



February 22, 2023

HON. MANUEL N. MAMBA
Governor, Province of Cagayan
Alimano Hills, Peñablanca

Dear Sir:

Greetings!

In compliance with the directives of the Energy Regulatory Commission (ERC) in connection with the **Application for the approval of Power Supply Agreement between Cagayan II Electric Cooperative, Inc. (CAGELCO II) and BAC-MAN Geothermal, Inc. with Prayer for Provisional Authority and/or Interim Relief and Motion for Confidential Treatment of Information**, we are furnishing your Honorable Office with the copy of the said application (*including all its annexes and other accompanying documents*) to be filed before the Energy Regulatory Commission.

Likewise, may we request that the said application be posted at the Bulletin Board of the Provincial Hall and thereafter, a Certification (*Please see attached suggested format*) bearing the Dry Seal of your Office be issued as proof of posting.

Thank you and best regards.

Very truly yours,


ENGR. RUDOLPH Q. ADVIENTO

OIC, General Manager

CAGAYAN II ELECTRIC COOPERATIVE, INC.

Macanaya District, Aparri, Cagayan
Hotline No. (078) 888-2173
Telefax No. (078) 888-2940
Trunkline No. (078) 888-0027
E-mail: mail@cagelco2.org.ph
Website: www.cagelco2.org.ph

Governor's
Office

03/13/2023 02:14 PM



CO-17428

[Letterhead of LGU]

Republic of the Philippines
[Office of the Mayor/Sanggunian] of [Province/City/Municipality]
[Office of the Mayor or Sanggunian Panlungsod]

[Date]

CERTIFICATION

To Whom It May Concern:

This is to certify that a complete copy of the Application entitled "IN THE MATTER OF THE APPLICATION FOR APPROVAL OF POWER SUPPLY AGREEMENT BETWEEN CAGAYAN II ELECTRIC COOPERATIVE, INC. AND BAC-MAN GEOTHERMAL INC., WITH PRAYER FOR PROVISIONAL AUTHORITY AND/OR INTERIM RELIEF AND MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION", ERC Case No. _____, with all annexes and attachments, was furnished to and received by this Honorable Office on [date].

This Certification is issued upon the request of [Bac-Man Geothermal, Inc / Cagayan II Electric Cooperative], one of the Applicants in the said case.

[NAME]

[Position]

[Dry Seal]

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Jade Drive, Pasig City

IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF POWER SUPPLY AGREEMENT
BETWEEN CAGAYAN II
ELECTRIC COOPERATIVE, INC.
AND BAC-MAN GEOTHERMAL
INC., WITH PRAYER FOR
PROVISIONAL AUTHORITY
AND/OR INTERIM RELIEF AND
MOTION FOR CONFIDENTIAL
TREATMENT OF INFORMATION,

ERC CASE NO. 2023 - ____ RC

CAGAYAN II ELECTRIC
COOPERATIVE, INC. (CAGELCO
II) AND BAC-MAN GEOTHERMAL
INC. (BGI),

Applicants.

x-----x

JOINT APPLICATION

(With Prayer for the Issuance of Provisional Authority and/or Interim Relief and Motion for Confidential Treatment of Information)

Applicants **CAGAYAN II ELECTRIC COOPERATIVE, INC. ("CAGELCO II")** and **BAC-MAN GEOTHERMAL INC. ("BGI")**, by and through their respective undersigned counsels, and unto this Honorable Commission, most respectfully state that:

1. Applicant CAGELCO II is an electric cooperative duly organized, incorporated and registered, with principal office at Maharlika Highway, Macanaya District, Aparri, Cagayan, Philippines, represented in this instance by its President, Arnel D. Onza, of legal age, Filipino, with office address at Maharlika Highway, Macanaya District, Aparri, Cagayan, Philippines.

2. Applicant BGI is a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at 5F

Governor's
Office

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CO-17441

Rockwell Business Center, Ortigas Avenue, Pasig City, Philippines, represented in this case by its Senior Vice President and Deputy Chief Operating Officer, Jerome H. Cainglet, of legal age, Filipino, with office address at the 5F Rockwell Business Center Tower 3, Ortigas Ave., Pasig City.

- 2.1 BGI, as a generation company, falls within the ambit of Sections 6 and 29 of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 ("EPIRA").
- 2.2 Pursuant to the Honorable Commission's Resolution No. 02, Series of 2015 requiring distribution utilities and generation companies to jointly file applications for the approval of power supply agreements, BGI has joined in this Application as a co-applicant.
- 2.3 While BGI is a co-applicant, it manifests that this joint Application shall neither modify, diminish, nor constitute as a waiver of BGI's rights nor expand its obligations and responsibilities as a generation company under the EPIRA.

