Republic of the Philippines ENERGY REGULATORY COMMISSION Pasig City

IN THE MATTER OF THE JOINT APPLICATION FOR THE APPROVAL OF THE POWER AGREEMENT SUPPLY BETWEEN AGREEMENT BETWEEN MORE ELECTRIC AND POWER CORPORATION AND KEPCO SPC POWER CORPORATION WITH MOTIONS FOR PROVISIONAL AUTHORITY AND CONFIDENTIAL TREATMENT OF INFORMATION

### ERC CASE NO. 2022-019 RC

Promulgated: April 25, 2022

Applicants.

MORE ELECTRIC AND POWER CORPORATION AND

SPC

KEPCO

CORPORATION,

## NOTICE OF VIRTUAL HEARING

POWER

## TO ALL INTERESTED PARTIES:

Notice is hereby given that on 28 March 2022, More Electric and Power Corporation (MORE) and KEPCO SPC Power Corporation (KSPC) filed a *Joint Application* dated 12 January 2022, seeking the Commission's approval of their Power Supply Agreement (PSA) with Motion for provisional authority and confidential treatment of informatics. information.

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

I. THE APPLICANTS

- KSPC is a duly authorized generation company and existing under and by virtue of the laws of the Republic of the 1. Philippines with principal address at 7<sup>th</sup> Floor, Cebu Holdings Center, Cebu Business Park, Cebu City.
- MORE POWER is a duly franchised private distribution 2. MORE POWER is a duly franchised private distribution utility, duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at GST Corporate Center, Quezon St., Itolio City, It has been granted a franchise under Republic Act 11212 to provide electric distribution services in Iloilo City, Province of Iloilo (the "Franchise Area"). It has also been granted a Provisional Certificate of Public Convenience and Necessity by this Honorable Commission in an Order dated 05 March 2020 in ERC Case No. 2018-019MC.
- Applicant KSPC is represented by its Vice President for Marketing, Mr. Kim, Youngrak as shown in the attached Secretary's Certificate dated November 29, 2021. 3.
- Applicant MORE POWER's representative, Mr. Roel Z. Castro, its President and COO, has likewise been authorized to file this Joint Application as evidenced by a Secretary's Certificate dated August 31, 2021. 4.
- The parties maybe served with orders and other processes this Honorable Commission through undersigned counsels;
  - II. NATURE OF THE APPLICATION
- Pursuant to Rule 20 (B) of the ERC Revised Rules of Practice and Procedures, approved by this Honorable Commission on 17 December 2020 in Resolution No. 01, Series of 2021 in relation to DC2018-02-0003 this Application is submitted to this Honorable Commission for the approval Applicants' Power Supply Contract ("PSC" for brevity) signed and notarized<sup>1</sup> on October 14, 2021.

III. COMPLIANCE WITH PRE-FILING REQUIREMENTS

- In compliance with Rule 6, Sec. 2 of the ERC Revised Rules of 7. In compliance with Kule 6, Sec. 2 of the EKC Kevised Kules of Practice and Procedure, series of 2021, applicants have furnished the Office of the City Mayor and Sangguniang Panlungsod with a copy of the present application with all its annexes and accompanying documents. Certifications were issued by the said Local Government Unit's offices attesting to the fact of service of the copy of the present Application and its Annexes. its Annexes
- Furthermore, applicants have caused the publication of the present application in its entirety in the local newspaper of general circulation within the franchise area of MORE 8. POWER.

IV. STATEMENT OF FACTS

MORE POWER CONDUCT OF A COMPETITIVE SELECTION PROCESS:

ZESS: In view of the anticipated expiration of MORE Power's Power Supply Contracts with PSALM which are set to expire on January 25, 2022 and July 25, 2022, and in view of the increasing demand for electricity, and the need to ensure continuous and reliable supply of electricity, MORE POWER, through a Third-Party Bids and Awards Committee (TPBAC), conducted a Competitive Selection Process (CSP) through OPEN AND COMPETITIVE PUBLIC BIDDING in accordance with the requirements and procedures under Denastrupent of with the requirements and procedures under Department of Energy (DOE)Department Circular DC2018-02-003 for the procurement of 45MW power supply with a committed baseload demand as follows:

Duration	Demand (MW)
Phase 1: January 26, 2022 and shall remain effective for a period of ten (10) years	20
Phase 2: July 26, 2022 and shall remain effective for a period of ten (10) years	25

- The Invitation to Bid was published on May 6 and 13, 2021 in The Daily Tribune and KSPC submitted its Intention to submit a Bid, along with several other interested Generation Companies. Thereafter, MORE POWER, in line with the CSP Rules asked KSPC to submit its pre-qualifi
- As soon as the pre-qualification documents were reviewed and evaluated by the MORE POWER TPBAC, KSPC was informed of its pre-qualification and was informed that it can already pay the Bidding Document Fee. 12.
- To meet the target period under the CSP Rules, MORE POWER TPBAC proceeded to conduct the Bidding Process as 13.
  - MORE POWER bid out a total of 45MW: 20MW for Phase I and another 25MW for Phase II. The opening of bids was held last 13 August 2021 in Iloilo City. For Phase I, KSPC came up with two offered prices for Block 1 and Block 2, each at 10MW. For Phase II, KSPC likewise offered 3 blocks at 10 MW each, in compliance with the TOR requirement but at different prices for each block.
  - Based on its received Bid Proposals (Confidential) and as explained in its Detailed Evaluation Report (Confidential), the TPBAC determined that KSPC's offer for Phase II-Block II and Block III at a contracted capacity of 10 MW each, turned out to be the best bids for the said blocks.
  - c. In accordance with the board resolutions duly approved in a special meeting, the MORE POWER TPBAC issued a Notice of Award to KSPC, and KSPC in turn issued a Confirmation on the Notice of Award.
  - d. The details of the CSP conducted by MORE POWER are contained in the Sworn Certification (Confidential) executed by its President and COO, MR. Roel Z. Castro.
- On 14 October 2021, MORE POWER and KSPC executed the 20 MW Power Sales Agreement (PSA) subject of this application.

ABSTRACT OF THE POWER SUPPLY AGREEMENT AND RELATED INFORMATION

- The PSA's salient features are described in the succeeding paragraphs and form part of the executive summary, to wit:
  - Supply of Electricity. SELLER shall make available to the BUYER during the Contract Period the Contracted Capacity and its associated Energy, as provided in Schedule 3, and in accordance with the terms of this Agreement. The Parties agree that SELLER shall have no obligation to supply more than the Contracted Capacity and its associated Energy, except as otherwise provided in this Agreement.

The SELLER shall make available the Contracted Capacity and its associated Energy primarily from the Plant but shall have the sole exclusive right, without regard to the availability of the Contracted Capacity at the Delivery Point, to source energy from the WESM, or its successor wholesale market, or any other sources. If the Contracted Capacity is sourced, in whole or in part by the SELLER from the WESM or any other sources nursuant to this paragraph. it shall have the same sources pursuant to this paragraph, it shall have the same effect as though energy is made available from the Plant to the Delivery Point.

- Contract Period. The supply of power from the BUYER to the SELLER shall cover a period of ten (10) years, and shall take effect starting July 26, 2022 until July 25, 2032. b.
- Delivery Points. Electric power will be directly delivered to the BUYER's metering nodes as provided in Schedule 8. Any line rental shall be for the account of the SELLER. c.
- Obligation during Outage. During Outage, whether Scheduled Outage or Unscheduled Outage, SELLER shall supply or cause the supply of replacement power to the BUYER (the "Replacement Power") during the period of the relevant plant's outage at the same rate agreed herein. SELLER's supply of Replacement Power shall only be to the extent of the Contracted Capacity. In the event of failure of the SELLER to provide the replacement power, BUYER shall be allowed to find replacement power but shall be for the account of the SELLER whether the parameter to the SUVER of the SELLER. SELLER, subject to the payment to the BUYER of administrative fee of Php 0.35/kWh.

