Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE GREEN ENERGY AUCTION ALLOWANCE FOR CALENDAR YEARS 2025-2026 PURSUANT TO THE GUIDELINES ON THE COLLECTION OF THE GREEN ENERGY AUCTION ALLOWANCE AND DISBURSEMENT OF THE GREEN ENERGY AUCTION ALLOWANCE FUND, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. 2025-127 RC

NATIONAL TRANSMISSION CORPORATION,
Applicant.
x----------x

Promulgated:
July 10, 2025

NOTICE OF PUBLIC/VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 13 June 2025, National Transmission Corporation (TRANSCO) filed an *Application*, dated 13 May 2025, seeking the Commission's approval of the Green Energy Auction Allowance (GEA-All) for Calendar Years (CYs) 2025 to 2026, pursuant to the Guidelines on the Collection of the Green Energy Auction Allowance and Disbursement of the Green Energy Auction Allowance Fund, with prayer for provisional authority.

The docketed copy of the *Application*, excluding its annexes, is attached as Annex "A" hereof.

The Commission has set the *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[1] and Resolution No. 01, Series of 2021[2] (ERC Revised Rules of Practice and Procedure):

Date and Time	Venue/Platform	Activity
26 August 2025 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	**Energy Regulatory Commission, Hearing Room, 11th Floor, Exquadra Tower, 1 Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig City**	Determination of compliance with jurisdictional requirements and Expository Presentation for Luzon Stakeholders
02 September 2025 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	**Energy Regulatory Commission, Visayas Area Operations Division (VAOD), 7th Floor, Kepwealth Building, Samar Loop, Cebu Business Park**	Expository Presentation for Visayas Stakeholders
09 September 2025 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	**Energy Regulatory Commission, Mindanao Area Operations Division (MAOD), 6th Floor, BIZ Bldg., c/o BORMAHECO, Inc., 209 J.P. Laurel Avenue, Bajada, Davao City**	Expository Presentation for Mindanao Stakeholders
16 September 2025 (Tuesday) at nine o'clock in the morning (9:00 A.M.)	**Microsoft Teams**	Pre-Trial Conference and Presentation of Evidence
23 September 2025 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Presentation of Evidence
30 September 2025 (Tuesday) at nine o'clock in the morning (9:00 A.M.)		Presentation of Evidence

Any interested stakeholder may submit its comments and/or clarifications at least **one (1) calendar day** prior to the scheduled initial hearing, via 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, 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 hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case, and state the following:

1) The petitioner's name, mailing address, and e-mail address;

2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and

3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial 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:

1) The name, mailing address, and e-mail address of the 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 acknowledgement receipt e-mail sent by the Commission.

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

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, their respective e-mail addresses, 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 Chairperson and CEO **MONALISA C. DIMALANTA** and the Honorable Commissioners **FLORESINDA G. BALDO-DIGAL** and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 10th day of July 2025 in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:

KRISHA MARIE T. BUELA
Director III, Legal Service

LS: JAB/MVM

[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.

ANNEX "A"

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
Jade Drive, Ortigas Center, Pasig City

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE GREEN ENERGY AUCTION ALLOWANCE FOR CALENDAR YEARS 2025-2026 PURSUANT TO THE GUIDELINES ON THE COLLECTION OF THE GREEN ENERGY AUCTION ALLOWANCE AND DISBURSEMENT OF THE GREEN ENERGY AUCTION ALLOWANCE FUND, WITH PRAYER FOR PROVISIONAL AUTHORITY,

ERC CASE NO. 2025-127 RC
June 13, 2025

NATIONAL TRANSMISSION CORPORATION,
Applicant.
x----------x

APPLICATION
(WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION)

Applicant **NATIONAL TRANSMISSION CORPORATION,**[1] by counsel, respectfully states that:

THE APPLICANT

1. TransCo is a government instrumentality created pursuant to Republic Act[2] No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001,[3] with principal office address at TransCo Building, Power Center, Senator Miriam P. Defensor-Santiago Avenue (formerly BIR Road) corner Quezon Avenue, Diliman, Quezon City, where it may be served with summons and other processes of this Honorable Commission.

