



June 23, 2023

HON. MANUEL N. MAMBA

Governor
Province of Cagayan

Re: **ERC CASE NO. 2023-053 RC: 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**

Dear Governor Mamba:

Greetings!

In compliance with the Revised Rules of Practice and Procedure of the Energy Regulatory Commission ("ERC") and the Order and Notice of Virtual Hearing both dated June 9, 2023 of the ERC, we are furnishing this Honorable Office with the said Order and Notice of Virtual Hearing both dated June 9, 2023.

In line with this, we are respectfully requesting that the said Order and Notice of Virtual Hearing be posted on the bulletin board of this Honorable Office, in compliance with the said Order and the Rules of Practice and Procedure of the ERC.

Consequently, we are also requesting for a Certification of Posting from this Honorable Office stating that a copy of the Order and Notice of Virtual Hearing both dated June 9, 2023 of the above-captioned case was served to, duly received and duly posted by this Honorable Office.

Thank you and best regards.

Very truly yours,

ENGR. RUDOLPH Q. ADVIENTO
OIC- General Manager

0995-438-6452

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
07/03/2023 11:36 AM



CO-20464

LETTERHEAD OF MUNICIPALITY

CERTIFICATION

THIS IS TO CERTIFY THAT CAGAYAN II ELECTRIC COOPERATIVE, INC. (CAGELCO II) has furnished this office a copy of the ERC Order and Notice of Virtual Hearing on ERC Case No. 2023-053RC, In the Matter of the Application for 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, and that said application were posted at the Bulletin Board of this Provincial Hall.

<<<<Date and Place of Issue>>>>

Office of the Provincial Governor

Signature of Governor

or his/her

Authorized Representative

Affix Dry Seal of
Municipality Here



Republic of the Philippines
**ENERGY
REGULATORY
COMMISSION**

OGCS-N-02/0519-2023

NOTICE

Sirs/Mesdames:

Please take notice that on **09 June 2023**, the Commission issued an **Order** and a **Notice of Virtual Hearing** in the following case, the original documents were received by this Office on 21 June 2023:

ERC CASE NO. 2023-053 RC, 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 – CAGAYAN II ELECTRIC COOPERATIVE, INC. (CAGELCO II) AND BAC-MAN GEOTHERMAL INC. (BGI), Applicants.

Attached are electronic copies.

Please be reminded of the Commission's existing rules on electronic service of orders and decisions provided under **Rule VI of Resolution No. 9, Series of 2020¹**, which became effective on 17 November 2020.

Thank you.

Very truly yours,

MARIA LUCILA M. GIRON
Administrative Officer V
OGCS-Central Records Division

/jdc

¹ A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission

Republic of the Philippines
ENERGY REGULATORY COMMISSION
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. 2023-053 RC

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

Applicants.

X-----X

Promulgated:

June 09, 2023

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 30 May 2023, Cagayan II Electric Cooperative, Inc. (CAGELCO II) and Bac-Man Geothermal Inc. (BGI) filed a *Joint Application* dated 28 February 2023, seeking the Commission's approval of their Power Supply Agreement (PSA), with prayer for provisional authority and/or interim relief and motion for confidential treatment of information.

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

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 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. 201802-003, 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

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.

- 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;
- 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:

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;

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 (MWh)	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 (MWh)	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	0.8079	
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

ERC CASE NO. 2023-053 RC
NOTICE OF VIRTUAL HEARING/09 JUNE 2023
PAGE 6 OF 12

ANNEX	DOCUMENTS
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
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

ANNEX	DOCUMENTS
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
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 nonconfidential 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,

uninterruptible 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.

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

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.

