Beneficiaries. The table below shows the detailed distribution of 5,401 SHS units or household customers targeted in missionary areas for CY 2022 and CY 2023 under the 2022-2026 MEP; NPC's total number of beneficiaries for the PVM program will increase in the succeeding years as NPC continues its PVM projects:

Table 1: List of New Areas for PV Mainstreaming

	CY 2022	CY 2023	TOTAL
	No. of Households		
CAGAYAN	480	130	610
ISABELA	1034		1034
MASBATE	517		517
PALAWAN		809	809
EASTERN SAMAR		127	127
BOHOL	361	164	525
LEYTE		258	258
DINAGAT	214	110	324
ZAMBOANGA		70	70
SULU	379	226	605
BASILAN	235	287	522

A copy of the list of new areas for the PV Mainstreaming is hereto attached as Annex "F".

BENCHMARK TARIFF FOR PV MAINSTREAMING

16. Adopting and applying applicable provisions and principles of ERC Resolution No. 17, Series of 2017, as well as the DOE Circular No. 2014-07-0012, Applicant NPC hereto presents its own benchmark tariff mechanism and rates.
17. Initial Capital Cost. The initial capital cost for the PV Mainstreaming program of NPC is covered or funded by the National Government Subsidy and DOE's CY 2021 Locally

- Funded Projects – Total Electrification Program (“LFP-TEP”).
18. Obligations to Procure, Install and Maintain the PV Mainstreaming. Applicant has the obligation to procure, install and maintain the PVM. NPC will make at least quarterly or monthly visits or as the need arises to every PVM/SHS site or member customer to inspect the system and make minor repairs. Visits for major repairs will be conducted as needed. The PVM/SHS units shall be owned by NPC and will fund the cost of replacing SHS major components as required.
 19. NPC has already procured the Supply and Delivery of 1706 units for the PVM program. Thus, the Technical Specification and Operating Manual of the units are hereto submitted for easy reference of this Honorable Commission.

A copy of the Notice of Award of Contract No. LOGMSSP 2022-03-019-ZCT” for the Supply and Delivery of 1706 units of PVM is hereto attached as Annex “G” and series. Further, the Technical Specification of the units is hereto attached as Annex “H” and series. Lastly, the PVM Operating Manual is hereto attached as Annex “I” and series, respectively.

20. Basis of Benchmark PV Mainstreaming Tariff. The tariff shall be based on the best approximation of the operating and capital costs that an efficient distribution utility (“DU”) would expect to incur in providing an ongoing service to all SHS member-customers, including replacing components as necessary, and covering both direct and indirect overhead costs.
21. Cost Zone. NPC adopt the cost zone of 45 km and beyond the nearest SPUG office for purposes of uniformity or cost zone applicable to small islands and islets. As such, there was no incremental cost adjustment in the allocation of the salary and per diem of the personnel in all areas.

**METHODOLOGY / RATE SETTING OF THE PROPOSED
PVM BENCHMARK TARIFF**

22. Applicant hereby proposes a calculation of the PVM benchmark tariff to be charged to its customers in missionary areas as fixed monthly charge and adopts the imposition of 50WP and cost Zone C or 45 km distance to where the customer is located. The cost components and assumptions used by the Applicant are as follows:

Table 2: Parameters of NPC’s PV Mainstreaming

Parameter	Value
Total No. of Households	5401
Total No. of Sites	31
Average No. of Site per Region	10
No. of Region (LuzViMinda)	3
No. of Visits, Scheduled	4
No. of Visits Unscheduled	1
No. of Days, including travel	4

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Salary, Technician 1 (PhP/month) ¹	22,829.40
Salary, Technician 2 (PhP/month) ¹	21,156.30
Travel Allowance (PhP/day) ²	2,200.00
Insurance Cost (% of the total CAPEX)	0.30%
Equipment Fund (Replacement), Solar Panel, 50 Wp (PhP)	17,014.34
Equipment Fund (Replacement), Battery, (PhP)	13,691.54
Equipment Fund (Replacement), Controller, (PhP)	4,894.12
Economic Life, Solar Panel (Years)	25
Economic Life, Battery (Years)	10
Economic Life, Controller (Years)	5

Note: ¹ - based on NPC's Salary Scale for 2020 Contract of Service (COS).