NATURE OF THE APPLICATION

2. This Application is being filed by TransCo in its capacity as the Green Energy Auction[4] Allowance[5] Fund Administrator tasked with the establishment, management, administration, disbursement and settlement (through the Trustee Bank) of the GEA-All Fund pursuant to this Honorable Commission's Resolution No. 06, series of 2025, dated January 8, 2025, the Department of Energy[6] Department Circular No. DC 2021-11-0036 dated November 3, 2021, and other relevant laws, rules, and regulations as will be discussed hereafter.

3. On December 16, 2008, R.A. No. 9513 entitled "An Act Promoting the Development, Utilization and Commercialization of Renewable Energy Resources and for Other Purposes"[7] was enacted to: (i) accelerate the exploration and development of renewable energy resources to achieve energy self-reliance by reducing the country's dependence on fossil fuels and thereby minimize the country's exposure to price fluctuations in the international markets; (ii) increase the utilization of renewable energy by providing fiscal and non-fiscal incentives; (iii) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the goals of economic growth and development with the protection of health and the environment; and (iv) establish the necessary infrastructure and mechanism to carry out the mandates specified in the RE Law and other existing laws.[8]

4. To achieve these state policies, Section 7 of the RE Law mandates the establishment of a Feed-in Tariff[9] System for electricity produced from wind, solar, ocean, run-of-river hydropower, and biomass. The FIT System is an incentive scheme that, among others, grants priority connections to the grid, priority purchase and transmission of, and payment for, electricity generated, and fixed tariff for a period of not less than twelve (12) years to be determined by the Honorable Commission for eligible Renewable Energy[10] generation.[11]

5. On July 12, 2010, the Honorable Commission, in consultation with the National Renewable Energy Board[12] and other stakeholders, issued Resolution No. 16, series of 2010 entitled "Resolution Adopting the Feed-in Tariff Rules"[13] where it established, among others, the FIT System, the method of establishing and approving the FIT and the FIT-All.

6. On November 19, 2012, the Honorable Commission issued Resolution No. 15, series of 2012, designating TransCo as the FIT-All Fund Administrator tasked with the establishment, management/ administration, and disbursement/settlement (thru the Trustee Bank) of the FIT-All Fund.

7. On November 26, 2015, DOE issued the Department Circular No. DC 2015-07-0014, otherwise known as the "Guidelines for the Policy of Maintaining the Share of RE in the Country." Section 2 of said circular states the policy of the DOE of "adopting at least 30 percent (30%) share of RE in the country's total power generation capacity through the wholistic implementation of the FIT System xxx." Section 4 of the same circular provides that the succeeding FIT installations shall be conducted through the following auction system:

> **Section 4. FIT Auction.** To ensure the attainment of Section 2 of this Circular, the DOE will use the FIT installation targets. Upon the full subscription of the existing installation targets, the succeeding rounds for the installation targets for the FIT-eligible resources shall be made through an auction system to be adopted by the DOE. xxx

8. On July 14, 2020, the DOE issued Department Circular No. DC 2020-07-0017, entitled "Promulgating the Guidelines Governing the Policy for the Conduct of Green Energy Auction in the Philippines."[14]

9. On November 3, 2021, the DOE issued Department Circular No. DC 2021-11-0036 dated November 3, 2021, entitled "Providing the Revised Guidelines for the Green Energy Auction Program (GEAP) in the Philippines."[15] This issuance is anchored on Section 4 of DOE's Department Circular No. DC 2015-07-0014 mentioned above. Section 16 of the GEAP Guidelines adopts the regulatory framework and administration of the FITs provided under the ERC Resolution No. 16, series of 2010, except for the price determination.

10. The GEAP, in a sense, is similar to the existing FIT System. The only difference lies in the determination of the tariff. Under the FIT System, the ERC approves the FIT Rates, while for the GEAP, the Green Energy Tariff[16] is determined through the conduct of a competitive auction.[17] The price offered by the Winning RE Developer[18] under the GEAP shall be the GET.[19]

11. On September 26, 2023, the DOE issued DC 2023-09-0027, entitled "Amendment to Department Circular No. DC 2021-11-0036 Titled Providing the Revised Guidelines for the Green Energy Auction Program in the Philippines." Section 1 of said circular amended Section 9.13 of the GEAP Guidelines, which states, in part, that "[i]n the availment of the FIT-All Fund, the GET of a Winning Bidder shall be considered, interpreted, and accepted as the FIT."