ERC CASE NO. 2023-053 RC
NOTICE OF VIRTUAL HEARING/09 JUNE 2023
PAGE 10 OF 12

Date and Time	Platform	Activity
19 July 2023 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams or Zoom Application	Determination of compliance with jurisdictional requirements and Expository presentation
26 July 2023 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and presentation of evidence

Joint Applicants CAGELCO II and BGI are hereby directed to host the virtual hearings at **CAGELCO II's Principal Office in Maharlika Highway, Macanaya District, Aparri, Cagayan** 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, CAGELCO II and BGI 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:

- 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, 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:

- 1) The name, mailing address, and e-mail address of such 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 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* on the Commission's official website at www.erc.gov.ph.

(This space is left intentionally blank.)

ERC CASE NO. 2023-053 RC
NOTICE OF VIRTUAL HEARING/09 JUNE 2023
PAGE 12 OF 12

Finally, all interested persons may be allowed to join the scheduled initial virtual hearings by providing the Commission, thru 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, CATHERINE P. MACEDA, FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 9th day of June 2023 in Pasig City.

monalisa c. dimalanta
MONALISA C. DIMALANTA
Chairperson and CEO _A

JTB *LSP* *7*
LS: JTB / LSP / MCCG



Republic of the Philippines
ENERGY REGULATORY COMMISSION
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. 2023-053 RC

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

Applicants.

X-----X

Promulgated:

June 09, 2023

ORDER

On 30 May 2023, Cagayan II Electric Cooperative, Inc. (CAGELCO II) and Bac-Man Geothermal Inc. (BGI) filed a *Joint Application* dated 28 February 2023, seeking the Commission's approval of their Power Supply Agreement (PSA), with prayer for provisional authority and/or interim relief and motion for confidential treatment of information.

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

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 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

uninterruptible 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. 201802-003, 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;

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.

- 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;
- 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.

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;

Rate impact Simulation with existing Suppliers					
Supplier	Purchased Power (MWh)	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 (MWh)	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	0.8079	
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
W	Power Supply Agreement between CAGELCO II and BGI
X-series	Transmission Service Agreements
Y	Executive Summary of the PSA

ERC CASE NO. 2023-053 RC
ORDER/09 JUNE 2023
PAGE 6 OF 16

ANNEX	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
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
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 nonconfidential 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, uninterruptible 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.

Finding the said *Joint Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same 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 2020⁵ and Resolution No. 01, Series of 2021⁶ (ERC Revised Rules of Practice and Procedure):

Date and Time	Platform	Activity
19 July 2023 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams or Zoom Application	Determination of compliance with jurisdictional requirements and Expository presentation
26 July 2023 (Wednesday) at two o'clock in the afternoon (2:00 P.M.)		Pre-trial Conference and presentation of evidence

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.

Accordingly, CAGELCO II and BGI are hereby directed to host the virtual hearings at **CAGELCO II's Principal Office in Maharlika Highway, Macanaya District, Aparri, Cagayan** 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, CAGELCO II and BGI shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, CAGELCO II and BGI are hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governors, the Mayors, and the Local Government Unit (LGU) legislative bodies, within CAGELCO II's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within CAGELCO II's franchise area, by any other means available and appropriate, of the filing of the *Joint Application*, its reasons therefor, and of the scheduled hearing thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives and attend the scheduled hearing; and
- 5) Furnish with copies of the *Joint Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making

requests therefor, subject to reimbursement of reasonable photocopying costs.

Within five (5) calendar days prior to the date of the virtual hearing, CAGELCO II and BGI must submit to the Commission via electronic mail (e-mail) at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, the scanned copies of their written compliance with the aforementioned jurisdictional requirements, attaching the following methodically arranged and duly marked documents:

- 1) The evidence of publication of the attached *Notice of Virtual Hearing* consisting of the affidavits of the Editor or Business Manager of the newspapers where the said *Notice of Virtual Hearing* was published, and the complete issues of the said newspapers;
- 2) The evidence of actual posting of this *Order* and the attached *Notice of Virtual Hearing* consisting of certifications issued to that effect, signed by the aforementioned Governors, Mayors, and LGU legislative bodies or their duly authorized representatives, bearing the seals of their offices;
- 3) The evidence of other means employed by CAGELCO II and BGI to inform the consumers within CAGELCO II's franchise area of the filing of the *Joint Application*, its reasons therefor, and of the scheduled hearings thereon;
- 4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing* by the OSG, the COA, and the Committees on Energy of both Houses of Congress;
- 5) The evidence of receipt of copies of the *Joint Application* and its attachments, except those subject of a motion for confidential treatment of information, by all those making requests therefor, if any; and
- 6) Such other proofs of compliance with the requirements of the Commission.