Contract Quantity. e. Block I

Bill Month	No. of	No. of Days		Hours		Energy, kWh	
	Regular Year	Leap Year	Regular Year	Leap Year	(MW)	Regular Year	Leap Yea
January	31	31	764	764	10	7,440,000	7,440,000
February	31	31	764	744	10	7,440,000	7,440,000
March	28	29	672	696	10	6,720,000	6,960,000
April	31	31	744	744	10	7,440,000	7,440,000
May	30	30	720	720	10	7,200,000	7,200,000
June	31	31	744	764	10	7,440,000	7,440,000
July	30	30	720	720	10	7,200,000	7,200,000
August	31	31	744	744	10	7,440,000	7,440,000
September	31	31	744	744	10	7,440,000	7,440,000
October	30	30	720	720	10	7,200,000	7,200,000
November	31	31	744	744	10	7,440,000	7,440,000
December	30	30	720	720	10	7,200,000	7,200.000

## Block 2

Bill Month	No. of	Days	Hours		Capacity	Energy, kWh	
	Regular Year	Leap Year	Regular Year	Leap Year	(MW)	Regular Year	Leap Year
January	31	31	764	744	10	7,440,000	7,440,000
February	31	31	744	744	10	7,440,000	7,440,000
March	28	29	672	696	10	6,720,000	6,960,000
April	31	31	744	744	10	7,440,000	7,440,000
May	30	30	720	720	10	7,200,000	7,200,000
June	31	31	744	764	10	7,440,000	7,440,000
July	30	30	720	720	10	7,200,000	7,200,000
August	31	31	744	764	10	7,440,000	7,440,000
September	31	31	744	744	10	7,440,000	7,440,000
October	30	30	720	720	10	7,200,000	7,200,000
November	31	31	744	744	10	7,440,000	7,440,000
December	30	30	720	720	10	7,200.000	7,200.000

f. Reduction in Contracted Capacity. BUYER shall be entitled to a reduction in the Contracted Capacity as a result of the transfer of any of the BUYER's existing captive customers as of the date of execution of this Agreement upon written application by the BUYER to the SELLER at least sixty (60) days prior to such reduction, by reason of the following:

- 1. Termination Due to Prolonged Force Majeure, Either Party rermination Due to Protonged Force Majeure. Either Party may terminate this Agreement upon delivery of a Termination Notice at least thirty (30) days to the effectivity of the termination, if an event of Force Majeure occurs during the Contract Period that prevents BUYER from receiving or SELLER from delivering electricity at the Delivery Points for a period in excess of six (6) consecutive months.
- Payments on Termination. Upon termination of this Agreement due to the default or breach of either Party under 14.2.1 and 14.3.1 hereof, the defaulting Party shall pay the other Party all unpaid fees including interest, as well as liquidated damages in the form of a termination penalty amounting to the present value of the Capital Recovery Fees, as specified in Schedule 5 for the remainder of the Contract Period and in accordance with the formula provided in
- n. Schedules. The Schedules referred to in the PSA and attached thereto are as follows:

Schedule	Description	
1	Definition of Terms	-
2	Interpretation	_
3	Contract Capacity and Contracted Energy	_
4	Contract Period	-
5	Computation of Electricity Fees	_
6	Bilateral Contract Quantities Nomination	_
7	Computation of Liquidated Damages	
8	Delivery Points	_

Power Rate Calculation. Within the contract period, MORE Power shall pay KEPCO SPC a generation charge calculated by applying the Base Price of Php2.7330/kWh and Php2.7722/kWh for Block 1 and Block 2, respectively, to the Associated Energy, subject to adjustments, exclusive of VAT, other applicable taxes, fees, and charges. The derivation of the offered price and its components are explained in KSPC's power rate calculation and financial data. 16.

## RATE IMPLICATION OF THE POWER SUPPLY AGREEMENT

Rate Impact. The following table shows the generation rate

POWER SUPPLIER	% Share on Energy	Annual Energy Purchased EIID	Amount PhP	VAT	Total
BILATERAL CONTRACTS					
Supplier 1	40.27%	219,456,000	809,043,587.44		809,043,587.4
Subtotal: Power Supply Contracts	40.27%	219,456,000	809,043,587.44		809,043,587.44
Wholesale Electricity Spot Market (WESM)	69.73%	325,450,421	1,622,436,909.88	129,794,952.79	1,752,231,862.67
TOTAL	100.00%	544,906,421	2,431,480,497.31	129,794,952.79	2,561,275,450.10
Total Blended Generation	Rate, P/kW	W	4.46	0.24	4.70