3. Applicant CAGELCO II is the exclusive franchise holder of a Certificate of Franchise issued by the National Electrification Administration ("NEA") to operate an electric light and power services in the cities/municipalities of Abulug, Allacapan, Aparri, Ballesteros, Buguey, Camanalaniugan, Claveria, Gattaran, Lal-lo, Lasam, Gonzaga, Pamplona, Sanchez Mira, Sta. Ana, Sta. Praxedes, Sta. Teresita, all in the Province of Cagayan, and the cities/municipalities of Flora, Luna, Pudtol, and Sta. Marcela, all in the Province of Apayao.

4. Applicant BGI is a subsidiary of Energy Development Corporation. BGI owns and operates the approximately 140MW Bacon-Manito Geothermal Power Plant ("Bac-Man Plant") located in the provinces of Albay and Sorsogon, which was acquired via the privatization auction conducted by the Power Sector Assets and Liabilities Management Corporation ("PSALM") as evidenced by the Joint Certificate of Turn-over dated 3 September 2010, and has the approximately 592.33MW Unified Leyte Geothermal Power Plant ("ULGPP") located in the province of Leyte which is owned and operated by Energy Development Corporation, an affiliate of BGI.

5. Applicant CAGELCO II is in need of a 15MW power supply, with at least 5MW renewable energy, for fifteen (15) years. To comply with the requirements of the Renewable Portfolio Standards (RPS) for on-grid areas, as well as to maintain an uninterrupted and reliable power supply, due to an increasing demand by CAGELCO II's new and existing customers, CAGELCO II decided to source the needed power at affordable and cheaper generation rates through the competitive selection process.

6. Pursuant to Department of Energy (“DOE”) Circular No. 2018-02-003, as amended, and NEA Memorandum 2019-007, Applicant CAGELCO II, thru an Invitation To Bid published on August 3 and 10, 2020, had initiated and conducted a competitive selection process to solicit the most competitive offer/s for its 15MW power supply (“CSP”). After careful evaluation and review of the terms of the bid offers, Applicant CAGELCO II deemed that the proposal of Applicant BGI was the most advantageous and beneficial for its end consumers and accordingly issued a Notice of Award dated January 31, 2022. Thereafter, Co-applicants executed a Power Supply Agreement (“PSA”) dated July 11, 2022 in accordance with the terms of reference of the CSP and BGI’s bid offer.

7. Applicants come now to this Honorable Commission for the approval of the PSA, in compliance with the implementing rules and regulations (“IRR”) of the EPIRA and the rules and guidelines issued by the Energy Regulatory Commission (“ERC”).

ABSTRACT OF THE POWER SUPPLY AGREEMENT AND RELATED INFORMATION

8. **Executive Summary.**¹ Under the PSA, Seller BGI shall supply power to Buyer CAGELCO II for a term of fifteen (15) years with Contracted Capacity of 15MW. The salient terms of the PSA are as follows:

- 8.1 **Term of Agreement.** The rights and obligations of the Parties in Articles 1, 3.1, 12, 13, 17, 18 and 19 of the PSA shall be effective from the Effective Date² and all other terms and conditions shall take effect on the Supply Commencement Date³, and shall continue and remain effective up to December 25, 2037, unless earlier terminated in accordance with the provisions of the PSA;
- 8.2 **Supply of Energy.** CAGELCO II’s Contracted Capacity is 15MW, 5MW RPS and 10MW RPS/Non-RPS, for the duration of the PSA, as specified in Annex “D” of the PSA;
- 8.3 **Availability of Energy.** Seller BGI shall Supply⁴ the Contracted Capacity from the Plant or Affiliate Plants in accordance with prudent utility practice and in compliance with applicable law, rules and regulations;

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the PSA.

² Means December 26, 2022, subject to the fulfillment of the Conditions Precedent as provided in Article 3.1

³ Refers to December 26, 2022, subject to the fulfillment of the Conditions set forth in Article 3.1

⁴ Means generation of electricity for sale and supply to Buyer from (a) the Plant; (b) Seller’s Suppliers or other third party sources, or (c) WESM, to the respective Delivery Points using the facilities of TRANSCO or its concessionaire;

- 8.4 **Generation Rate.** The Generation Rate is subject to zero percent VAT. It is composed of Capacity Fee, Energy Fee, and Line Rental as shown in Annex "B" of the PSA. The applicable Capacity Fee shall be based on the corresponding Capacity Fee at the Capacity Factor for the billing period as prescribed in Annex "B" of the PSA. Any electric energy consumed in excess of the Contracted Capacity shall be charged in accordance with Article 4.4.
- 8.5 **Adjustment to the Variable Charge.** The Variable charge portions of the Generation Rate shall be adjusted annually at a rate equivalent to the actual increase (or decrease) in the Philippines Consumer Price Index for All Income Households in the Philippine Commodity Group published by the Philippine Statistics Authority or its legal successor, with base period calendar year 2012=100 for the average of twelve calendar months of the current year ("CPI"). Such adjustment shall be determined in accordance with the formula in Annex "C" of the PSA.
- 8.6 **Replacement Power.** Except for Outages due to Events of Force Majeure, Seller shall provide Replacement Power from the WESM or any of the Suppliers or third-party sources to the Buyer after exhausting the Annual Outage Allowance during scheduled or unscheduled Outage. But if an Outage (scheduled or unscheduled) beyond the Annual Outage Allowance occurs and the Seller fails to provide the Contracted Capacity, Buyer shall be allowed to source the energy from alternative sources at the expense of the Seller. Replacement power rate shall be equal to or lower than the ERC approved tariff.

