

ACEN to build two wind farms costing around P17B

AC ENERGY Corp. (ACEN) expects to spend an estimated P17 billion on two wind power projects with a combined capacity of 230 megawatts (MW) that it targets to complete in the next two years, its top official said.

"[We will spend] approximately P17 billion for both projects," ACEN President and Chief Executive Officer Eric T. Francia told reporters during a gathering on Wednesday.

Both wind farms will be built in Pagudpud, Ilocos Norte, with the one in barangays Balaoi and Caunayan having the bigger capacity at 160 MW. The project is under ACEN unit Bayog Wind Power Corp.

The smaller project, under Amihan Renewable Energy Corp., will be in Brgy. Caparisipan. It is an expansion of the Ayala group's existing project in the area and will have a capacity of 70 MW.

"Those were the two projects that we're confident will be completed by 2025," Mr. Francia said, referring to the completion deadline set by the government.

The delivery deadline is among the items included in the terms of reference for the Department of Energy's Green Energy Auction Program (GEAP) in which 2,000 MW of new renewable energy

capacity was offered to developers via competitive bidding.

ACEN won for its two wind projects during the auction held last month.

Mr. Francia said the Balaoi-Caunayan wind project is under a fully owned ACEN unit while the Caparisipan project is approximately 80% owned by the company, with a foreign partner holding the remaining stake. — **Victor V. Saulon**

FULL STORY



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<https://bit.ly/3P7UnN3>

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR CONFIRMATION AND APPROVAL OF FORCE MAJEURE EVENT CAPITAL EXPENDITURE PROJECT NAMED: REPAIR AND REHABILITATION OF DISTRIBUTION LINES, MASSIVE REPLACEMENT DISTRIBUTION TRANSFORMERS, KILOWATT-HOUR METERS AND SERVICE DROP MATERIALS, AND REPAIR OF BUILDING AND INFORMATION TECHNOLOGY AND COMMUNICATION SYSTEM EQUIPMENT IN THE AREAS AFFECTED BY THE ONSLAUGHT OF TYPHOON ODETTE

ERC CASE NO. 2022-041 RC

BOHOL I ELECTRIC COOPERATIVE, INC. (BOHECO I),
Applicant.

Promulgated:
June 17, 2022

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 27 May 2022, Bohol I Electric Cooperative, Inc. (BOHECO I) filed an Application seeking the Commission's confirmation and approval of its Force Majeure Event Capital Expenditure Project, namely: repair and rehabilitation of distribution lines, massive replacement distribution transformers, kilowatt-hour meters and service drop materials, and repair of building and information technology and communication system equipment in the areas affected by the onslaught of typhoon Odette.

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

- Applicant is an electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Cabulijan, Tubigon, Bohol, represented herein by its General Manager, Engr. Dino Nicolas T. Roxas, duly authorized by virtue of Resolution No. 29-2022 dated February 26, 2022 of the Board of Directors is hereto attached and marked as Annex "A" and made an integral part hereof; The filing of the instant application is likewise authorized under the aforesaid Board Resolution;
- It is the holder of an exclusive franchise issued by the National Electrification Commission (NEC) to operate an electric light and power distribution service in the municipalities of Albuquerque, Antequera, Baclayan, Balilihan, Batuan, Bilal, Calape, Carmen, Catigbian, Clarin, Corella, Cortes, Dausi, Dimiao, Inabanga, Lila, Loay, Loboc, Loon, Maribojoc, Panglao, Sagbayan, San Isidro, Sevilla, Sikatuna and Tubigon, Province of Bohol;

LEGAL BASIS FOR THE APPLICATION

- Pursuant to Section 3.3 of ERC Resolution 26, Series of 2009 which provides that if a Force Majeure or Fortuitous Event, as the case may be, occurs, the regulated entity shall seek the ERC's confirmation of the implementation of Capital Expenditure projects arising from such event, as well as other laws and rules, BOHECO I seeks confirmation and approval from this Honorable Commission of its implementation of Force Majeure Capital Expenditure (CAPEX) Project subject of the instant application;

THE FORCE MAJEURE EVENT (TYPHOON ODETTE)