			PACT ANALYSIS - B ER CORPORATION)		
POWER SUPPLIER	% Share on Energy	Annual Energy Purchased	Amount PhP	VAT Po#	Total INP
BILATERAL CONTRACTS					
Supplier 1	40.27%	219,456,000	809,043,587.44		809,043,587,44
KEPCO-SPC POWER CORPORATION	13.30%	72,480,000	201,291,456.00	24,154,974.72	225,446,430.72
Subtotal: Power Supply Contracts	\$3.58%	291,936,000	1,010,335,043	24,154,974.72	1,034,490,018
Wholesale Electricity Spot Market (WESM)	46.42%	252,970,421	1,279,546,719.10	102,363,737.53	1,381,910,456.63
TOTAL	100.00%	544,906,421	2,289,881,762.54	126,518,712.25	2,416,400,474.79
Total Blended Generation Rate, P/kWH			4.20	0.23	4.43
Decrease in Generation Rate (	WRh KSPC),	P/kWH	0.26	0.01	0.27

1. Sororasted energy for 2022 is based on the 2.5% annual average growth rate of liolio City consistent with the latest SSPP submitted by MORE to the DOE for the conduct of the CSP. 2. Supplier 1 and KEPCO SPC POWER CORPORATION purchased energy were based on 100% contracted energy as contained in the power supply contract.

energy a solution in the power suppr contract. 3. Excess/deficit energy will be sold to/purchased from the Wholesale Spot Market. For the Analysis A, energy in lieu of KSPC will be taken from the spot market. 4. KSPC electricity fee is reflective of their base bid price during the CSP.

5. WESM rates based on the actual monthly average nodal price of MORE Power from January to September of 2021, and October to December of 2019. WESM prices for 2020 were not used as it reflects irregular pattern due to the several quarantine classifications because of the COVID-19 pandemic.

- Due to the volatility of spot market prices, the supply of power from KEPCO SPC Power Corporation (KSPC) will result to a decrease in the total generation rate of Po.26/kWh (VAT 18. exclusive).
- In support of this application, Applicants submit the following Documentary Requirements per ERC Checklist of Pre-Filing Requirements for Applications for Approval of Power Supply Agreement ("ERC Checklist"): 19.

## Annex Government Requirements MORE POWER-SEC Articles of Incorporation and its A amendments (AOI) Amendments (AOI) RA11212-An Act Granting MEPC a Franchise MORE POWER-General Information Sheet (GIS) GIS of PRIME STRATEGIC HOLDINGS -docume A-1 B-1 GIS of PRIME STRATEGIC HOLDINGS -document on parent company and affiliates KSPC-Articles of Incorporation and By Laws (AOI) KSPC- Shareholder's Agreement KSPC-Genciles of Registration (COR) KSPC-General Information Sheet (GIS) Corporate Structure of KEPCO KSPC-Cenvironmental Compliance Certificate KSPC-Corp Provisional Authority with Annexes KSPC-Certificate of Endorsement-DOE MORE POWER-Write-Up on Non-Applicable Requirement-Demand Side Management (DSM) Supply and Demand Scenario Supply and Demand Scenario MORE POWER-Write-Up on Non-Applicable MORE FOWER - Normal Strain Supply Contract MORE POWER - Forecasted Consumption Data MORE POWER - Distribution Development Plan MORE POWER - Power Supply Procurement Plan MORE POWER - Supply Demand-Scenario Procurement Process M-1 M-2 M-3 Procurement Process MORE POWER Sec Cert on the Establish

ŀ	N -1	MORE POWER Sec Cert for the Selection of TPBA Independent Members
	N-2	DOE approval of TPBAC selection process

14-2	
N-3	MORE POWER Sec Cert approval of CSP TOR
N-4	MORE POWER Terms of Reference
N-5	Explanation on MEPC submission of Full Grid Connection Impact to support TOR
N-6	Proof of submission of the PSPP and DDP to the DOE
N-7	Due diligence report on the existing generation plants
N-8	Distribution Impact Study/Load Flow Analysis with proof of submission to the DOE
N-9	DOE's Letter to MORE POWER dated 26 Mar 2021