Moreover, CAGELCO II and BGI are hereby required to post on their bulletin boards, the scanned copies of the foregoing jurisdictional

requirements, together with the newspaper publication and certifications issued by the concerned Offices of the Governors, Mayors and Local Legislative Bodies, and to submit proof of posting thereof.

Applicants CAGELCO II and BGI and all interested parties are also required to submit via e-mail at doCKET@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** before the date of the scheduled virtual hearing and Pre-Trial Conference, their respective Pre-Trial Briefs containing, among others:

- 1) A summary of admitted facts and proposed stipulation of facts;
- 2) The issues to be tried or resolved;
- 3) The documents or exhibits to be presented, stating the purposes and proposed markings therefor, which should be attached to the Pre-trial Brief; and
- 4) The number and names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-trial Brief.

Applicants CAGELCO II and BGI must ensure that all the documents or exhibits proposed to be presented have already been duly submitted to the Commission **at least five (5) calendar days** before the date of the scheduled initial virtual hearing and Pre-Trial Conference pursuant to the preceding paragraph.

Failure of CAGELCO II and BGI to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearing, and the resetting of which shall be six (6) months from the said date of cancellation.

Applicants CAGELCO II and BGI must also be prepared to make an expository presentation of the instant *Joint Application*, aided by whatever communication medium that they may deem appropriate for the purpose, in order to put in plain words and explain, for the benefit of the consumers and other concerned parties, the nature of the *Joint Application*. Relevant information and pertinent details substantiating the reasons and justifications for the *Joint Application* must be cited in support thereof.

Applicants CAGELCO II and BGI are hereby directed to file a copy of their Expository Presentation via e-mail at docket@erc.ph, and copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior to the scheduled virtual hearing. CAGELCO II and BGI shall also be required, upon the request of any stakeholder, to provide an advance copy of their expository presentation, **at least five (5) calendar days** prior to the scheduled virtual hearing.


Applicants CAGELCO II and BGI are hereby directed to submit, through personal service, registered mail, or ordinary mail/private courier, one (1) set of the original or certified true hard copies of its Jurisdictional Compliance, Expository Presentation, Pre-trial Brief, and Judicial Affidavits of witnesses, **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.




Finally, CAGELCO II and BGI, including their authorized representatives and witnesses, are hereby directed to provide the Commission, thru legal.virtualhearings@erc.ph, their respective e-mail addresses upon receipt of this *Order*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearing.

SO ORDERED.

Pasig City, 09 June 2023.

FOR AND BY AUTHORITY
OF THE COMMISSION:


MONALISA C. DIMALANTA
Chairperson and CEO_M

LS:  /  / 
LS: JTB / LSP / MCCG

ERC
Office of the Chairperson and CEO

MCD2023-004238

ERC CASE NO. 2023-053 RC
ORDER/09 JUNE 2023
PAGE 14 OF 16

Copy Furnished:

1. Cagayan II Electric Cooperative, Inc. (CAGELCO II)
Applicant
Macanaya District, Aparri, Cagayan
2. Atty. Ranulfo M. Ocampo
Counsel for CAGELCO II
7F STRATA 100 Bldg.
F. Ortigas Jr. Road, Ortigas Center, Pasig City
Email address: ranulfoocampo@outlook.com
3. Bac-Man Geothermal Inc. (BGI)
Applicant
5F Rockwell Business Center, Ortigas Ave. Pasig City
4. Quiason Makalintal Barot Torres Ibarra Sison & Damaso
Counsel for BGI
21st Floor Robinsons Equitable Tower
4 ADB Ave. cor. Poveda Street, Ortigas Center, Pasig City
5. Office of the Solicitor General (OSG)
134 Amorsolo Street, Legaspi Village, Makati City
Email address: docket@osg.gov.ph
6. Commission on Audit (COA)
Commonwealth Avenue, Quezon City
Email address: citizensdesk@coa.gov.ph
7. Senate Committee on Energy
GSIS Building, Roxas Boulevard, Pasay City
Email address: senateenergycommittee@gmail.com
8. House Committee on Energy
Batasan Hills, Quezon City
Email address: committee.energy@house.gov.ph
7. Office of the Governor
Province of Cagayan
8. Office of the Sangguniang Panlalawigan
Province of Cagayan
9. Office of the Mayor
Abulug, Cagayan
10. Office of the Sangguniang Bayan
Abulug, Cagayan
11. Office of the Mayor
Allacapan, Cagayan
12. Office of the Sangguniang Bayan
Allacapan, Cagayan
13. Office of the Mayor
Aparri, Cagayan
14. Office of the Sangguniang Bayan
Aparri, Cagayan
15. Office of the Mayor
Ballesteros, Cagayan
16. Office of the Sangguniang Bayan
Ballesteros, Cagayan

ERC CASE NO. 2023-053 RC
ORDER/09 JUNE 2023
PAGE 15 OF 16

17. Office of the Mayor
Buguey, Cagayan
18. Office of the Sangguniang Bayan
Buguey, Cagayan
19. Office of the Mayor
Camalaniugan, Cagayan
20. Office of the Sangguniang Bayan
Camalaniugan, Cagayan
21. Office of the Mayor
Claveria, Cagayan
22. Office of the Sangguniang Bayan
Claveria, Cagayan
23. Office of the Mayor
Gattaran, Cagayan
24. Office of the Sangguniang Bayan
Gattaran, Cagayan
25. Office of the Mayor
Lal-lo, Cagayan
26. Office of the Sangguniang Bayan
Lal-lo, Cagayan
27. Office of the Mayor
Lasam, Cagayan
28. Office of the Sangguniang Bayan
Lasam, Cagayan
29. Office of the Mayor
Gonzaga, Cagayan
30. Office of the Sangguniang Bayan
Gonzaga, Cagayan
31. Office of the Mayor
Pamplona, Cagayan
32. Office of the Sangguniang Bayan
Pamplona, Cagayan
33. Office of the Mayor
Sanchez Mira, Cagayan
34. Office of the Sangguniang Bayan
Sanchez Mira, Cagayan
35. Office of the Mayor
Sta. Ana, Cagayan
36. Office of the Sangguniang Bayan
Sta. Ana, Cagayan
37. Office of the Mayor
Sta. Praxedes, Cagayan
38. Office of the Sangguniang Bayan
Sta. Praxedes, Cagayan

ERC CASE NO. 2023-053 RC
ORDER/09 JUNE 2023
PAGE 16 OF 16

39. Office of the Mayor
Sta. Teresita, Cagayan
40. Office of the Sangguniang Bayan
Sta. Teresita, Cagayan
41. Office of the Mayor
Flora, Apayao
42. Office of the Sangguniang Bayan
Flora, Apayao
43. Office of the Mayor
Pudtol, Apayao
44. Office of the Sangguniang Bayan
Pudtol, Apayao
45. Office of the Mayor
Sta. Marcela, Apayao
46. Office of the Sangguniang Bayan
Sta. Marcela, Apayao
47. Office of the Governor
Province of Apayao
48. Office of the Sangguniang Panlalawigan
Province of Apayao
49. Regulatory Operations Service (ROS)
Energy Regulatory Commission
14th Floor, Exquadra Tower, 1 Jade Drive,
Ortigas Center San Antonio, Pasig City