

PetroGreen secures P834-million loan for solar project in Bohol

YUCHENGCO-LED PetroGreen Energy Corp. (PGEC) has secured a loan facility worth P834 million from a local bank for the development of its 27.5-megawatt solar power project in Bohol.

The company secured the financing from Rizal Commercial Banking Corp. (RCBC), PGEC said in a statement on Tuesday.

The loan will be used for the construction of the Dagohoy Solar Power Project (DSPP) in San Vicente and Sta. Cruz, Dagohoy, Bohol, which is targeted for completion by the fourth quarter.

"This is a significant milestone for PGEC as we accelerate and increase our renewable energy business and assets," PGEC Senior Vice-President for Corporate Services Arlan P. Profeta said.

"We have forged a time-tested and fruitful relationship with RCBC, which have resulted in successful implementation of our other RE (renewable energy) projects and we are grateful that we are able to continue the partnership," he added.

According to PGEC, the DSPP is expected to be the first large-scale solar power facility in Bohol and "will

reduce the province' dependency from power generation coming from outside the island province."

The company has already completed the site clearing and development, and the installation of photovoltaic solar panels will begin soon.

"Working with PGEC to fund their various renewable energy projects is very much consistent with RCBC's sustainability initiatives and direction of supporting projects with positive impact to the environmental and society," RCBC Corporate Banking Group Head Elizabeth E. Coronel said.

PGEC is the renewable energy arm of publicly-listed PetroEnergy Resources Corp. (PERC) and is a joint venture with Kyuden International Corp., the overseas investment unit of Kyushu Electric Power of Japan.

For the third quarter, PERC reported an attributable net income of P167.95 million, up 51.3%. Gross revenues grew by 46.2% to P959.51 million.

At the local bourse on Tuesday, PGEC's shares went up by P0.03 or 0.67% to close at P4.49 each. — **Sheldeen Joy Talavera**

Cosco acquires 60% stake in Caturian Hydropower

COSCO Capital, Inc. has finalized its acquisition of 60% outstanding shares in Caturian Hydropower Corp., operator of the eight-megawatt hydroelectric power plant in Naujan, Oriental Mindoro, the retail holding company announced on Tuesday.

The listed company has acquired a total of 360 million shares in Caturian at a price of P1.533 per share, it said in a stock exchange disclosure.

Cosco has received a letter from the Philippine Competition Commission, saying "the transaction is not subject to compulsory notification, thus clearing the path for the parties to close the transaction."

"The acquisition of Caturian will provide an opportunity for Cosco Capital, Inc. to engage in another profitable line of business while contributing to the country's economic develop-

ment, which aligns with the government's thrust toward creating more sustainable energy sources," the company said.

The company has paid to Union Energy Corp. in exchange for 60% of its shareholdings in Caturian, Cosco said.

"The total consideration is below 10% of Cosco's total book value as of December 31, 2023," the company said.

Incorporated in 2012, Caturian is primarily engaged in the business of building, constructing, operating, and maintaining power plant.

Cosco has a portfolio of businesses in retail, real estate, wine and liquor, and oil and mineral.

At the stock exchange on Tuesday, shares of the company climbed by P0.04 or 0.82% to close at P4.94 each. — **Sheldeen Joy Talavera**

JG Summit Holdings net income surges to P20.2 billion in 2023

GOKONGWEI-LED conglomerate JG Summit Holdings, Inc. said its net income reached P20.2 billion in 2023, up by 30 times from the P700 million net income the prior year, led by higher revenues from its airline and real estate businesses.

"Incorporating more favorable foreign exchange and market adjustments, net income leapt to P20.2 billion, 30x the P0.7 billion reported in the same period last year," JG Summit said in a stock exchange disclosure on Tuesday.

JG Summit saw a 14% increase in 2023 revenues to P343.8 billion led by the first full year of unrestricted travel demand coupled with the broad-based growth in its real estate unit and the steady improvement in its food and petrochemical sales.

The conglomerate's core net income surged to P19.6 billion in 2023 from P6.2 billion in 2022.

"In 2023, we saw our airline and property businesses benefiting from fully lifted mobility restrictions while we carefully navigated the tough inflationary environment that affected demand and margins, especially for our food business," JG Summit President and Chief Executive Officer Lance Y. Gokongwei said. — **Revin Mikhael D. Ochoa**

FULL STORY
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Cebu Air says 2023 results signal 'stronger' performance this year

CEBU AIR, Inc. (CEB), operator of budget carrier Cebu Pacific, expects higher earnings this year after returning to profitability in 2023, driven by strong passenger demand.