12. Notably, the existing FIT Rules and FIT-All Guidelines do not include the GEA and the resulting tariff from the evaluation thereof as part of the formula in the computation and determination of the FIT-All.[20]

13. Thus, on March 15, 2025, the Honorable Commission issued Resolution No. 06, series of 2025, entitled "A Resolution Adopting the Guidelines on the Collection of the Green Energy Auction Allowance (GEA-All) and the Disbursement of the GEA-All Fund"[21] to address the gap in the rules. This GEA-All Guidelines establishes the methodology for the calculation, determination, filing, approval, collection, and disbursement of the GEA-All and the mechanism for the monitoring of the status of the GEA-All Fund, among others.

14. Meanwhile, on May 26, 2022 and June 14, 2023, the Honorable Commission issued ERC Resolution No. 02, series of 2022, also known as "A Resolution Adopting the Green Energy Auction Reserve (GEAR) Prices for the First Round of Auction," and ERC Resolution No. 06, series of 2023, also known as "A Resolution Adopting the Green Energy Auction Reserve (GEAR) Prices for the **Second Round of Auction," respectively, setting the GEAR Prices or** the ceiling/ maximum offer for each technology under the GEAP, as follows:

GEA-1	
Technology	GEAR Price, PhP/kWh
Biomass	5.0797
Hydropower	5.4913
Solar	3.6779
Wind	6.0584

GEA-2	
Technology	GEAR Price, PhP/kWh
Rooftop Solar	4.8738
Ground-mounted Solar	4.4043
Floating Solar	5.3948
Onshore Wind	5.8481
Biomass	5.4024
Biomass Waste-to-Energy	6.2683

15. On February 9, 2022 and May 27, 2023, the DOE issued the Notices for Auction for the following installation targets:

GEA-1

RE Resource	2023 to 2025 Target Capacity, MW			
	Luzon	Visayas	Mindanao	Total
Hydropower	80	-	50	130
Biomass	60	120	50	230
Solar	900	260	100	1,260
Wind	360	20	-	380
Total	**1,400**	**400**	**200**	**2,000**

GEA-2

RE Resource	2024 Target Capacity, MW			
	Luzon	Visayas	Mindanao	Total
Ground-mounted Solar	1,420	325	280	2,025
Roof-mounted Solar	160	45	30	235
Onshore Wind	800	400	-	1,200
Biomass	20	100	20	140
Total	2,400	870	330	3,600

RE Resource	2025 Target Capacity, MW			
	Luzon	Visayas	Mindanao	Total
Ground-mounted Solar	1,420	400	320	2,140
Roof-mounted Solar	200	30	30	260
Onshore Wind	700	470	-	1,170
Biomass	5	10	15	30
Total	2,325	910	365	3,600

RE Resource	2026 Target Capacity, MW			
	Luzon	Visayas	Mindanao	Total
Ground-mounted Solar	1,900	350	300	2,550
Floating Solar	300	-	-	300
Roof-mounted Solar	50	40	20	110
Onshore Wind	700	500	150	1,350
Biomass	10	25	25	60
Waste-to-Energy	30	-	-	30
Total	2,990	915	495	4,400

16. Accordingly, the DOE conducted the auctions and issued the Notices of Award to the Winning Bidders on the following dates:

Particulars	Auction Date	Issuance of Notices of Award
GEA-1	June 17, 2022	June 24, 2022
GEA-2	July 3, 2023	July 12, 2023

17. The GEA-All is a uniform charge (in PhP/kWh) billed to all on-grid electricity consumers who are supplied with electricity through the distribution or transmission network.[22] Under the GEA-All Guidelines, TransCo as the GEA-All Fund Administrator must make an annual determination of the GEA-All Rate that will be implemented for the following year and file its application with the Honorable Commission not later than the end of July of each year.[23]

18. Considering that the Honorable Commission has recently issued the GEA-All Guidelines in 2025 and the delivery commencement dates of the GEA plants with COE-GET are practically set in 2025, TransCo deems it best to include in this initial filing the funding requirements of RE developers under the GEAP for the current year (2025) and the following year (2026), in accordance with the GEA-All Guidelines.