9. The charges, discounts and adjustments under the PSA will result to lower generation cost charges of CAGELCO II. Below is an analysis of the rate impact:

RATE IMPACT ANALYSIS

10. CAGELCO II simulated a rate impact analysis which resulted in an average reduction of Php 0.5293/kWh from its existing supplier with the execution of the PSA with BGI.

Rate Impact Simulation with existing Suppliers					
Supplier	Purchased Power (MVA)	Share (%)	Generation Charge (Php/kWh)	VAT (Php/kWh)	Blended Cost with VAT (Php/kWh)
GMEC	169,971.71	80%	6.1408	0.7369	7.0774
WESM	41,278.06	20%	7.4052	0.4947	
Total	211,249.77	100%			
Rate Impact Simulation with existing Suppliers including BGI					
Supplier	Purchased Power (MVA)	Share (%)	Generation Charge (Php/kWh)	VAT (Php/kWh)	Blended Cost with VAT (Php/kWh)
BGI	98,550.00	47%	4.3331	0.0000	6.5481
GMEC	105,120.00	50%	7.2934	0.8730	
WESM	7,579.77	4%	12.0944	0.0079	
Total	211,249.77	100%			
Rate Impact (Php/kWh)					-0.5293

OTHER RELATED DOCUMENTS

11. In further support of the instant application, Applicants most respectfully submit to the Honorable Commission the following documents:

ANNEX	DOCUMENTS
A	Corporate background of CAGELCO II
B	CAGELCO II General Information Sheet
C	Certificate of Incorporation with Articles of Incorporation and By-Laws of BGI
C-1	Amended Articles of Incorporation of BGI
D	Latest General Information Sheet of BGI
E-series	Board of Investment ("BOI") Certificates of Registration
F	Certificate of Franchise of CAGELCO II
G-series	Environmental Compliance Certificates ("ECC") issued by the Department of Environment and Natural Resources ("DENR")
H-series	ERC Certificates of Compliance ("COC") and/or Provisional Authority to Operate of BGI
I-series	Certificates of Endorsement of DOE
J-series*	Geothermal Renewable Energy Service Contract Operating Contracts
K-series	DOE Certificate of Registration
L	Demand Side Management Program
M	Transition Supply Contract
R	Distribution Development Plan
R-1	Power Supply Procurement Plan
S	Supply and Demand Scenario and Average Daily Load Curve
T	Performance Assessment of the System
T-1	Customer Load Reduction
T-2	Single Line Diagram
V-series*	CAGELCO II Competitive Selection Process ("CSP") and Supporting Documents

ANNEX	DOCUMENTS
W	Power Supply Agreement between CAGELCO II and BGI
X-series	Transmission Service Agreements
Y	Executive Summary of the PSA
Z*	Sources of Funds/Financial Plans (Debt/Equity Ratio, Project Cost, Computation of Return on Investment/WACC, Life of Asset versus Term of Loan) and True Cost of Generation and Other Costs
AA*	Technical and Economic Characteristics of Generation Capacity
BB	CAGELCO II Rate Impact Simulation
CC	Latest AFS of BGI
DD	Fuel Procurement Certification
EE*	Heat Rate Computation
FF-series	WESM Membership
GG-series	Explanations on Other Requirements
HH	Affidavit of Service to or Certification of Receipt from Office of the Mayor of Aparri
II	Affidavit of Service to or Certification of Receipt from Sangguniang Bayan of Aparri
JJ	Affidavit of Service to or Certification of Receipt from Office of the Governor of Cagayan
KK	Affidavit of Service to or Certification of Receipt from Sanggunian of Cagayan
LL	Affidavit of Service to or Certification of Receipt from Office of the Mayor of Pasig
MM	Affidavit of Service to or Certification of Receipt from Sangguniang Panlungsod of Pasig
NN	Affidavit of Service to or Certification of Receipt from Office of the Mayor of Manito
OO	Affidavit of Service to or Certification of Receipt from Sanggunian Bayan of Manito
PP	Affidavit of Service to or Certification of Receipt from Office of the Mayor of Sorsogon
QQ	Affidavit of Service to or Certification of Receipt from Sangguniang Panglungsod of Sorsogon
RR	Affidavit of Service to or Certification of Receipt from Office of the Governor of Albay
SS	Affidavit of Service to or Certification of Receipt from Sanggunian Panlalawigan of Albay
TT	Affidavit of Service to or Certification of Receipt from Office of the Governor of Sorsogon
UU	Affidavit of Service to or Certification of Receipt from Sanggunian Panlalawigan of Sorsogon
VV	Affidavit of Service to or Certification of Receipt from Office of the Mayor of Ormoc
WW	Affidavit of Service to or Certification of Receipt from Sangguniang Panglungsod of Ormoc