"Moving forward, we are optimistic that Cebu Pacific's solid 2023 financial results will set the foundation for a stronger financial performance in 2024," Mark Julius V. Cezar, Cebu Air chief financial officer, told the stock exchange on Tuesday.

Without disclosing comparative figures, Cebu Air registered

a net income of P7.9 billion for 2023, reversing its losses in 2022.

Based on the company's financial statement, as previously disclosed at the stock exchange, Cebu Air registered a net loss of P13.98 billion in 2022. — **Ashley Erika O. Jose**

FULL STORY
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DOE Certificate of Conformity No. 2023-10-002 dated October 27, 2023	"C-1"
2024 MERALCO-EERI PSA	"D"
Executive Summary	"D-1"
Judicial Affidavit of MERALCO's witness, ENGR. DAVIDJOHN A. ZUNIGA, Officer of MERALCO's Energy Resource Planning - Energy Sourcing Office	"E"
MERALCO's Articles of Incorporation and By-Laws (SEC-certified true copy)	"F"
MERALCO's Latest General Information Sheet ("GIS") (SEC-certified true copy)	"G"
Verified Certification of True Copies of MERALCO's Articles of Incorporation, By-Laws, and GIS and of MERALCO's Ultimate Parent Company, all of its subsidiaries and affiliates	"G-1"
MERALCO's Demand Side Management Program	"H"
Write-up on the Non-Applicability of National Power Corporation ("NPC") Certification regarding whether or not Transition Supply Contract ("TSC") capacity and energy is expected to be available during the contractual period	"I"
• Excerpt of MERALCO's Distribution Development Plan - Power Supply Procurement Plan (Supply and Demand Scenario);	"J"
• Average Daily Load Curve scenarios	"J-1"
• Details of Existing Suppliers	"J-2"
• Details of Power Supply Contract Utilization	"J-3"
• Details of SAIDI and SAIFI	"J-4"
• Estimation of the potential for a reduction in load supplied by MERALCO due to RCOA, GEOP, etc.	"J-5"
Documents showing MERALCO's conduct of CSP	"K" and series
SEC Certificate of Registration including the Articles of Incorporation and By-Laws of EERI	"L and series"
2023 General Information Sheet of EERI (SEC-certified true copy)	M
Verified Certification of the list of Board Directors and members of the Ultimate Parent Company, subsidiaries and all affiliates of EERI	"N"
Write-up on the non-applicability of a Shareholder's Agreement	"O"
Board of Investments ("BOI") Certificate of Registration	"P" and "P-1"
Environmental Compliance Certificate ("ECC")	"Q"
Affidavit of Undertaking for the filing of the COC of the Plant	"R"
Certificate of Endorsement from the DOE regarding the inclusion of the Plant in the PDP	"S"
Written Explanation on In-applicable Documents	"T" and series
1. Write up on the Non-Applicability of RE Requirements	
2. Water Permit from the National Water Resources Board	
3. Distribution Wheeling Service Agreement	
4. Transmission Wheeling Contract	
5. IPPA Agreement	
6. Wholesale Aggregator Agreement	
7. Bank Certification of Long-Term Loans including Schedule of Original Loans	
8. Certification from the bank or lending institution	
Single-line Diagram	"U"
Point-to-Point Application of the Plant	"V"
Project Feasibility Study (confidential)	"W"
Financial Model and Generation Rate Derivations (confidential)	"X and series" *
Certification on the Fuel Supply Procurement	"Y"
Fuel Supply Agreement	"Y-1"
Technical and Economic Characteristics of the EERI Plant (including the write up as regards the inapplicability of the requirement concerning the data on outages)	"Z" and Series
Certified True Copy of EERI's Audited Financial Statements	"AA" and series
Net Heat Rate Simulation of the number of operating units necessary to meet the MEOT	
Wholesale Electricity Market Registration (WESM)	
Certification as regards the Operation and Maintenance Agreement	"BB"
Lump Sum Supply Contract (EPC Agreement) (Confidential)	"CC" and series

ALLEGATIONS IN SUPPORT OF THE MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