- Typhoon Rai (Odette) was a powerful and catastrophic tropical cyclone that struck the Philippines. It became the first Category 5-equivalent super typhoon to develop in the month of December since 2016;
- After passing near Palau and impacting the island nation, Rai entered the Philippines Area of Responsibility (PAR) by the night of December 14, where the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) named it "Odette". On the next day, both the JMA and JTWC raised the system's intensity to a low-end Category 1-equivalent typhoon, as an eye continued to appear. While approaching the Philippines, Rai unexpectedly rapidly intensified into a Category 5 super typhoon just before its first landfall across Siargao. It then slowly but steadily weakened as it traversed the Visayas, exiting into the Sulu Sea.
- On December 16, 2021, typhoon "Odette" slightly weakens and is now traversing the northern portion of Bohol and as of 7:00 P.M. of the same day, the center of the eye of Typhoon "Odette" was located based on all available data including those from Guiuan, Mactan, and Bohol Doppler Weather Rada over the coastal waters of Pres. Carlos P. Garcia, Bohol (10.1°N, 124.5°E). It has a maximum sustained wind of 185 km/h near center, gustiness of up to 255 km/h, and central pressure of 925 hPa moving westward at 30 km/h. Strong winds or higher extend outwards up to 480 km from the center.
- Tropical cyclone wind signals remain in effect, with Signal No. 4 raised over Southern, Leyte, the southwestern portion of Leyte, Bohol, the central and southern portions of Cebu, the central and southern portions of Negros Oriental and the central and southern portions of Negros Occidental.

DESCRIPTION OF THE PROJECT

- The project involves the immediate repair and rehabilitation of distribution lines, massive replacement and rehabilitation distribution transformers, electric revenue meters (kilowatt-hour meters) and service drop materials as well as repair of the BOHECO I Administration Building (Main Office) and restoration and replacement of nformation Technology and Communication System Equipment, in the areas affected by the onslaught of Super Typhoon Odette.

ESTIMATED PROJECT COST

- The estimated cost of repair, replacement and building back better of the distribution assets as well as other facilities, equipment and assets damaged by the onslaught of Typhoon Odette amounts to Three Hundred Fifty Million Seven Hundred Fifty-six Thousand Twenty-one Pesos and Seventy-five centavos (PhP 350,756,021.75).

PROJECT SCHEDULE

- By December 17, 2021, clearing and assessment of the damages both in the distribution network and non-network assets of BOHECO I were initiated. The following day, 18 December 2021, the preliminaries for the rehabilitation works started with manpower from BOHECO I and personnel.
- Buffer stock of poles, transformers, electric revenue meters (kWh) materials and hardware were utilized to ensure compliance with committed deadlines of restoration while emergency purchases of other materials were also made while waiting for the arrival of additional necessary materials and equipment to be used to fast track the restoration and rehabilitation activities.
- BOHECO I has restored and repaired its backbone line (three-phase primary lines along national highways) last 15 January 2022 and as of 31 March 2022, BOHECO I has restored and repaired sixty-four percent (64%) of its lateral lines (lines supplying interior barangays and sitios).

PROJECT FINANCING

The repair, restoration and rehabilitation activities from the damages of Typhoon Odette was initially funded from BOHECO I's General Fund. The cooperative was granted with a subsidy from NEA amounting to Fourteen Million Nine Hundred Fifty-Nine Thousand Five Hundred Ninety-Four Pesos and Seventy-Three Centavos (PhP 14,959,594.73). Likewise, BOHECO I applied for a calamity loan from the National Electrification Administration (NEA) but only the amount of Seventy Four Million Nine Hundred Four Thousand Seven Hundred Fifty-Eight Pesos and Two Cents (PhP 74,904,758.02) was granted, however as of 15 March 2022, only Nineteen Million Pesos (PhP 19,000,000.00) was released. To pay for its remaining obligations due to the restoration and rehabilitation activities, the cooperative intends to obtain loans from banks and other financial institutions in estimated amount of Two Hundred Sixty Million Eight Hundred Ninety-One Thousand Six Hundred Sixty-Nine Pesos and Two Centavos (PhP 260,891,669.02) with a presumption of six (6%) percent interest rate to be paid for ten (10) years.