² - Per Diem based on the highest rate prescribe in Executive Order No. 77, series of 2019

The description with breakdown/components of the proposed PVM Benchmark Tariff is hereto attached as Annex "J" and series.

I. Base Operating Cost

23. The base operating cost is composed of the following:

- Salaries and Per Diem of Technician 1 and Technician 2 for each region or equivalent to six (6) personnel; and
- Insurance Cost.

24. Salaries were based on NPC's Salary Scale for 2020 Contract of Service ("COS"), a copy of which is hereto attached as Annex "J-1". Salaries are composed of Technician 1 and Technician 2 for each region or equivalent to six (6) personnel. Also attached as Annex "J-2" and series is the National Power Board approval of the NPC's Salary Scale dated 04 September 2019.

25. On the other hand, per diem is based on the highest rate prescribe in Executive Order no. 77 series of 2019 or equivalent to PhP2,200 per day. Per diem is computed using four (4) scheduled (quarterly) and one (1) unscheduled visit of two (2) personnel in each grid or equivalent to six (6) personnel.

A copy of the Allowable per diem per Executive Order No. 77 is hereto attached as Annex "J-3" and series.

26. Insurance Cost is equivalent to 0.30% of the capital cost of the equipment necessary for the maintenance of SHS equipment to cover damages that are not caused by its usual wear and tear.

27. The Monthly Base Operating Costs shall be calculated based on the following:

$$\text{MoBOC} = \text{MoS} + \text{MoPD} + \text{MoI}$$

Where,

MoBOC – Monthly Base Operating Costs per SHS unit
MoS – Monthly Salaries of Personnel per SHS unit
MoPD – Monthly Per Diem for the scheduled and
 unscheduled visits to maintain the SHS
 per SHS unit
MoI – Monthly Insurance

- Monthly Salaries of Personnel for the PVM are computed as follows:

Technician 1= PhP22,829.40 per month

$$\begin{aligned}\text{MoS1} &= (\text{Salary Rate} \times \# \text{ of personnel}) / \text{PVM units} \\ &= (\text{PhP}22,829.40 \times 3) / 5,401 \\ &= \text{PhP}68,488.20 / 5,401 \\ &= \text{PhP}12.68 \text{ per month}\end{aligned}$$

Technician 2= PhP21,156.30 per month

$$\begin{aligned}\text{MoS2} &= (\text{Salary Rate} \times \# \text{ of personnel}) / \text{PVM units} \\ &= (\text{PhP}21,156.30 \times 3) / 5,401 \\ &= \text{PhP}63,468.90 / 5,401 \\ &= \text{PhP}11.75 \text{ per month}\end{aligned}$$

- Monthly Per Diem for the PVM is computed as follows:

Per diem = PhP2,200 per day

$$\begin{aligned}\text{MoPD} &= \text{Amount} \times \# \text{ of sites} \times \text{total} \# \text{ visits per} \\ &\quad \text{day, including travel time} \times \# \text{ of visit} \\ &\quad \text{per year} / 12 \text{ months} / \text{PVM units} \\ &= \text{PhP}2,200 \times 31 \text{ sites} \times 4 \times 5 / 12 \text{ months} \\ &= \text{PhP}113,666.67 / 5,401 \\ &= \text{PhP}21.05 \text{ per month each for Technician} \\ &\quad \text{1 and Technician 2}\end{aligned}$$

- Monthly Insurance for the PVM is computed as follows:

Total Capital Cost = solar panel + battery + controller

$$\begin{aligned}&= \text{PhP}17,014.34 + 13,691.54 + 4,894.12 \\ &= \text{PhP}35,600.00\end{aligned}$$

$$\begin{aligned}\text{MoI} &= \text{total contract price} \times 0.30\% / 12 \text{ months} \\ &= \text{PhP}106.80 / 12 \text{ months} \\ &= \text{PhP}8.90 \text{ per month}\end{aligned}$$

II. Capital Cost

28. There was no capital cost considered in this instant Application considering that the PVM projects were funded under National Government Subsidy and the CY 2021 DOE LFP-TEP.