19. Therefore, by and pursuant to the RE Law, the GEAP Guidelines, the GEA-All Guidelines, and other pertinent law, rules and regulations, TransCo respectfully submits this instant Application to the Honorable Commission for its due consideration of the herein applied GEA-All Rate for the years 2025 and 2026.

GREEN ENERGY AUCTION ALLOWANCE FOR 2025 AND 2026

20. TransCo has computed a **GEA-All Rate** of **PhP0.0061 /kWh** for 2025 and 2026, determined using the formula provided in Section 5.3.1 of the GEA-All Guidelines, as follows:

$$\text{GEA-All (PhP/kWh)} = \frac{GD + WCA + AA + DA}{FNS}$$

Where:

DESCRIPTION	
GEA-All	is the Green Energy Auction Allowance to be implemented in $Year_{t+1}$ in PhP/kWh, as provided for in the Guidelines.
GD	is the estimated Total GET Differential required for $Year_{t+1}$ in PhP, and as further described in Section 5.4.1 of the Guidelines.
WCA	is the estimated Working Capital Allowance required for $Year_{t+1}$ in PhP, and as further described in Section 5.4.2 of the Guidelines.
AA	is the Administration Allowance to be implemented in $Year_{t+1}$ in PhP, and as further described in Section 5.4.3 of the Guidelines.
DA	is the Disbursement Allowance to be implemented in $Year_{t+1}$ in PhP, and as further described in Section 5.4.3 of the Guidelines.
FNS	is the Forecast National Sales, in kWh, to be applied for Year $_{t+1}$ and as further described in Section 5.4.4.2 of the Guidelines.
T	is the year the application for setting the GEA-All is filed with the ERC.
t+1	is the year following t

21. Whenever $Year_{t+1}$ (implementation year) is used in any formula in the present Application, the same shall refer to the years 2025-2026. Correlatively, the $Year_{t+2}$, whenever used in any formula in this Application, shall refer to the year 2027.

COMPONENTS OF THE GEA-ALL

I. Forecast National Sales

22. The Forecast National Sales[24] is the kilowatt-hour denominator in the GEA-All formula. The estimated level of FNS for 2025-2026 is determined first so that each of the components in the numerator in the GEA-All formula may be presented in terms of PhP/kWh.

23. The FNS refers to an estimated total kilowatt-hour[25] of electricity billed to consumers who are supplied with electricity in all on-grid areas in the Philippines for a given year.[26]

24. The FNS, in kWh, shall be equal to the latest available Electricity Sales as stated in the Philippine Power Statistics, excluding Utilities Own Use and Power Losses, or as otherwise certified by the DOE, and as adjusted by the latest three (3) year average historical growth rate published for the immediately preceding three (3) years.[27]

25. From the historical data provided by the DOE covering the years 2021 to 2024,[28] TransCo computed the compounded annual growth rate[29] of electricity sales for a three-year period using the formula:

$$CAGR_{to.tn} = \left(\frac{V_{tn}}{V_{to}}\right)^{\frac{1}{tn-to}} - 1$$

Where:
$V(t_0)$ = beginning value
$V(t_n)$ = end value
$t_n - t_o$ = number of years

26. **TransCo computed the projected 2025 level by increasing the historical 2024 level by the computed CAGR (2021-2024). Then, TransCo again computed for the rolling three-year CAGR to project the 2026 level. TransCo arrived at the following FNS for 2025 and 2026:**[30]

Table 1. Forecast National Sales, GWh

2025	2026	July 2025 to December 2026
119,053	130,051	189,577

27. This method of forecasting the FNS is consistent with the GEA-All Guidelines issued by the Honorable Commission. TransCo estimates that the Honorable Commission will approve a GEA-All rate in July 2025, at the earliest. Hence, the forecasted level of 189,577GWh from July 2025 to December 2026, as shown in Table 1, will be used in calculating the subsequent GEA-All components in terms of PhP/kWh.