INDICATIVE RATE IMPACT

- Assuming revenue from 100% collection efficiency, the accumulated funds on RFSC is not sufficient to finance the project. As such, the implementation of the total rehabilitation and building back better the damaged facilities would have a rate impact on the cooperative's existing RFSC rate projected for ten (10) years, as shown in the Table below for Commission's approval.

Table 1: Indicative Rate Impact of the Project if Actual Sales is at 100% of Forecast

DESCRIPTION	2021 (actual)	2022	2023	2024	2025	TOTAL
RFSC Rate	0.2904	0.7065	0.7676	0.7676	0.7676	
Forecasted Energy Sales (kWh)		262,022,953	277,907,233	296,999,198	316,040,630	1,374,123,763
Actual Energy Sales (kWh)	221,153,749					
Cash balance beginning, PhP, excess/(shortfall)	25,111,219	5,110,704	(30,678,940)	(62,320,901)	(84,595,801)	25,111,219
CASH INFLOWS						
Expected Current Year Collection (PhP)	-	185,119,216	213,321,592	227,976,584	242,592,788	931,558,926
Actual Whole Year Collection (PhP)	62,548,746					
General Fund (PhP)	36,113,900					36,113,900
Income on leased properties (PhP)	-	683,157	683,157	683,157	683,157	2,732,629
Loan proceeds from financial institutions, NEA (PhP)		74,904,758				74,904,758
Loan proceeds from financial institutions, BANK (PhP)	125,000,000	936,291,144	179,744,612			1,241,035,756
Other Sources (PhP)						
Total Cash Inflows, PhP	223,662,645	1,196,998,475	393,749,364	228,659,742	243,275,945	2,286,345,969
Available cash for disbursement	248,773,864	1,202,108,979	373,070,422	166,138,840	158,680,144	2,311,423,188
CASH OUTFLOWS						
Total Withdrawals						
2015-2017 CAPEX	3,376,650					3,376,650
2016-2020 CAPEX	5,045,501	165,457,323				170,502,824
2021-2023 CAPEX	21,463,471	353,478,681	179,744,612			564,686,764
Emergency CAPEX (Dampas SS 10MVA Power Transformer)	6,066,898					6,066,898
Force Majeure CAPEX (Typhoon Odette)		335,796,427				335,796,427
Replenishment of General Fund (PhP)	125,000,000	125,000,000				250,000,000
Guarantee Fee (DBP-FGC)	161,437	161,437	161,437	161,437	161,437	807,183
New Amortization (FEB and NEA)	-	43,687,028	43,687,028	43,687,028	43,687,028	174,748,110
Old Amortization (NEA and DBP)	82,549,262	179,124,160	211,998,247	206,886,177	194,026,684	874,614,530
Permit Fee	-	10,082,865				10,082,865
Total Cash Outflows, PhP	243,663,160	1,222,879,919	435,591,323	490,734,641	437,905,149	2,390,682,192
Cash balance ending, PhP, excess/(shortfall)	5,110,704	(30,678,940)	(62,320,901)	(84,595,801)	(79,325,003)	(79,325,003)
Excess/(shortfall) on RFSC, PhP/kWh	0.0231	(0.0789)	(0.2250)	(0.2848)	(0.2507)	(0.0977)

BOHECO FME CAPEX for building back better the damaged facilities during the Typhoon Odette were optimally designed and engineered for a reasonable and justifiable electricity rates at the least cost of service. Shown below is the annual rate impact of its proposed CAPEX plan on its RFSC:

Table 2: Summary of Indicative Rate Impact

Indicative Rate Impact	10-Year Loan Term
If Actual Sales is 90% of forecast	(0.1320)
If Actual Sales is 100% of forecast	(0.0577)
If Actual Sales is 110% of forecast	0.0052

JUSTIFICATIONS OR BENEFITS TO BE DELIVERED BY THE PROJECT

- Being part of the Philippine islands, Central Visayas is susceptible to typhoons due to its geographical location. Thus, as a utility provider in the area, it is a must for BOHECO I to be alert and prepared for happenings like these which are beyond human control.
- BOHECO I's mandate to provide at all times reliable, safe and efficient delivery of electricity to the consuming public is indispensable. Considering the absolute necessity of power to the consuming public, the obligation of BOHECO I to restore electricity is compulsory and immediate. This is the cooperative's justification for the project.
- BOHECO I submitted a Notice of Force Majeure Event (FME) to the Energy Regulatory Commission dated 24 February 2022 and was acknowledged receipt by the ERC Docket Section on the same day. Further, given the volume of the data that has to be consolidated in support of the application of the FME Capital Expenditure Project, on 23 March 2022, BOHECO I requested another 30-day extension to formally file an application for confirmation and approval of BOHECO I's FME CAPEX Project which was acknowledged receipt by the ERC Docket Section on the same day.