III. Equipment or Replacement Cost Fund

29. Though SHS were subsidized by DOE and National Government, and that ownership will be transferred after the installation, the Applicant shall be responsible for the

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maintenance and subsequent replacement of all major components of the SHS (module, mounting, battery, controller).

30. Attached as Annex "K" is the computation of equipment or replacement cost fund for the solar panel, battery and controller. The costs of replacements will be covered by a separate and ring-fenced Replacement Cost Fund (RCF).
31. The RCF charges shall be determined as the sum of the replacement costs of the individual components of an individual PVM divided by their expected life (in months).
32. The Equipment or Replacement Costs Fund shall be calculated based on the following:

$$\text{MoRCF} = \text{MoAICSP} + \text{MoAICB} + \text{MoAICC}$$

Where,

MoRCF – Monthly Replacement Costs Fund

MoAICSP – Monthly Allowable Investment Costs for Solar Panel

MoAICB – Monthly Allowable Investment Costs for Battery

MoAICC – Monthly Allowable Investment Costs for Controller

1)	Solar Panel Investment Cost = PhP17,014.34 x 33%
	MoAICSP = $\frac{[\text{Investment cost} \times 33\%]}{\text{economic life}}$
	/ 12 months
	= PhP17,014.34 x 33 % / 25 / 12
	= PhP18.72 per month

2)	Battery Investment Cost= PhP13,691.54 x 95% x 80%
	MoAICB = $\frac{[\text{Investment cost} \times 95\%] \times 80\%}{\text{economic life}}$
	/ 12 months
	= PhP13,691.54 / 10 / 12
	= PhP86.71 per month

3)	Controller Investment Cost = PhP4,894.
	MoAICC = $\frac{\text{Investment cost}}{\text{economic life}}$ / 12 months
	= PhP4,894.12 / 5 / 12
	= PhP81.57 per month

4)	MORCF = MoAICSP + MoAICB + MoAICC
	= PhP18.72 + PhP86.71 + PhP81.57
	= PhP187.00 per month

33. Applicant NPC adopts the following equipment or replacement cost fund components and parameters:

Table 3: Component of replacement costs fund

Component	Investment cost per unit	Economic Life	Other Details
Solar Panel Capacity (Wp)	17,014.34	25	33% of the cost shall be needed to replace/maintain

			the solar panel, with 25-year design life
Battery (Ah)	13,691.54	10	Cost is based on 95% supplier listed price and assumes 80%, with 10-year design life
Controller (A)	4,894.12	5	Cost is based on 100%, with 5-year design life

34. The Applicant would like to take note that the above cost is based on the contract price for the supply and delivery of 1706 SHS units while the assumptions and the economic life used were all based on the approved benchmark tariff of the Electric Cooperatives under ERC Case No. 2014-003 RM.

IV. Cost Zone and Adjustment

35. NPC filed for a cost zone of 45 km and beyond the nearest SPUG office for purposes of uniformity in the island or off-grid areas. As such, there was no adjustment in the allocation of the salary and per diem of the personnel in all areas. The cost zone used was similar to Zone C of the ECs under the above-mentioned Decision on 2014-003 RM.

V. Benchmark Tariff

36. Considering all the foregoing, Applicant arrived at the following tariff computation:

Particulars	PhP/month
Base Operating Costs	
Salary	
Technician 1	12.68
Technician 2	11.75
Per Diem	
Technician 1	21.05
Technician 2	21.05
Total Payroll	66.52
Insurance	8.90
Total Operating Costs	75.42
Replacement Costs Fund	
Solar Panel Capacity (WP)	18.72
Battery (Ah)	86.71
Controller (A)	81.57
Total EF	187.00
Total PVM Tariff	262.42

37. Applicant proposes the benchmark tariff as follows:

Type	Zone	Duration	PhP/month*
1	50 Wp	30 days	262.00

*rounded-off figures

38. To support the above calculation, the Applicant hereto attached the proposed PVM/SHS Tariff to be charged to the customers as Annex "L".