 N-9
 DOE'S Letter to MORE POWER dated 20 Mar 2021 on its Comments and Recommendations on TOR

 N-10
 DOE Letter dated 27 April 2021 approving MORE

## TUESDAY, MAY 10, 2022 | BusinessWorld | S1/3

on the conduct of the CSP (Annex "N-76") (collectively, these Annexes shall be referred to as "MORE POWER Confidential Documents") are hereby requested to be considered confidential as these documents contain information about the bids received by MORE POWER from the other qualified bidders during the conduct of the CSP.

- The interests of the consumers of MORE Power will be sufficiently protected by the Commission's evaluation of the rates under the PSA without the need to disclose the contents of Annexes (O, Q, R, T, V, N-74, N-75 & N-76). The reasonableness and transparency of the prices of electricity is to be assured by the Honorable Commission through its own review and verification of the foregoing documents sought to be afforded confidential treatment in the evaluation and handline thereof. handling thereof.
- In accordance with Section 1(b), Rule 4 of the Revised Rules, 23. Applicants hereby submit one copy each of the KSPC Confidential Documents, Annexes O, Q, R, T, V, and MORE POWER Confidential Documents, Annexes N-74, N-75 & N-76 in a separate sealed envelope, with each page of the documents stamped with the word "Confidential."
- Applicants also move that the Honorable Commission will 24. prescribe the proper procedure for the handling and return of the aforesaid confidential information at the close of the proceedings, pursuant to Section 4 of the ERC Revised Rules

#### Allegations in Support of the Motion for Provisional Authority

- Pursuant to Rule 14 of the ERC Revised Rules, applicants 25. respectfully move for the issuance of a provisional authority respectfully move for the issuance of a provisional authority based on the submitted affidavit and Documentary Requirements, authorizing the applicants to implement their PSA pending the full hearing of, and subject to the final ruling on, this application.
- As can be seen in the demand supply scenario of MORE 26. As can be seen in the demand supply scenario of MORE POWER, a 25MW tranche of its current contract with the Power Sector Assets and Liabilities Management Corp. (PSALM) is set to expire on 25 July 2022. This expiring portion of MORE POWER's contract with PSALM is what is set to be supplied under the PSA with Joint Applicant KSPC.
- In the absence of a provisional authority, MORE POWER's 27. attributes of the absence of a provisional authority, MORE POWER's captive customers would be exposed to the volatile prices in the Wholesale Electricity Spot Market ("WESM") upon the above stated expiration of the contract with PSALM. The immediate commencement of the delivery of power from KSPC to MORE POWER pursuant to the PSA will address and comment the device and the resolution and the Commencement of the Delivery of power from KSPC to MORE POWER pursuant to the PSA will address and secure the power supply requirements of MORE POWER and of the latter's end-users.
- Further, as discussed above, the rate impact simulation demonstrates the substantial reduction in power generation rates by which will be enjoyed by MORE POWER should the provisional authority prayed for in the instant Application be 28. duly granted
- It is for these reasons that Applicants are urgently praying for the immediate grant by the Honorable Commission of a provisional authority to allow KSPC to supply power to MORE POWER by 26 July 2022 and consequently protect electricity consumers in Iloilo City from the volatilities of WESM prices. 29.
- A copy of the Affidavit executed by MORE POWER's President and Chief Operating Officer and authorized representative, Roel Z. Castro, in support of the prayer for issuance of provisional authority is hereto attached and made an integral part hereof. 30.

### RELIEF

Applicants pray that the Honorable Commission:

- (a) Issue an Order treating Annexes O, Q, R, T, V, N-74, N-75 & N-76 as described above, as confidential information, prescribing therein the proper procedure for their handling and return;
- (b) Issue a Provisional Authority pending full hearing of and final ruling on this application: and final ruling on this applic
- (c) Render a Decision approving the PSA and this application within sixty (60) calendar days from the submission of all documentary requirements in accordance with Section 3 (e) of the Energy Virtual Online One Stop Shop Law (Republic Act No. 11234).

## Applicants pray for other equitable relief.

The Commission has set the *Joint Application* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020 <sup>2</sup> dated 24 September 2020 and Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Pariad Pulse of Practice and Proceedure)<sup>2</sup> Revised Rules of Practice and Procedure):3

Date	Platform	Activity
20 May 2022 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Determination of compliance with the jurisdictional requirements and expository presentation
27 May 2022 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Pre-trial Conference and presentation of evidence

Accordingly, MORE and KSPC are hereby directed to host the Accordingly, MORE and NSPC are increased outset for the state of the s conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least one (1) calendar day prior to the scheduled virtual hearing, via electronic mail (e-mail) at <u>docket@erc.ph</u>, copy furnish the Legal Service through <u>legal@erc.ph</u>. 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.

Type of Contract Contracted Capacity	Firm Phase 1: 20MW	– Base Load A bidder may submit a bid		
contracted Capacity	Phase 2: 25MW	for more than one (1) block; provided, that each block shall have an offered capacity of a minimum of 10MW to a maximum of 20MW.		
Annual Contracted Energy	Capacity, subject to	adjustment due to actual		
Contract Period	Phase 1: 20MW	I force majeure allowance. The PSA shall take effect on January 26, 2022, 00:00H and shall remain effective for a period of ten (10) years.		
	Phase 2: 25MW	The PSA shall take effect on July 26, 2022, 00:00H and shall remain effective for a period of ten (10) years.		
Penalty in case of Delay in Construction of new power plants	plant shall be in ( supplying stable pow January 26, 2022, 00 (30) days prior to July	certaing capacities, the power commercial Operation and er thirty (30) days prior to :00H for Phase 1 and thirty 26, 2022, 00:00H for Phase delay in construction and		
	commercial operati capacities, the defa	on of new generating ulting supplier shall be istrative fee of P 0.35/kWh		
Supply Type	Open Technology (Conventional or Renewable Energy)	The power plant shall be		
Technical Parameters	Delivery Point	The Receiving Point shall be at MORE Power Metering Nodes. The Line Rental shall be for the account of the Bidder.		
	Plant Capacity	The Minimum generating capacity of the Bidder shall be no less than the contracted capacity of MORE Power.		
		No capacity of the plant (up to the Contracted Capacity) shall be contracted under an agreement apart from power supply agreement resulting from this		
	Plant Location	bidding. The generating capacities shall come from anywhere in Luzon, Visayas, or Mindanao group of islands in the Philippines connected to the Grid.		
	Performance & Eligibility Requirements	The Bidder must submit its Company Profile and technical capability/ qualifications of key officers, technical staff and management		
Tariff Structure	Power receiving points broken down into follo	team/consultants. he delivered cost at MORE s. Tariff components shall be owing:		
		ry CRF shall be fixed for in the entire duration of the contract period and shall be in Philippine Currency		
	P/kWh 3. Variable O&M P/kWh	on actual energy delivered)		
	<ol> <li>Fuel in P/kWh (, may be applicable</li> </ol>	e) on actual energy delivered) Inclusive of fuel Handling and Freight Costs		
Outage Allowance		shall be 100% of the		
Replacement Power	power. In the event of provide the replacent shall be allowed to fit shall before the account the payment of account	Contracted Capacity The Supplier is responsible to supply replacement power. In the event of failure of the Supplier to provide the replacement power, MORE Power shall before the account of the Supplier, subject to		
Regulatory Approvals	0.35/kWh. Downward adjustmen directive shall not be a of the contract. MORE	nts in rate as per ERC's a ground for the termination Power shall not be liable for mental cost arising for this		

relation to the implementation of Retail Competition and Open Access (RCOA), or the Green Energy Option Program or relevant Renewable Energy Law, or
 the Net Metering Program, or
 other relevant Laws issued by the Philippine Gover nent.

The guidelines for reduction in contracted capacity are outlined in Article 5.