II. Total GET Differential

28. The Total GET Differential represents the difference between: (1) the applicable GET for $Year_{t+1}$ that each GEA plant is entitled to receive for each kWh delivered, and (2) the forecast applicable cost recovery rate as determined under the Guidelines, multiplied by the projected annual energy generation from the GEA plant for $year_{t+1}$. In setting the GEA-All for $Year_{t+1}$, the GET Differential is represented by the following formula:[31]

$$GD = \left[\sum_{x} (Forecast\ RE\ Gen_{x,t+1}(GET_{x,t+1} - Forecast\ Cost\ Recovery\ Rate_{x,t+1}))\right] + GD_{t-1,over/under}$$

Where:

DESCRIPTION	
Forecast RE $Gen_{x,t+1}$	is the Forecast RE Generation of GEA Plant x (in kWh) and as further described in Section 5.4.4.1 of the Guidelines. For purposes of forecasting, the Administrator shall include GEA Plants that have been issued COE-GET, whether or not a COC/PAO has been issued by the ERC, as of time of filing by the Administrator for the GEA-All.
GET $_{x,t+1}$	is GET for Year $_{t+1}$ under Section 5.4.1.1 of the Guidelines, expressed in PhP/kWh, that GEA Plant x will receive for each kWh delivered.
Forecast Cost Recovery $Rate_{x,t+1}$	is the applicable Forecast Cost Recovery Rate to be implemented in $Year_{t+1}$ for GEA Plant x, in PhP kWh, as determined under Section 5.4.1.2.
GD_{t-1} (over)/under	is the variance between the actual GET Differential for $year_{t-1}$ (Actual GD_{t-1}) and the GET Differential collected for $year_{t-1}$ (Collected GD_{t-1}). There is over recovery if Collected GD_{t-1}> Actual GD_{t-1} and under recovery if Collected GD_{t-1} is < Actual GD_{t-1}. Any over recovery shall be reflected as a negative number and any under recovery shall be reflected as a positive number.

29. Alternatively, the formula in paragraph 28 can be viewed or rewritten as:

$$GD = Total\ GET\ Revenue - Total\ Forecast\ Cost\ Recovery\ Revenue + GD_{t-1,(over)/under}$$

II.1. Forecast Annual Renewable Energy Generation

30. As provided for in Section 5.4.1. of the GEA-All Guidelines, the Total GET Revenue shall take into account the forecast annual generation of all GEA plants, with the Certificate of Endorsement for Green Energy Tariff[32] as endorsed by the DOE.[33]

31. For new GEA plants, the forecast RE generation shall be equivalent to its nameplate rating in kilowatts multiplied by 8,760 hours per year, multiplied by the expected annual capacity factor of the GEA plant, as approved by the Honorable Commission as part of the GEA plant's application requirements for the issuance of a Certificate of Compliance.[34] Further, for RE plants with COE-GET but without COC, the capacity factor will be based on the generation forecast provided by the DOE.[35]

32. For GEA plants that have already been in Commercial Operation for at least one (1) year, the Forecast Annual RE Generation shall be equivalent to the GEA plant's nameplate rating in kilowatts multiplied by 8,760 hours per year, multiplied by average historical capacity factor for the number of years or fraction thereof in Commercial Operation. For this purpose, the nameplate ratings shall refer to those specified by the ERC in the COCs issued to these GEA plants.[36]

33. To determine the forecast annual renewable energy generation, TransCo primarily used the list of GEA plants with COE-GET and the corresponding forecast generation data as provided by the DOE.[37]

34. Further, TransCo used its derived monthly seasonality indices[38] from the generation history of RE plants under the FIT system, per grid, in determining the monthly generation forecast of GEA plants. The monthly generation data provide a more accurate projection of the RE generation and consider the timing of entry of each of the plants.

35. Given the list from the DOE which provides the best estimate of the timing of entry of GEA plants, TransCo aims to be able to adequately provide for the corresponding payout requirements. However, said list does not in any way give preemptive right to the identified plants to be counted under the final roster of GEA plants or limit the payment of GETs to these plants. Only the GEA plants providing actual generation to the grid will be paid the GET according to actual volume of generation.