ANNEX	DOCUMENTS
XX	Affidavit of Service to or Certification of Receipt from Office of the Mayor of Kananga
YY	Affidavit of Service to or Certification of Receipt from Sangguniang Bayan of Kananga
ZZ	Affidavit of Service to or Certification of Receipt from Office of the Governor of Leyte
AAA	Affidavit of Service to or Certification of Receipt from Sanggunian Panlalawigan of Leyte
BBB	Affidavit of Publication
CCC	Complete Copy of Newspaper Publication
DDD	Affidavit in support of the Provisional Authority

** Subject to Motion for Confidential Treatment of Information*

COMPLIANCE WITH PRE-FILING REQUIREMENTS

12. In Compliance with the ERC Rules of Practice and Procedure, Applicants have furnished the executive and legislative bodies of the municipality and province wherein the principal place of business of CAGELCO II is located, a copy of the present Joint Application with all its annexes and accompanying documents. Copies of the affidavits of service to certifications of receipt from the executive and legislative bodies of the municipality of Aparri and the Province of Cagayan, or from their duly authorized representatives, attesting to the fact of service are attached hereto as **Annexes "HH" to "KK"**.

13. Likewise, a copy of the present Joint Application with all its annexes and accompanying documents was furnished to the executive and legislative bodies of the municipality and province wherein the principal place of business of BGI is located and where the plants subject of the PSA are located. Copies of the affidavits of service to certifications of receipt from the executive and legislative bodies of the cities of Pasig, Sorsogon and Ormoc, the municipalities of Manito and Kananga, and the Provinces of Albay, Sorsogon and Leyte, or from their duly authorized representatives, attesting to the fact of service are attached hereto as **Annexes "LL" to "AAA"**.

14. Applicants have also caused the publication of the present Joint Application in a newspaper of general circulation within the Franchise Area of CAGELCO II. Copies of the corresponding duly notarized Affidavit of Publication and the newspaper publication are attached hereto as **Annexes "BBB" and "CCC"**, respectively.

REQUEST FOR CONFIDENTIAL TREATMENT OF INFORMATION

15. Co-applicants respectfully request that the information in the following documents be treated as confidential in nature:

J-series*	Geothermal Renewable Energy Service Contract Operating Contracts
V-series*	CAGELCO II Competitive Selection Process ("CSP") and Supporting Documents
Z*	Sources of Funds/Financial Plans (Debt/Equity Ratio, Project Cost, Computation of Return on Investment/WACC, Life of Asset versus Term of Loan) and True Cost of Generation and Other Costs
AA*	Technical and Economic Characteristics of Generation Capacity
EE*	Net Heat Rate Computation

16. Co-applicants treat other documents in the competitive selection process, such as the other bid proposals of generation companies, related agreements, sources of funds/financial plans, certifications from bank/lending institutions, generation rate and derivation, cash flow, description of power plant, and steam sales agreement, as not generally available to the public on a non-confidential basis, as the same involve trade secrets reflecting BGI's investment and business calculations and the Parties are similarly bound to third parties to keep the information and documents confidential.

17. This request is likewise being made by virtue of Section 1 (b), Rule 4 of the ERC Rules of Practice and Procedure under which the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential.

MOTION FOR ISSUANCE OF PROVISIONAL AUTHORITY

18. As can be gleaned from the Rate Impact Analysis, clearly and without iota of doubt, the approval of the Contracted Capacity at the rate applied for as specified in the PSA, will generally benefit the consumers of CAGELCO II as it will reduce the blended generation charge significantly.

19. The implementation of the PSA with BGI will also enable CAGELCO II to comply with the requirements of the Renewable Portfolio Standards (RPS) for on-grid areas, in addition to accommodating the rapidly increasing demand of CAGELCO II from its new and current customers which, if not immediately addressed could adversely affect the supply and the current generation charge of CAGELCO II, to the prejudice of its end-users. The approval and immediate implementation of the PSA with BGI will enable CAGELCO II to continuously provide the end-users with stable, uninterrupted and reliable power supply at an affordable rate.