39. These PVM tariff to be charged in the off-grid customers will be supported by a pre-paid loading scheme.

40. In support of the PV Mainstreaming Program, the Applicant hereto attached as Annex "M", the electronic copy of the forms signed by the PVM/SHS beneficiaries that are willing to avail the PVM Program and to pay the PVM/SHS Tariff as well.
41. The National Power Board approved the filing of this PVM Benchmark Tariff application as evidenced by the National Power Board Resolution No. 2023-11 dated 08 March 2023, hereto attached as Annex "N".

**ADDITIONAL ALLEGATIONS IN SUPPORT FOR
PROVISIONAL AUTHORITY**

42. Applicant NPC respectfully pleads, adopts and incorporates the foregoing allegations in the proposed PVM benchmark tariff of NPC in so far as they may be applicable.
43. Out of 1,706 units, the 30% or 517 SHS units located at Masbate areas were already placed and awaiting implementation as early as July 2022, the 34% allocation for Bohol and Dinagat areas were completed in January 2023 and the rest of 36% intended for Sulu and Basilan areas were already delivered and now laid down in Zamboanga due to peace and order situation in the Western Mindanao region. The 993 DOE funded SHS funded units are scheduled for installation in the 1st quarter of 2023. In addition, the supply and delivery for another 651 SHS units for missionary areas in Cagayan and Isabela are in process. While the Terms of Reference ("TOR") for another 1,358 units are already completed and ready for procurement process.
44. Therefore, to enable NPC to efficiently operate to ensure the successful implementation of these NPC's renewable energy program thru the Photovoltaic Mainstreaming or Solar Home Systems and to provide electrification to these off-grid and far-flung households, there is an urgent need for the issuance of a provisional authority.
45. The issuance of provisional authority is allowed under Section 3 Rule 14 of the Rules of Practice and Procedure. Likewise, the authority of the Honorable Commission to issue a provisional authority is confirmed by the Supreme Court in the case of Freedom from Debt Coalition, et al., vs ERC, et. Al., G.R. No. 16113 (June 15, 2004), when it held that "the power to approve provisional rate increases is included among the powers transferred to the ERC by virtue of Section 44 since the grant of that authority is not inconsistent with the EPIRA; rather, it is in full harmony with the thrust of the law which is to strengthen the ERC as the new regulatory body".
46. NPC is thus imploring the kind consideration of this Honorable Commission and respectfully prays that the Honorable Commission approves the proposed benchmark tariff for NPC's photovoltaic mainstreaming (PVM) program. It is likewise respectfully prayed that a provisional authority

based on the foregoing premises be issued by this Honorable Commission.

PRAYER

WHEREFORE, premises considered, Applicant National Power Corporation, most respectfully prays that this Honorable Commission issue an Order:

- a. Approving r the photovoltaic mainstreaming (PVM) or solar home system (SHS) units of the NPC-SPUG areas; and
- b. Issuing a provisional authority for the adoption of the applied rates while this Application is being heard before the Commission.

Other reliefs, just and equitable, are likewise prayed for.

The Commission hereby sets the instant *Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference and presentation of evidence on the following dates and venue, or online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020⁵ and Resolution No. 01, Series of 2021⁶ (ERC Revised Rules of Practice and Procedure):

Date and Time	Platform	Activity
29 August 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams or Zoom Application	Determination of compliance with the jurisdictional requirements, and Expository Presentation
05 September 2023 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Pre-trial Conference and presentation of evidence

⁵ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

⁶ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

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Any interested stakeholder may submit its comments and/or clarifications **at least one (1) calendar day** prior to the scheduled virtual hearing, via electronic mail (e-mail) at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, any person who has an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at doCKET@erc.ph, and copy furnishing the Legal Service through legal@erc.ph, a verified Petition to Intervene **at least five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicate therein the docket number and title of the case, and state the following:

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

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment **at least five (5) calendar days** prior to the initial virtual hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

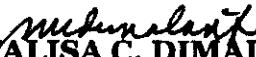
- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.


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

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

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru legal.virtualhearings@erc.ph, 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 15th day of June 2023 in Pasig City.


MONALISA C. DIMALANTA
Chairperson and CEO

LS:  / JTB / MVM / MCCG

ERC
Office of the Chairperson and CEO

MCO2023-004558