- Under Rule 4 of the ERC RRRP, a party to any proceeding before the Honorable Commission may request that certain information not be disclosed and be treated as confidential, by describing with particularity the information to be treated as confidential, specifying the ground for the claim of confidential treatment of the information and, if applicable, specifying the period during which the information must not be disclosed.
- With respect to the documents marked and attached as ANNEXES "W", "X" and Series, and "CC" EERI respectfully moves that these be treated as confidential and not be disclosed to any party for the reason that these contain non-public, proprietary information, data and calculations involving the investments, financial calculations, and business operations of EERI. The data and information contained therein are part of the overall formula and process in arriving at the competitive rates of EERI. These formula and process are specifically developed for the use of EERI and are treated as trade secrets. If the information contained in these documents are unduly disclosed, it will seriously prejudice the competitiveness of EERI. These documents are neither generally available to the public nor already in the possession of the Honorable Commission on a non-confidential basis.
- In the case of *Air Philippines Corporation vs. Pennswell Inc.*,³ the Supreme Court defined "trade secret" as follows:
"A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having commercial value. A trade secret may consist of any formula, pattern, device, or compilation of information that (1) is used in one's business; and (2) gives the employer an opportunity to obtain advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for continuous operation of the business, for example, a machine or formula, but can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights." (Emphasis supplied.)
- The protection of trade secrets is likewise recognized by the Honorable Commission in its Decision in ERC Case No. 2015-111 RC:
"In the case of PNOC RC, the documents sought to be protected from disclosure contains formula and pricing structures used in arriving at their proposed tariff. The prices cited in the documents were components of the proposed tariff. In fact, all three (3) documents were used by the Commission in evaluating the reasonableness of the proposed rate. In electric power industry [where] prices is a major consideration in selecting one's supplier, it is apparent that the assumption used in arriving at one's proposed tariff is considered a competitive leverage by one player against its competitors.
Thus, the Commission resolved to treat the said documents confidential and may not be publicly disclosed."⁴
- EERI hereby submit one (1) copy of the foregoing confidential documents in a sealed envelope, with the envelope and each page of the documents marked "Confidential."
- The interest of the consumers of MERALCO is sufficiently protected by the review and evaluation of the rates under the PSA by the Honorable Commission, without the need to disclose the contents of ANNEXES "W", "X" and Series and "CC". 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 handling thereof.

22. Lastly and corollary to the foregoing, EERI would like to implore the discerning wisdom of the Honorable Commission to include in its issuance for this purpose the "procedures for handling or returning the confidential information, as may be appropriate, upon the close of the proceedings..." (Sec. 2, Rule 4, ERC RRRP)

23. This is guided by the fact that EERI will seek for the return of these sought to be declared confidential annexes after its utilization as evidence in this case and/or at the close of the proceedings hereof, so as to relieve the Honorable Commission of the burden of safekeeping the trade secrets of EERI enclosed in the subject annexes.

PRAYER

WHEREFORE, premises considered, Applicants respectfully pray that the Honorable Commission:

- Issue an Order TREATING ANNEXES "W", "X and Series" and "CC" and all other information contained therein as CONFIDENTIAL, directing their non-disclosure to persons other than officers and staff of this Honorable Commission, continuously protecting the said information from public disclosure by maintaining the same separate and apart from the records of the case, and ensuring that these are not divulged to unauthorized persons, and that the same will be returned to Applicant EERI, pursuant to Rule 4 of the ERC RRRP; and
- After hearing on the merits, render a Decision APPROVING the MERALCO-EERI PSA and the terms and conditions thereunder, including the price.

Other reliefs, just and equitable under the circumstances, are likewise prayed for.

The Commission sets the instant *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 09, Series of 2020⁵ and Resolution No. 01, Series of 2021⁶ (ERC Revised Rules of Practice and Procedure):

Date	Platform	Activity
16 April 2024 (Tuesday) at two o'clock in the afternoon (2:00 PM)	Microsoft Teams Application	Determination of compliance with the jurisdictional requirements and expository presentation
23 April 2024 (Tuesday) at two o'clock in the afternoon (2:00 PM)		Pre-Trial Conference and presentation of evidence

MERALCO and EERI are directed to host the virtual hearings at **MERALCO's Principal Office at Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City**, as the designated venue for the conduct thereof, and ensure that the same is open to the public. MERALCO and EERI 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 initial 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:

- 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, 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:

- The name, mailing address, and e-mail address of such person;
- A concise statement of the Opposition or Comment; and
- 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 *Joint Application* through the Commission's official website at www.erc.gov.ph.

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, 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, FLORESINDA G. BALDO-DIGAL and MARKO ROMEO L. FUENTES, Energy Regulatory Commission, this 8th day of March 2024 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:


CATHERINE P. MACEDA
Commissioner and
Officer-in-Charge of the
Office of the Chairperson and CEO

ERC

Office of the Chairperson and CEO

CPM2024-015199

¹ Project Feasibility Study
² Financial Model and Generation Rate Derivation
³ G. R. No. 172835, 13 December 2007.

⁴ In the Matter of the Application for the Approval of the Power Supply Agreement Between Nueva Ecija II Electric Cooperative, Inc. - Area 2 (NEECO II - Area 2) and PNOC Renewables Corporation (PNOC RC) with Prayer for Provisional Authority, ERC Case No. 2015-111 RC, Decision dated 30 May 2017, p. 26.

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.