20. Thus, in view of the urgency above-mentioned, CAGELCO II respectfully moves for the issuance of a provisional authority ("PA") in this instant case in order to immediately proceed in implementing the PSA, and for the lower rate and benefits derived therein to be immediately enjoyed by the customers of CAGELCO II. In support of the Motion for Issuance of

Provisional Authority, CAGELCO II has prepared the Affidavit in Support of the Prayer for Issuance of Provisional Authority, **Annex "DDD"** of the instant Application.

21. CAGELCO II understands that whatever rate that may be fixed and approved by the Honorable Commission under the PA shall be without prejudice to whatever rights and legal remedies which BGI may have under the law and the PSA, and the implementation of the PA shall be conditioned upon the acceptance by the Parties of the terms thereof.

PRAYER

WHEREFORE, premises considered, Applicants Cagayan II Electric Cooperative, Inc. (CAGELCO II) and Bac-Man Geothermal Inc. (BGI) respectfully pray of this Honorable Commission the following;

- a. Immediately issue a Provisional Authority, authorizing BGI and CAGELCO II to implement the PSA, including the rates;
- b. Treat the documents, and the information therein, duly marked as Annexes "J-series", "V-series", "Z", "AA" and "EE" as confidential; and
- c. After due notice and hearing and consideration, the Provisional Authority be made permanent and final.

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

Pasig City, February 28, 2023.

Ranulfo M. Ocampo
RANULFO M. OCAMPO
Counsel for CAGELCO II

PTR No. 9396100 | 05 January 2023 | Marikina City
IBP Lifetime No. 1025756 | 18 January 2016 | RSM
IBP Roll No. 33872 | MCLE Compliance No. VII-0018049 valid until 14 April 2025
7/F STRATA 100 Bldg. | F. Ortigas Jr. Road | Ortigas Center | Pasig City
Smart: 0920-938-4470 / Globe: 0917-301-2455 | Email:
ranulfoocampo@outlook.com

**QUIASON MAKALINTAL BAROT
TORRES IBARRA SISON & DAMASO**

Counsel for Applicant BGI
21st Floor Robinsons Equitable Tower
4 ADB Avenue cor. Poveda Street
1605 Ortigas Center, Pasig City
Tel. No. (632) 8631-09-81
qmbti@qmbti.com

By:

MANUEL L.M. TORRES
ROLL OF ATTORNEYS NO. 25410
MCLE COMPLIANCE NO. VI-0013645; 4/14/2022
PTR NO. 0173069; 01/05/2023
PASIG CITY
IBP NO. 260954; 01/05/2023
QUEZON CITY

Miguel K. Mathay
MIGUEL K. MATHAY

ROLL OF ATTORNEYS NO. 43982
MCLE COMPLIANCE NO. VI-0010308; 4/14/2022
PTR NO. 0173065; 01/05/2023
PASIG CITY
IBP NO. 260955; 01/05/2023
RIZAL (RSM)

Gianna Maria Comsti
GIANNA MARIA C. COMSTI

ROLL OF ATTORNEYS NO. 63071
MCLE COMPLIANCE NO. VII-0015472; 4/14/2025
PTR NO. 0173084; 01/06/2023
PASIG CITY
IBP NO. 260958; 01/05/2023
RIZAL (RSM)

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, ARNEL D. ONZA, Filipino, of legal age, and a resident of Guiddam, Abulug, Cagayan, after being sworn to in accordance with law, depose and state that:

1. I am the President of the Board of Directors and authorized representative of CAGELCO II in the instant Joint Application with the BAC-MAN GEOTHERMAL, INC. as evidenced by the Board Resolution attached hereto;

2. I have caused the preparation of the instant Joint Application, read the contents thereof, and attest that the allegations therein are true and correct based on my personal knowledge as well based as on authentic documents;

3. I attest that the application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

4. I further attest that the factual allegations in the Joint Application have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

5. I attest furthermore that CAGELCO II has not commenced or filed any claim involving the same issues and parties herein with any Court, Tribunal or Quasi-Judicial Agency or I am not aware of any such other case or claim pending before any court, tribunal or quasi-judicial agency; and

6. Should I or CAGELCO II hereinafter learn that the same or a similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, the cooperative shall report said fact within five (5) days from discovery thereof to this Honorable Commission.

ARNEL D. ONZA
Affiant

SUBSCRIBED AND SWORN to before me in _____, this _____ day of _____ 2023. Affiant exhibited to me his _____ with validity until _____

Doc. No. 161 ;
Page No. 29 ;
Book No. 5 ;
Series of 2023.