SUBMISSIONS

- Finally, in support of the instant application, BOHECO I is submitting herewith the following documents to form integral parts hereof as follows, to wit:

Annex Markings	Nature of Document
A	BOHECO I Board Resolution No. 29-2022_FME CAPEX Application
B-1	Notice of Force Majeure of BOHECO I – TYPHOON ODETTE
B-2	ERC Docket Section acknowledgment of the Notice of Force Majeure Event of BOHECO I – Typhoon Odette
B-3	Letter to the Commission (ERC) 2022_Request for Extension of FME CAPEX Application
B-4	ERC Docket Section acknowledgment of the Request for Extension to Formally file FME CAPEX Project – Typhoon Odette
B-5	Letter to the Commission (ERC) 2022_Request for Another Extension of FME CAPEX Application
B-6	ERC Docket Section acknowledgment of the Request for Another Extension to Formally file FME CAPEX Project – Typhoon Odette
C-1	Executive Summary of the Force Majeure Event Capital Expenditure Project
C-2	Detailed Bill of Materials and Costing per Town for the Restoration of Damaged Distribution Network
C-3	Photos per Town of BOHECO I Damages from Typhoon Odette
C-4	Post Typhoon Assessment and Certification of BOHECO I Admin Building, Foundation and Related Structures
D	Proof of furnishing of copies of the Application to the Sangguniang Bayan of Tubigon and Sangguniang Panlalawigan of Bohol
E and series	Proof of publication of the Application in a newspaper of general circulation within BOHECO I's franchise area or where it principally operates

APPLICATION FOR AUTHORITY TO SECURE LOAN

- The implementation of the aforementioned FME CAPEX shall be financed by funds sourced through loans from National Electrification Administration (NEA) subject to its present lending policies on loan approval and releases, and/or other financial institutions, should it offer more favorable terms. In this connection, and for purposes of such integrated application for authority to secure loan, all allegations thereto pertaining are hereby repealed.

PRAYER

WHEREFORE, premises considered, BOHECO I respectfully prayed of this Honorable Commission after due notice and hearing, the repair and rehabilitation of distribution lines, massive replacement distribution transformers, kilowatt-hour meters and service drop materials, and repair of building and information technology and communication system equipment in the areas affected by the onslaught of typhoon Odette from December 16 through 17, 2021, be confirmed and approved accordingly, and granting authority to secure loans to BOHECO I to finance the aforementioned applied Force Majeure Event Capital Expenditure projects;

Other reliefs, just and equitable in the premises 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 online platform for the conduct thereof, pursuant to Resolution 09, Series of 2020 dated 24 September 2020, and Resolution No. 01, Series of 2021 dated 17 December 2020 (ERC Revised Rules of Practice and Procedure):²

Date	Platform	Activity
05 August 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
12 August 2022 (Friday) at nine o'clock in the morning (9:00 A.M.)	Microsoft Teams	Pre-trial Conference and presentation of evidence

Accordingly, BOHECO I is hereby directed to host the virtual hearing at BOHECO I's principal office located at Brgy. Cabulijan, Tubigon, Bohol, as the designated venue for the conduct thereof, and ensure that the same is open to the public and the community quarantine guidelines are observed at all times. Moreover, BOHECO I shall guarantee that, during the 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 doCKET@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

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

- The petitioner's name, mailing address, and e-mail address;
- 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
- A statement of the relief desired.

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

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

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

Finally, all interested persons may be allowed to join the scheduled initial virtual hearing 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 hearing.

WITNESS, the Honorable Commissioners ALEXIS M. LUMBATAN, FLORESINDA G. BALDO-DIGAL and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 9th day of June 2022 in Pasig City.


AGNES VSU DEVANADERA
Chairperson and CEO

LS: KACF/CLB/MCCO



¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.
² A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.