Electricity Fees. In respect of each Billing Month within the Contract Period, BUYER shall pay Electricity Fees to SELLER in accordance with Schedule 5. The BUYER shall not be made to pay for electricity fees pertaining to capacity that it can no longer accept due to circumstances mentioned under Article 5 of this Agreement or to capacity that SELLER for some reason is unable to deliver. g.

h. Adjustments to the Basic Energy Charge

- The local components of the Basic Energy Charge subject to escalation shall be escalated by the Philippine Consumer Price Index published by the Philippine Statistics Authority. The foreign components of the Basic Energy Charge subject to escalation shall be escalated by the US Consumer Price Index published by US Bureau of Labor Statistics (USBLS). The Foreign exchange rate shall be the Ph Peso vs. US Dollar exchange rate as published by the Bangko Sentral ag Pilipinas on or before the last day of the Billing Month. i.
- ii.
- iii. Billing Month
- iv.
- Billing Month. The Capacity and its associated Energy shall be billed in Philippines Peso per kilowatt hour (PhP/kWh), in accordance with Schedule 5. For Additional Contracted Capacity and its associated Energy, if any, BUYER shall pay Electricity Fees to SELLER in accordance with Schedule 5.
- Responsibility for Taxes, Fees and Costs. i. SELLER shall be responsible for and shall directly make payment to third parties of its obligations for following amounts:

- Connection Charges; Energy Imbalance Fees in connection with its participation in the WESM; WESM line rental charges for the transmission of associated Energy under this agreement from the SELLER'S WESM Node to the Delivery Point; 3.
- Benefits to Host Communities Charges; Value-added tax on any of the foregoing amounts; and All other new taxes, increased tax rates, fees, charges and costs (including penalties) arising from this Arrennest thetadone the second secon Agreement that are not expressly permitted to be passed through to BUYER by the terms of this
- BUYER shall be responsible for and shall directly make payment to third parties of its obligations for the following amount:

- 2.
- WESM Market Fees; Any charges by NGCP for the supply of electricity at its Point(s) of Delivery; and All other new taxes, increased tax rates, fees, charges and costs (including penalties) arising from this Agreement that are not expressly permitted to be passed through to BUYER by the terms of this Agreement. 3.
- Non-Payment. SELLER may bill the BUYER interest charge j. Non-Payment. SELLER may bill the BUYER interest charge for non-payment of any undisputed amount billed under this Agreement. SELLER shall compute the interest charge using the rate per annum of the Treasury Bills at due date, multiplied by the number of days from the date when such payment is due plus three percent (3%) per annum until the date such amount is received in full by SELLER. Subject to Section 6.3, the SELLER has the sole option to draw from the Security Deposit in the amount that is due plus interest indicated herein. Should the SELLER utilize the Security Deposit, the SELLER shall send a written notice to the BUYER to replenish the said Security Deposit within fifteen (15) days to replenish the said Security Deposit within fifteen (15) days from receipt.
- k. Force Majeure. As used herein, "Force Majeure" shall mean Force Majeure. As used herein, "Force Majeure" shall mean any event not within the reasonable control, directly or indirectly, of the Party affected, but only if and to the extent that (i) such event, despite the exercise of reasonable diligence, cannot be or be caused to be prevented, avoided or removed by the Party affected, (ii) the Party affected has taken all reasonable presenting, due are and mean-party affected has taken reasonable precautions, due care and reasonable rnative measures in order to avoid the effect of such event alternative meas on the Party's ability to perform its obligation, and to mitigate the consequences thereof, and (iii) such event is not the direct or indirect result of a Party's negligence or the failure of such Party to perform any of its obligations. An event of Force Majeure shall include, but not be limited to any of the following events enumerated in Article 9.