Notary Public

NOTARY PUBLIC

**EXCERPTS FROM THE MINUTES OF THE BOARD MEETING,
28 FEBRUARY 2023, CAGELCO II MAIN OFFICE MULTIPURPOSE HALL,
APARRI, CAGAYAN**

Present:

ARNEL D. ONZA	:	PRESIDENT
MARY ANN R. CANOSA	:	VICE PRESIDENT
MARILYN B. DONATO	:	SECRETARY
ELIZABETH B. SUAREZ	:	TREASURER
ELINA S. TALOZA	:	MEMBER
ENGR. RUDOLPH Q. ADVIENTO	:	OIC, GENERAL MANAGER/ EX-OFFICIO MEMBER

RESOLUTION NO. 015-0228
Series of 2023

**RESOLUTION AUTHORIZING THE BOARD PRESIDENT, MR. ARNEL D. ONZA AS
SIGNATORY FOR THE VERIFICATION AND CERTIFICATION OF NON-FORUM
SHOPPING FOR THE PRE-FILING OF POWER SUPPLY AGREEMENT (PSA)
BETWEEN CAGELCO II AND BAC-MAN GEOTHERMAL, INC.**

WHEREAS, CAGELCO II has conducted its public bidding for the supply of energy/baseload and intermediate demand (15MW) which was participated by three (3) bidders,

WHEREAS, as a result of careful examination, validation, and verification of all technical and financial requirements, Bac-Man Geothermal, Inc. has the lowest calculated responsive bid,

WHEREAS, for the continuous power reliability in the coverage area considering the increasing demands of our member-consumer-owners as well as commercial establishments, the TPBAC submitted its recommendation for the entry of CAGELCO II into a Power Supply Agreement (PSA) with Bac-Man Geothermal, Inc.;

WHEREFORE, after thorough discussion on the matter, the body resolved as it hereby resolved to authorize the Board President, Mr. Arnel D. Onza as signatory for the Verification and Certification of Non-forum Shopping for the Pre-filing of Power Supply Agreement (PSA) between CAGELCO II and Bac-man Geothermal, Inc.;

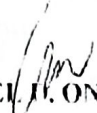
RESOLVED, FURTHER, to authorize the Board President, Mr. Arnel D. Onza and the OJC-General Manager, Engr. Rudolph Q. Adviento as signatories to other relevant documents needed for submission;

RESOLVED, ALSO, to designate and authorize Atty. Raulito M. Ocampo as Legal Counsel of the cooperative for the filing of application with the Energy Regulatory Commission;

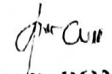
RESOLVED, FINALLY, to submit this resolution to the National Electrification Administration (NEA) for information and reference and Energy Regulatory Commission (ERC) for their consideration and approval.


"APPROVED UNANIMOUSLY".

I HEREBY CERTIFY to the correctness of the above resolution.


Attested by: 
ARNEL J. ONZA
President


MARY ANN R. CANOSA
Vice President


MARILYN B. DONATO
Secretary


ELIZABETH R. SUAREZ
Treasurer


ELINA S. TALOZZA
Member


ENGR. RUDOLPH Q. ADVIENTO
OIC, GM/Ex-officio Member

RCY 30-10-23

Republic of the Philippines)
Province of Cagayan)SS.
Municipality of Aparri

SECRETARY'S CERTIFICATE

I, **MARILYN B. DONATO**, Filipino Citizen, of legal age, with residence at Tallungan, Aparri, Cagayan, after having sworn to in accordance with law, hereby depose and say that-

I am the duly elected and incumbent Board Secretary of Cagayan II Electric Cooperative Inc. (CAGELCO II), a cooperative duly organized and existing in accordance with the laws of the Republic of the Philippines, and with principal office address at Macanaya, Aparri, Cagayan.

At the meeting of the Board of Directors, held on February 28, 2023 at CAGELCO II Main office, during which a quorum was present and acting throughout, the following excerpt from the minutes was unanimously approved and adopted through a Board Resolution, to wit:

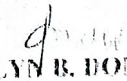
WHEREAS, for the continuous power reliability in the coverage area considering the increasing demands of our member-consumer-owners as well as commercial establishments, the TPBAC submitted its recommendation for the entry of CAGELCO II into a Power Supply Agreement (PSA) with Bac-Man Geothermal, Inc.;

WHEREFORE, after thorough discussion on the matter, the body resolved as it hereby resolved to authorize the Board President, Mr. Arnel D. Onza as signatory for the Verification and Certification of Non-forum Shopping for the Pre-filing of Power Supply Agreement (PSA) between CAGELCO II and Bac-man Geothermal, Inc.;

RESOLVED, FURTHER, to authorize the Board President, Mr. Arnel D. Onza and the OIC-General Manager, Engr. Rudolph Q. Adviento as signatories to other relevant documents needed for submission.

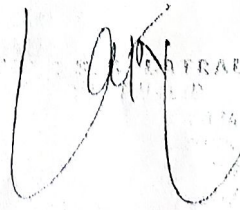
RESOLVED, ALSO, to designate and authorize Atty. Ranulfo M. Ocampo as Legal Counsel of the cooperative for the filing of application with the Energy Regulatory Commission;

IN WITNESS WHEREOF, I have signed this certification on MAR 03 2023 at Aparri, Cagayan, Philippines.


MARILYN B. DONATO
Corporate Secretary

SUBSCRIBED AND SWORN TO before me on _____ at Aparri, Cagayan, Philippines.

Doc. No. 165;
Page No. 34;
Book No. 5;
Series of 7822


NOTARY PUBLIC
MARILYN B. DONATO
CORPORATE SECRETARY

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **JEROME H. CAINGLET**, of legal age, Filipino, and with office address at Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City after having been duly sworn in accordance with law, depose and state that:

1. I am the Senior Vice-President and Deputy Chief Operating Officer and authorized representative of **BAC-MAN GEOTHERMAL INC.** ("Company"), one of the Applicants in this case, as shown in the attached Secretary's Certificate;

2. I have read the foregoing Application, the factual allegations of which are true and correct based on my personal knowledge and based on existing authentic documents;

3. The Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

4. The factual allegations therein have evidentiary support or, if specifically identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

5. The Company has not commenced any other action or proceeding involving the same issues before the Supreme Court, the Court of Appeals, or different divisions thereof, or the Regional Trial Court, Metropolitan Trial Court, or any tribunal or agency, and that to the best of my knowledge, no such action or proceeding is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or the Regional Trial Court, Metropolitan Trial Court or any tribunal or agency; and

6. Should I thereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, the Court of Appeals, or different divisions thereof, or the Regional Trial Court, Metropolitan Trial Court, or any tribunal or agency, I hereby undertake to promptly inform the aforementioned courts and this Honorable Commission within five (5) calendar days from knowledge thereof.

IN WITNESS WHEREOF, I have hereunto set my hand this this

~~MAR 11 2022~~ in ~~CITY OF MAKATI~~


JEROME H. CAINGLET
Affiant



REPUBLIC OF THE PHILIPPINES)
) S. S.

SECRETARY'S CERTIFICATE

I, KRISTINA IRENE C. DY-GO, Filipino, of legal age, with office address at the 10th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, being the duly elected Corporate Secretary of BAC-MAN GEOTHERMAL INC. (the "Company"), a corporation organized and existing under Philippine laws with principal office at Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, hereby certify that:

1. During the regular meeting of the Board of Directors (the "Board") held on 19 May 2022, the Board approved the following resolution:

Resolution No. 16, Series of 2022

"RESOLVED, amending Resolution No. 11, Series of 2021 and all previous resolutions to the contrary, that the following officers of Bac-Man Geothermal Inc. (the "Company"), acting singly: the President and Chief Operating Officer, Chief Financial Officer and Treasurer, and any of its Senior Vice Presidents or Vice-Presidents, be as they are hereby authorized and empowered to represent the Company in any and all actions, suits, or cases to be filed for or against the Company, including appellate and/or special proceedings, whether civil, criminal, or administrative, with authority to prepare (or cause the preparation of), sign, and file (or cause the filing of) all pleadings, motions, and other legal documents related to such actions, suits, or cases, including verifications and certifications of non-forum shopping, and to appear in all hearings, pre-trials, mediation conferences, and all other conferences set in connection with the same, with full power and authority to consider and do the following:

1. The possibility of entering into an amicable settlement and/or submitting to alternative modes of dispute resolution;
2. The simplification of the issues;
3. The necessity or desirability of obtaining stipulations or amendments to the pleadings;
4. The possibility of obtaining, and entering into, stipulations or admissions of facts and documents to avoid unnecessary proof;
5. The limitation of the number and identification of witnesses and the setting of trial dates;
6. The advisability of a preliminary reference of issues to a commissioner;
7. The propriety of rendering judgment on the pleadings or summary judgment or of dismissing the action should a valid ground therefor be found to exist;
8. The marking of evidence if not yet marked in the judicial affidavits of witnesses;
9. The examination and comparison of evidence *vis-à-vis* the copies to be marked;
10. The manifestation for the record of stipulations regarding the faithfulness of the reproductions and the genuineness and due execution of evidence;
11. The reservation of testimonial and documentary evidence;
12. The advisability or necessity of suspending the proceedings; and
13. Such other matters as may aid in the prompt disposition of the action.



"RESOLVED FURTHER that the foregoing officers of the Company be authorized to appoint or designate the Company's attorney-in-fact and/or legal counsel, through a Special Power of Attorney, granting such attorney-in-fact and/or legal counsel, acting singly or jointly as may be specified in the appointment or designation, the authorities given to the foregoing officers of the Company by virtue of this resolution;

"RESOLVED FURTHER, that the Company authorizes, as it hereby authorizes, the President and Chief Operating Officer, Senior Vice-President/Chief Financial Officer and Treasurer, and any of its Senior Vice Presidents or Vice-Presidents, or such other person as they may designate in writing, acting singly, to act for or on behalf of the Company, to meet and negotiate with all parties in any such action, suit, case, or proceeding with a view to seeking the termination or amicable settlement of the same, and if necessary, to enter into compromise or resort to such other legal proceedings that they may deem necessary to protect the Company's interests, in accordance with Company policies and guidelines."