N-10	POWER's revised timeline and commencement of
	publication and posting
N-11	Newspaper clippings for the publication of ITB
N-12	Affidavit of publication of ITB
N-13	MORE POWER CSP Bid-Bulletins
N-14 to	Invitations for CSP observers at the following stages
N-14 10	of the bidding:
19-21	
	Pre-Bid Conference
	Pre-Qualification
	Submission And Opening Of Bids
	Bid Evaluation
	Negotiations
	Post-Qualification
	Awarding
	Contract Signing
N-22	DOE Letter re: MEPC's request for a Certificate of
19-22	Compliance with the CCD dated Cont 11, 2001
	Compliance with the CSP dated Sept. 14, 2021
N-23 to	Pre-Qualification Results and Meeting Minutes.
N-25	June 4 and June 14, 2021
N-26	Final Instruction to Bidders (FITB)
N-27	Technical Proposals Requirements (Sec. 14 of FITB)
N-28	Financial Proposals Requirements (Sec. 15 of FITB)
N-29	Method and Criteria for Evaluation & Bidding
11-29	
N. e.e	Procedure (Sec. 24 of FITB)
N-30	Protest Mechanism (Sec. 33 of FITB)
N-31	Checklist of Bid Proposal Requirements
N-32	Power Supply Agreement Template
N-33 to	
N-43	Corporate Profile of the Bidders
N-44 to	Documents required and mandated by othe
N-53	government agencies for each bidder.
N-54 to	Acceptable Form of Bid and Performance Securities
N-63	
N-64 to	Notarized statements of the Bidders attesting to the
N-73	information submitted for their bids
N-74	Bid Proposals received by MORE POWER
	(Confidential)
N-75	TPBAC's Bid Evaluation Report with Abstract of Bid
	for Phase 2 (Confidential)
NI m6	
N-76	Certification from MORE POWER President and
	Chief Operating Officer attesting to the conduct of the
	CSP (Confidential)
N-77	Secretary's Certificate approving the TPBAC's Bid
	Evaluation Report and of the awarding of Phase :
	(20MW)to KSPC
N-78	Notice of Award issued to KSPC
0	Power Supply Agreement
0	Power Supply Agreement with Schedule
	(Confidential)
Р	KSPC's Transmission Service Agreement
	Generation / Power Rate
0	PSA Executive Summary (Confidential)
R	VSDC's Down Date Calculation and Disco 11
ĸ	KSPC's Power Rate Calculation and Financial Data
	(Confidential)
S	MORE POWER- Rate Impact Analysis
S-1	MORE POWER Rate Impact Simulation
Т	KSPC's Coal Supply Contract (Confidential)
T-1	VCDC's Current Statement on the first
1-1	KSPC's Sworn Statement on the fuel procurement
**	process
U	Technical Characteristics and Related Matters
V	KSPC's Audited Financial Statement for 2020
	(Confidential)
W	
**	KSPC-Write Up on Non-Applicable Requirement
	[BOI-COR,DOE-RES, DOE COR by an RE]
Х	KSPC Secretary's Certificate dated Nov. 29, 2021
Y	Affidavit of Mr. R. Castro in support of the prayer
	asking for Provisional Authority
7	
Z	Proof of Service to the Mayor and Sanggunian of the
	Proof of Service to the Mayor and Sanggunian of the copies of the Joint Application with Annexes
Z	Proof of Service to the Mayor and Sanggunian of the

# Allegations in Support of Motion for Confidential Treatment of Information

- Pursuant to Rule 4 of the ERC Revised Rules of Practice and Procedure (ERC Revised Rules), applicants respectfully move that the following documents: Power Supply Agreement (Annex "O"), PSA Executive Summary (Annex "Q"), KSPC's Power Rate Calculation and Financial Data (Annex "R"), KSPC's Coal Supply Contract (Annex "T"), KSPC's Audited Financial Statement for 2020 (Annex "V") as described above, shall be treated as confidential information as they contain 20. shall be treated as confidential information as they contain formula and pricing structures, trade secrets, and other proprietary information that are not generally available to the public, and their undue disclosure will prejudice their owners. Each page of these documents is stamped "Confidential" and signed, and the documents are submitted with this application in a sealed envelope for the perusal of the concerned personnel of the Honorable Commission.
- In its Instructions to Bidders, MORE POWER bound itself to keep all bids submitted by the qualified bidder as confidential. In compliance with this undertaking, the Bid Proposals received by MORE POWER (Annex "N-74"), the TPBAC Evaluation of Bids with the Abstract of Bids (Annex "N-75") and the Certification from MORE POWER President and COO 21.

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

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

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least the opportunity of the second and Procedure. 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
- The grounds relied upon. 3)

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

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

WITNESS, the Honorable Commissioners ALEXIS M. LUMBATAN, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 31st day of March 2022 in Pasig City.