2. Pursuant to the foregoing Board Resolution, MR. JEROME H. CAJNGLET, Senior Vice President and Deputy Chief Operating Officer, is authorized to represent the Company in the joint application for approval of the Power Supply Agreement between the Company and Cagayan II Electric Cooperative, Inc. with the Energy Regulatory Commission.

3. The foregoing resolution is in accordance with the record of the Company and is in full force and effect, and has not been rescinded.

IN WITNESS WHEREOF, I have hereunto signed this Secretary's Certificate this _____ at _____.

Kristina Irene C. Dy-Go
KRISTINA IRENE C. DY-GO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this DEC 13 2022 at MANILA, PHILIPPINES by Kristina Irene C. Dy-Go with Passport No. P8036974B, issued on 29 October 2021 by DFA Manila, who is personally known to me and who is the same person who personally signed before me the foregoing Secretary's Certificate and acknowledged that she executed the same.

Doc. No. 309 ;
Page No. 81 ;
Book No. 131 ;
Series of 2022.

ATTY. JAMES M. ANSICAP
Notary Public
Anot. No. 17113
HE No. 17113
RPL No. 17113
CPL No. 17113
Mundating City, Philippines

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:


I, **JEROME H. CAINGLET**, Filipino, of legal age, with office address at the 5th Floor Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, under and by virtue of the authority granted to me in my capacity as Senior Vice-President and Deputy Chief Operating Officer of **BAC-MAN GEOTHERMAL INC.** (the "Company") under Board Resolution No. 16, Series of 2022, hereto attached as **Annex "A"**, do hereby name, constitute, and appoint the law firm of **Quiason Makalintal Barot Torres Ibarra Sison & Damaso or any of its lawyers ("Quiason")**, or any of its lawyers, with office address at the 21st Floor, Robinsons-Equitable Tower, 4 ADB Avenue corner Poveda Road, 1605 Ortigas Center, Pasig City, to be the Company's true and lawful attorneys-in-fact and representatives and for that end to do and perform for and in its name the following:

1. To prepare, sign and file all pleadings, motions and other legal documents, including the verification and certification of non-forum shopping and such other related documents, before the Energy Regulatory Commission ("ERC") or any other court, board, tribunal or other government agency in relation to the joint application for the approval of the Power Supply Agreement between the Company and Cagayan II Electric Cooperative, Inc. ("CAGELCO II") (the "Joint Application");
2. To represent the Company and to appear for or on its behalf in all proceedings, hearings, meetings and discussions before the ERC in respect of the Joint Application, to perform any and all acts and deeds necessary to implement this authority;
3. To act as agent of and appear on behalf of the Company in the proceedings relating to the Joint Application, with full power to make commitments and take positions, and to consider:
 - (i) the possibility of entering into an amicable settlement and/or a submitting to alternative modes of dispute resolution;
 - (ii) the simplification of the issues;
 - (iii) the necessity or desirability of obtaining stipulations or amendments to the pleadings;
 - (iv) the possibility of obtaining, and entering into, stipulations or admission of facts and of documents to avoid unnecessary proof;
 - (v) the limitation of the number and identification of witnesses and the setting of trial dates;
 - (vi) the advisability of a preliminary reference of issues to a commissioner;
 - (vii) the propriety of rendering judgment on the pleadings, or summary judgment, or of dismissing the action should a valid ground therefor be found to exist;

- (viii) the marking of evidence if not yet marked in the judicial affidavits of witnesses;
 - (ix) the examination and comparison of evidence *vis-à-vis* the copies to be marked;
 - (x) the manifestation for the record of stipulations regarding the faithfulness of the reproductions and the genuineness and due execution of evidence;
 - (xi) the reservation of testimonial and documentary evidence;
 - (xii) the advisability or necessity of suspending the proceedings; and,
 - (xiii) such other matters as may aid in the prompt disposition of the action.
4. To file any appeal or represent the Company in further proceedings; and
5. To do and perform on behalf of the Company any act and deed relating to the Joint Applications which the Company may legally do and perform.

HEREBY GIVING AND GRANTING unto said attorneys-in-fact and legal counsel full power and authority requisite and proper for carrying into full force and effect any and all things necessary and proper in the premises above-mentioned, as fully to all intents and purposes as I could lawfully do if personally present, and hereby ratifying and confirming all that my said attorneys-in-fact have heretofore done or may lawfully do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto signed this instrument on this ~~DEC 16 2022~~ at ~~QUEZON CITY~~ City.


JEROME W. CAINGLET
Principal

SIGNED IN THE PRESENCE OF:
