24th Electric Power Industry Reform Act Implementation Status Report

(Period Covering November 2013 to April 2014)

Prepared by the
Department of Energy

With Contributions from

Energy Regulatory Commission
Philippine Electricity Market Corporation
National Power Corporation
National Electrification Administration
Power Sector Assets and Liabilities Management Corporation
National Transmission Corporation

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I. INTRODUCTION

Republic Act No. 9136 otherwise known as Electric Power Industry Reform Act (EPIRA) of 2001 or EPIRA is nearing thirteen (13) years of implementation. Though there were significant achievements, several issues remain which can be largely attributed to differences in the interests of stakeholders.

The 24th Status Report on the EPIRA implementation covering the period of November 2013 to April 2014 highlights the following:

- Activities completed for the privatization of remaining National Power Corporation's (NPC) generating assets and Independent Power Producers (NPC-IPP) contracts;
- Report on National Grid Corporation of the Philippines' (NGCP) compliance to the Concession Agreement;
- Continuing turn-over to qualified Distribution Utilities (DU) of the sub-transmission assets (STAs) of the National Transmission Corporation (TransCo);
- Updates on electricity rates to include average electricity rates, updates on universal charge, loan condonation, lifeline rates and mandatory rate reduction;
- Updates on wholesale electricity spot market (WESM) operations and governance;
- Updates on Interim Mindanao Electricity Market (IMEM);
- Monitoring compliance to installed capacity limitation under Section 45 of the EPIRA;
- Updates on the implementation of retail competition and open access (RCOA);
- Power supply-demand situation;
- Electrification status; and,
- Summary report on EPIRA Review discussions.

II. PRIVATIZATION

For the report period, PSALM pursued the bidding for Power Barges (PBs) 101, 102, 103 and 104, Naga Power Plant Complex (NPPC), and transfer of contract under Unified Leyte Geothermal Power Plant (ULGPP) to an Independent Power Producer Administrator (IPPA). For the other remaining plants and NPC-IPP contracts, PSALM is continuously doing necessary preparations for privatization. Meanwhile, the turn-over of Angat Hydro Electric Power Plant (AHEPP) to Korea Water Resources Corporation (Kwater) is still pending as conditions precedent for the closing of the sale is yet to be completed. Following are the latest status:

A. Privatization of Generating Assets

Power Barges (PBs) 101, 102, 103 and 104

On November 13, 2013, PSALM issued the Notice of Award to SPC Island Power Corporation (SIPC), the winning bidder which submitted a bid of PhP546 million (PhP545,888,999.99) for Package 1 (PBs 101-103).

On November 19, 2013, SPC accepted the Certificate of Effectivity, which commenced the Effective Date of the Asset Purchase Agreement (APA) for the sale of the PBs. With the failed bidding on Package 2 (PB 104), PSALM will seek the Board's directive on another conduct of bidding in 2014.

For PB 104, following the failed bidding held in October 2013 as none of the bidders met the Reserve Price, PSALM Management will conduct revaluation of the barge and conditions of sale subject to DOE's consent to make it attractive to investors.

SIPC, in its letter dated 13 March 2014, requested the termination of the APA because of the material change in the condition of PB 103 and likewise requested the return of its performance bond.

The PSALM Office of the General Counsel will render legal opinion whether to forfeit the Performance Bond subject to appraisal of PB 103 considering the damage sustained from Typhoon Yolanda to determine whether there is a material change in the condition of the asset. PSALM is also considering alternative modes for the disposal of the PBs, including PB 104.

Naga Power Plant Complex (NPPC)

On 07 November 2013, PSALM conducted the bidding for the Naga Power Plant and was declared a failure after only one bidder, SPC Power Corporation, submitted a bid.

On 27 December 2013, the Board approved the 3rd round of public bidding for the sale of the NPPC with the publication of the Invitation to Bid (ITB) on 06 February 2014. Further, proposed schedule of activities are targeted as follows:

- Publication of Invitation to Bid (ITB) - 6-8 February 2014
- Pre-Bid Conference - 24 February 2014
- Documentary Deliverables Deadline - 12 March 2014
- Release of FTDs - 21 March 2014
- Receipt and Opening of Bids/ Declaration of Highest Bidder - 31 March 2014
- Declaration of Winning Bidder by the PBAC - 7 April 2014

- Payment by SPC (in case SPC exercised the Right to Top) - 7 May 2014
- Turn-Over to the Winning Bidder - 25 June 2014

The Pre-bid Conference was held on 24 February 2014 which was attended by four (4) interested bidders namely: AC Energy Holdings, Inc.; SPC Power Corporation; Therma Power Visayas, Inc.; and Trans-Asia Oil and Energy Development Corporation.

On 31 March 2014, PSALM conducted the bidding for the Plant and declared Therma Power Visayas, Inc. as the highest bidder with its bid of PhP1.09 billion. SPC Power Corporation, the second bidder, submitted a bid of PhP859 million.

PSALM will declare the winning bidder for the Naga Power Plant at a later date in accordance with the Bidding Procedures since Therma Power Visayas, Inc will still be subject to the confirmation and verification of the accuracy, authenticity and completeness of their documents submitted, including the standby letter of credit.

Meanwhile, the condition of the sale provides that SPC Power Corporation being the second highest bidder has the "right to top" the price of the winning bidder for the Naga Power Plant by 5%, as provided under the Land Lease Agreement executed between PSALM and SPC in 2009 for the Naga Land-based Gas Turbine.

Likewise, the Board approved the extension of the Operation and Maintenance Service Contract (OMSC) for the Plant for six (6) months or until 25 September 2014, or subject to pre-termination in case of successful privatization.

On 30 April 2014, the NOA and Notice regarding SPC's Right to Top the Winning Bid were sent to Therma Power Visayas, Inc. and SPC, respectively.

Sucat Thermal Power Plant (STPP)

On 12 November 2013, the PSALM Privatization, Bids and Awards Committee (PBAC) approved the Bidding Procedures and Draft Asset Purchase Agreement (APA) of STPP.

On 15 November 2013, the TWG submitted the Agency Appraisal Report (AAR) to the Commission on Audit (COA).

On 05 December 2013, the privatization of STPP commenced with the publication of the ITB. The Pre-Bid Conference was held on 07 January 2014, attended by nine (9) interested bidders - six (6) Filipino and three (3) foreign firms. The Filipino companies are: Aluminum Recycling Specialist, Inc.; Bonapor Metal Contractor Services & General Merchandise; Genetron International Marketing; MZQ Trading; Sta. Clara International Corporation; and VPD Trading. On the other hand, the foreign firms consist of Dutch DDM Demontage BV; Malaysian Gagasan Steel Inc.; and Chinese Sinolink International Enterpise Holdings Limited.

On 31 March 2014, PSALM conducted the bidding of STPP in which Genetron International Marketing emerged as the highest bidder with its offered bid amounting to PhP 602 million over the two other bidders namely: Sta. Clara International Corp. (PhP561 million), and VPD Trading (PhP482 million).

Meanwhile, PSALM will declare the winning bidder at a later date in accordance with the Bidding Procedures right after the confirmation and verification of the accuracy, authenticity and completeness of the documents submitted, including the standby letter of credit.

As to PSALM's latest privatization targets for the NPC plants in Luzon and Visayas, schedules are shown in Table No. 1.

Table 1. Schedule of Privatization for Generating Assets as of 30 April 2014

Asset Type	Plant Name	Rated Capacity (MW)	Bid Date	Turn Over Date
Owned Generating Plants	**Luzon Grid**			
	Angat Hydro	218.00	April 2010	2nd Quarter 2014
	Malaya Thermal	650.00	Privatization is subject to DOE policy	
	Sub-total Luzon	**868.00**		
	Visayas Grid			
	PB 101 (Diesel/Bunker)	32.00	October 2013	3rd Quarter 2014
	PB 102 (Diesel/Bunker)	32.00		
	PB 103 (Diesel/Bunker)	32.00		
	Cebu Thermal 1 & 2 (Naga Complex)	109.30	1st Quarter 2014	2nd Quarter 2014
	Cebu Diesel (1-6) (Naga Complex)	43.80		
	Sub-total Visayas	**249.10**		
	Mindanao Grid			
	PB 104 (Diesel/Bunker)	32.00	3rd Quarter 2014	4th Quarter 2014
	Agus 1 & 2 Hydro	260.00	2017 Subject to consultation with Congress as provided under the EPIRA	
	Agus 4 & 5 Hydro	213.10		
	Agus 6 & 7 Hydro	254.00		
	Pulangui Hydro	255.00		
	Sub-total Mindanao	**1,014.10**		
	GRAND TOTAL	**2,131.20**		
Decommissioned Plants	Bataan Thermal	-	Sale/disposal is subject to resolution of cases involving the asset	
	Sucat Thermal	-	1st Quarter 2014	2nd Quarter 2014

Source: PSALM

B. Transfer of NPC Contracted Energy Outputs from its IPPs to Independent Administrators

Unified Leyte Geothermal Power Plant (ULGPP)

On 07 - 08 November 2013, PSALM's selection and appointment of IPPAs for the strips of Energy and Bulk Energy of the contracted capacities in the Unified Leyte Geothermal Power Plant (ULGPP), respectively, were conducted successfully. The allotment of the total 200 strips of energy, or 200 MW, for the ULGPP IPPA-Strips are as follows:

- 40 MW or 40 strips of energy to FDC Utilities, Inc. (FDCUI), which offered a generation payment of PhP5.2588 per kilowatt-hour (kWh);
- 40 MW to Unified Leyte Geothermal Energy Inc. (ULGEI), which bid at PhP5.2100/kWh;
- 40 MW to Trans-Asia Oil and Energy Development Corporation, which bid at PhP5.0166/kWh;
- 40 MW to Aboitiz Energy Solutions, Inc., which bid at PhP4.9188 per kWh;

- three (3) MW to Waterfront Mactan Casino Hotel Inc., which bid at PhP4.9000/kWh;
- 20 MW to Good Friends Hydro Resources Corporation, which bid at PhP4.8800/kWh; and
- 17 MW to Vivant Energy Corporation, which bid at PhP4.6629/kWh.

Following the bidding results, Vivant's PhP4.6629/kWh offer, the bid price for the 200th strip of energy is the winning price for the ULGPP IPPA-Strips.

For the ULGPP IPPA for Bulk Energy, ULGEI tendered a bid of PhP215 million, which was the only bid that met the reserve price set by the PSALM Board.

In November, ULGEI and all the highest ranking bidders for the strips of energy were found to be compliant and thereby qualified as winning bidders for the bulk and strips of energy of ULGPP. PSALM Management is set to request Board approval for the issuance of the Notice of Award (NOA) to all the winning bidders in December.

However, on 20 November 2013, ULGEI informed PSALM that, due to the effect of typhoon Yolanda to the ULGPP and the severely altered economic condition in the area, it cannot accept the awarding of the winning bids for both the bulk and strips of energy. Considering the devastation brought by typhoon Yolanda in the Visayas, the DOE issued the following directives: a) Maintain the status quo for ULGPP for a period of one (1) year; and b) Proceed with remaining bidding procedures after one (1) year or upon rehabilitation and restoration of ULGPP to pre-typhoon Yolanda state.

On 27 December 2013, ULGEI informed PSALM that it is willing to accept the award for the Strips of Energy on the understanding that there will be a one (1) extension in reference to the directive of DOE.

On 29 January 2014, the PSALM Board approved the issuance of the Notice of Award to the winning bidders for the Strips of Energy and the acceptance of the withdrawal of the ULGEI from the bidding process for the Bulk of Energy.

PSALM issued the NOA to the winning bidders for the Strips of Energy on 05 February 2014. Meanwhile, for the remaining NPC-IPP contracts for trasfer to IPPA, Table 2 shows the indicative schedule as of 30 April 2014.

Table 2. Indicative Schedule for Appointment of IPP Administrators as of 30 April 2014

Grid	Plant Name	Contracted Capacity (MW)	Bid Date	Turn Over Date
Luzon Grid	Casecnan Multi-Purpose Hydro	140.00	2015	2015
	Benguet Mini Hydro	30.75	IPP contract to expire in January 2018	
	Caliraya-Botocan-Kalayaan Hydro	728.00	2016	2016
	Sub-total Luzon	**898.75**		
Visayas Grid	Unified Leyte	559.00		
	Strips Energy		4th Quarter 2013	2014
	Bulk Energy		2015*	2015*
	Sub-total Visayas	**559.00**		
Mindanao Grid	SPPC Diesel	50.00	IPP contract will expire in 2016	
	WMPC Diesel	100.00	IPP contract will expire in 2015	
	Mindanao Coal-Fired	200.00	2015	2015
	Mt. Apo 1 Geothermal	44.52	3rd Quarter 2014	4th Quarter 2014
	Mt. Apo 2 Geothermal	48.00		
	Sub-total Mindanao	**442.52**		
	GRAND TOTAL	**1,900.27**		

** Updates based on DOE's directive per Memorandum dated 23 December 2013*
Source: PSALM

C. Privatization Proceeds

As of the report period, PSALM generated total proceeds of US$19.4 billion while actual collection amounted to US$8.5 Billion. The proceeds were utilized for debt prepayment, regular payment of debts and IPP obligations, and payment of other privatization-related expenses with details indicated in Table 3.

Table 3. Generated and Collected Proceeds of Privatization as of 30 April 2014, (In US$Billion)

Privatization Assets	Generated	Collected	Balance
Generating Assets[1/]	3.064	3.064	0.000
Decommissioned Plants[2/]	0.004	0.004	0.000
Transmission Asset (TransCo)[3/]	6.383	3.718	2.665
Appointment of IPPAs[4/]	9.957	1.671	8.286
TOTAL	**19.408**	**8.457**	**10.951**

1/ Amounts generated consist of financial bid (Schedule C of the Asset Purchase Agreement (APA)) and interest earned from deferred payments.
2/ Net of the final adjustment to Project Under Construction and Initial Working Capital. For comparability, actual Peso received was converted to USD using the PhP42.75/USD forex rate (pursuant to Section 6.03 of the Concession Agreement (CA)) plus actual interest earned (10-year PDSTF rate considered in the tariff regulatory reset + 230 basis points) and the expected interest to be earned until the end of the Concession Agreement using the latest available PDSTF rate + 230 basis points.
3/ Consistent with the amount reflected in Schedule I of the IPP Administration Agreement (AA) with peso portion converted to USD using the P48/USD forex rate.
Source: PSALM

Out of the US$7.5 billion privatization proceeds utilized, US$7.4 billion was used for the liquidation of financial obligations. The difference between the total amount collected and total utilization in the amount of US$0.951 billion is placed in temporary investments while awaiting utilization. Out of the US$7.368 billion privatization proceeds utilized, US$7.313 billion was used for the liquidation of financial obligations. The difference between the total amount collected and total utilization in the amount of US$1.038 billion is placed in temporary investments while awaiting utilization.

Table 4. Utilization of Privatization Proceeds as of 30 April 2014

Privatization Proceeds Utilized	In US$ Billion
Debt Prepayment	1.298
Regular Debt Service	4.348
Lease Obligations	1.805
Others	0.054
TRANSCO Opex	0.001
TOTAL	**7.506**

US$:PhP = 44.463 (BSP Guiding Rate dated 30 April 2014)
Source: PSALM

D. Concession of the National Transmission Network

PSALM and the TransCo resumed the conduct of assessment on NGCP's compliance to the Concession Agreement (CA), with the reconstitution of the Joint PSALM-TransCo Annual Technical, Financial and Legal Assessment Team (TFLAT).

The Sub-Teams namely: Technical. Regulatory, Financial, and Legal Team (TRFLAT) conducted a series of meetings on 08, 16, and 21 October 2013 to discuss the assessment report of each team: Technical. Regulatory, Financial, and Legal Team (TRFLAT)on the compliance of NGCP with the CA for CY 2012.

On 18 February 2014, the 7th meeting of the Joint PSALM and TransCo Technical Regulatory, Financial, Legal Assessment Team (TRFLAT) was held to discuss and finalize the Team's report.

Meanwhile, TransCo's inspection of the assets condition and Project Under Construction (PUC) accomplishments is shown in *Annex 1*. Further, the summary inspection report of PUC is shown in *Annex 2.*

E. Sale of Sub-Transmission Assets (STAs)

The sale of TransCo's sub-transmission assets involves one hundred thirty one (131) sale contracts and one hundred seven (107) interested distribution utilities (DUs), most of which are electric cooperatives (ECs). The subtransmission assets include some 5,900 ckt-km of mostly 69 kV transmission lines and 1,600 MVA of substation capacity. In compliance with the mandate of EPIRA and under the guidelines set by the Energy Regulatory Commission (ERC), TransCo in 2013 signed four (4) sale contracts with distribution utilities amounting to about PhP144.74 Million.

As of April 30, 2014, TransCo has signed one hundred nine (109) sale contracts with seventy nine (79) DUs/ECs/consortia amounting to about PhP5.86 billion. These sales cover an aggregate length of about 4,000 ckt-kms of subtransmission lines and about 36,200 sub-transmission structures and 865 MVA of substation capacity. Of the one hundred nine (109) sale contracts, fifty (50) contracts with total sale price of about PhP2.7[1] billion have been approved. However, one (1) contract amounting to PhP10.8 million was disapproved by the ERC as of the April 30, 2014 posting in the ERC website. Fifty eight (58) sale contracts are for ERC filing, evaluation or approval.

Following the EPIRA provision to extend concessional financing to ECs, TransCo implemented lease purchase arrangements with a term of twenty (20) years. Of the one hundered nine (109) sale contracts already signed, sixty seven (67) are under lease purchase agreements with fifty nine (59) ECs/consortia, valued at about PhP3.9 billion. The remaining forty two (42) involved sales to private distribution utilities/consortia.

TransCo is looking forward to the sale of about 610 ckt-km of sub-transmission lines and about 485 MVA of substation equipment to thirteen (13) interested distribution utilities/consortia for the next two (2) years. Table 5 below shows the summary of the sale as of the report period.

Table 5. Summary Table of STAs Sale Per Region as of 30 April 2014

	DUs	Sale Amount in PhP (Original Contract)	CKM
North Luzon	34	1,659,041,373.27	1,272
South Luzon	17	1,120,511,843.37	467
Visayas	27	1,168,202,902.00	685
Mindanao	31	1,913,027,055.63	1,598
TOTAL	**109**	**5,860,783,174.27**	**4,022**

Source: Transc

[1] *The total ERC approved amount of P 2.689 Billion is lower compared to the total contract amount of PhP 3.012 Billion due to the following reasons:*

- *Exclusion of some assets from the ERC approval due to reclassification from sub-transmission totransmission assets;*
- *The lower amount of valuation was used as basis of the ERC approval;*
- *Exclusion of some assets from the ERC approval since said assets are not yet connected to the sold assets;*
- *Exclusion of some assets from the ERC approval due to decommissioning; and*
- *DU withdrawal from the ERC Joint Application of the sale contract*

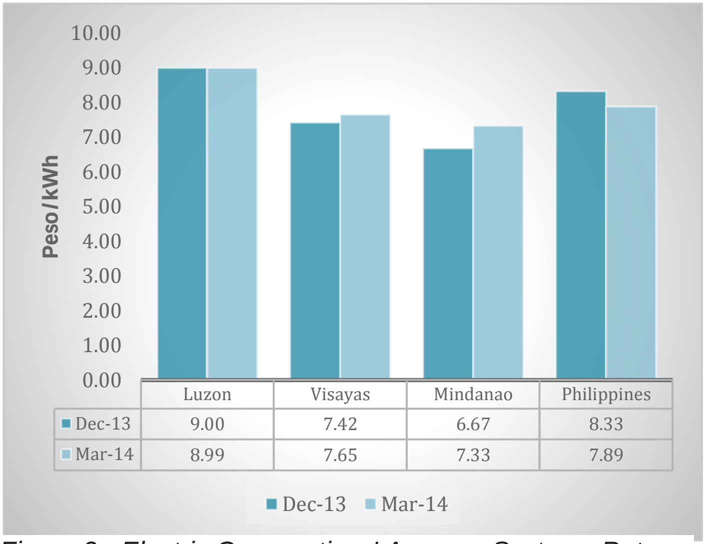
III. ELECTRICITY RATES

This Section provides updates on electricity price data and other significant related developments based on information from the ERC, TransCo, PSALM, NPC and distribution utilities, among others.

A. Distribution Utilities' Electricity Rates Data and Regulatory Actions

The country's average electricity rates as of March 2014 is PhP7.89/kWh, PhP0.44 lower compared with the December 2013 national average systems rate. Among the three major grids, Luzon has the highest rate at PhP8.99kWh while Mindanao remains the lowest at PhP7.33/kWh for March 2014. However, the largest increase in rates were posted in the Mindanao grid from PhP6.67/kWh in December 2013 to PhP7.33/kWh in March 2014 or an increase of PhP0.66.

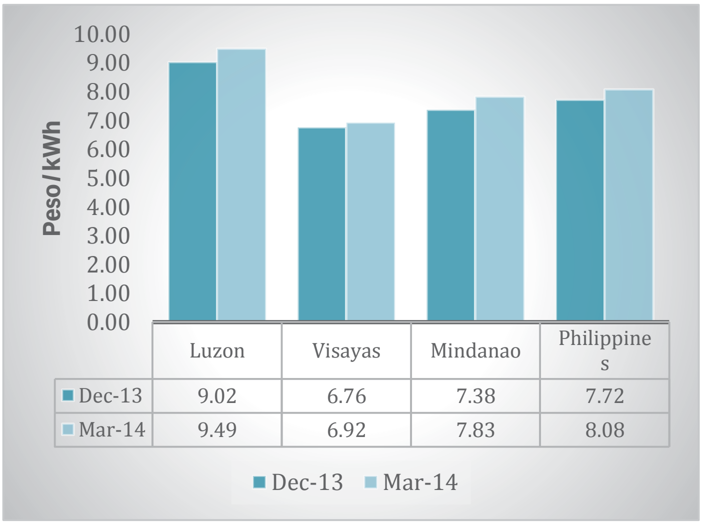
Figure 1 - National Average Systems Rate



The ECs' average systems rate for March 2014 is PhP8.08/kWh, an increase of PhP0.36 from December 2013. The largest increase was noted in the Luzon grid at PhP9.02/kWh in December 2013 to PhP9.49/kWh in March 2014.

Meanwhile, the national average systems rates of private distribution utilities (PDUs) posted a reduction of PhP1.24/kWh from PhP8937/kWh in December 2013 to PhP7.69/kWh in March 2014 despite the increase in Mindanao rates from PhP5.97/kWh to PhP6.83/kWh in the same period.

Figure 2 - Electric Cooperatives' Average Systems Rate



The ECs' national average unbundled residential electricity rate for March 2014 was PhP 9.49/kWh. Generation costs comprised 48 percent of ECs' national average effective electricity rates followed by distribution costs share of 18 percent of the total. Among the three grids, Mindanao remained to enjoy the lowest generation costs at PhP3.67/kWh considering that this remains highly regulated NPC generation rate and electricity are produced mostly from hydro electric power plants. Visayas grid has the highest average effective residential electricity rates at PhP10.42/kWh of which generation costs comprise 52 percent. Among the grids, distribution costs is the next largest component of electricity cost followed by transmission costs.

Table 6. EC's Unbundled Average Effective Residential Electricity Rates, March 2014 (PhP/kWh)

Bill Subgroup	LUZON		VISAYAS		MINDANAO		NATIONAL	
	PhP/kWh	Percent share	PhP/kWh	Percent share	PhP/kWh	Percent share	PhP/kWh	Percent share
Generation	4.7299	47.78	5.3747	51.55	3.6697	44.28	4.5914	48.39
Transmission	1.2603	12.73	1.0338	9.92	1.0499	12.67	1.1147	11.75
System Loss	0.8572	8.66	0.8880	8.52	0.7017	8.47	0.8156	8.60
DSM[1]	1.6931	17.10	1.8190	17.45	1.7019	20.54	1.7380	18.32
RFSC[2]	0.3205	3.24	0.3459	3.31	0.4246	5.12	0.3637	3.83
Other Charges[3]	(0.0725)	(0.73)	0.0000	0.00	(0.2230)	(2.68)	(0.1477)	(1.56)
Subsidy Charges[4]	0.0895	0.90	0.1049	1.01	0.0930	1.12	0.0958	1.01
Universal Charges[5]	0.3259	3.29	0.3193	3.06	0.3193	3.85	0.3215	3.39
Other Taxes[6]	0.0811	0.82	0.0206	0.20	0.0855	1.03	0.0624	0.66
VAT	0.6150	6.21	0.5189	4.98	0.4643	5.60	0.5327	5.61
Total	9.9000	100.00	10.4251	100.00	8.2869	100.00	9.4881	100.00

Source: NEA
[1] Distribution, Supply and Metering Charges
[2] Reinvestment Fund for Sustainable CAPEX
[3] Loan Condonation & PEMC-SPA Charge
[4] Lifeline & Senior Citizen Subsidy/Discount
[5] Missionary Electrification, Environmental Charges, NPC Stranded Cost
[6] Local Franchise &Business Taxes, Real Property Tax

Among the PDUs, La Union Electric Company (LUECO) has the highest average effective rate for the residential customers at PhP10.65/kWh for the billing period March 2014. On the other hand, Cagayan Electric Power and Light Company (CEPALCO) has the lowest average effective residential rates at PhP6.72/kWh for the same billing period. Significant reduction in rates was noted in Dagupan Electric Corporation (DECORP) from PhP9.57/kWh in December 2013 to PhP7.23/kWh in March 2014. The MERALCO average effective rates likewise declined from PhP10.03/kWh in December 2013 to PhP9.26/kWh in Marck 2014. The high cost in December 2013 can be attributed to high generation costs during the period when WESM prices spiked in view of supply deficit brought about by Malampaya shutdown and the simultaneous significant outages of power plants with large capacities.

Figure 3. Private Distribution Utilities' Average Systems

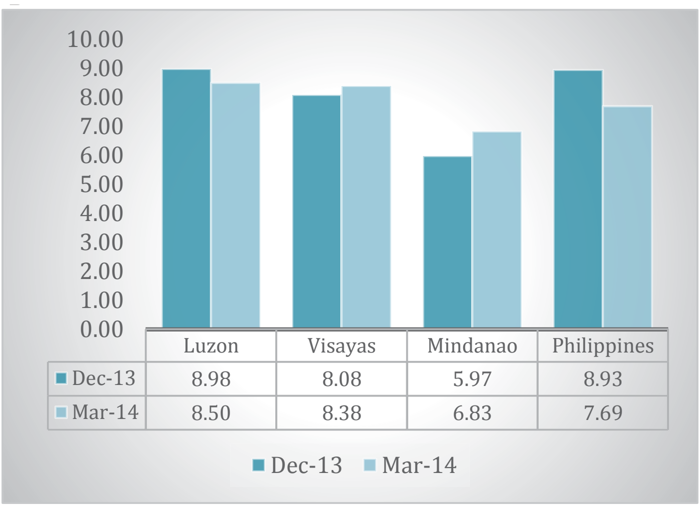


Figure 4 - PDUs Average Effective Rates

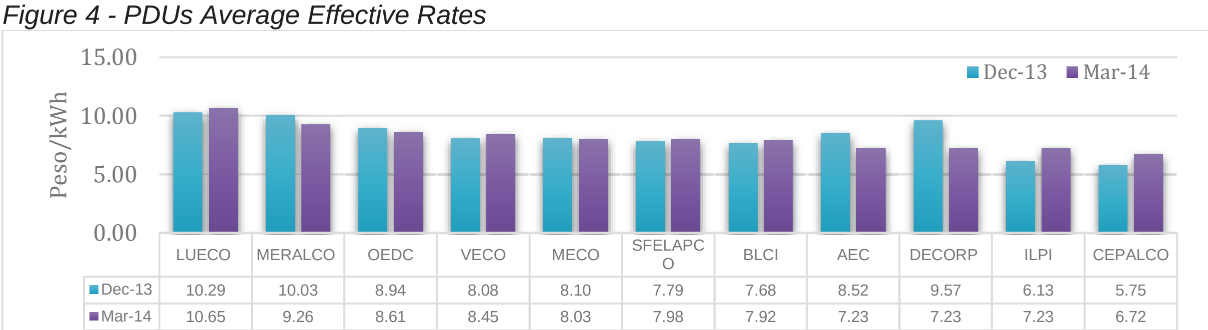


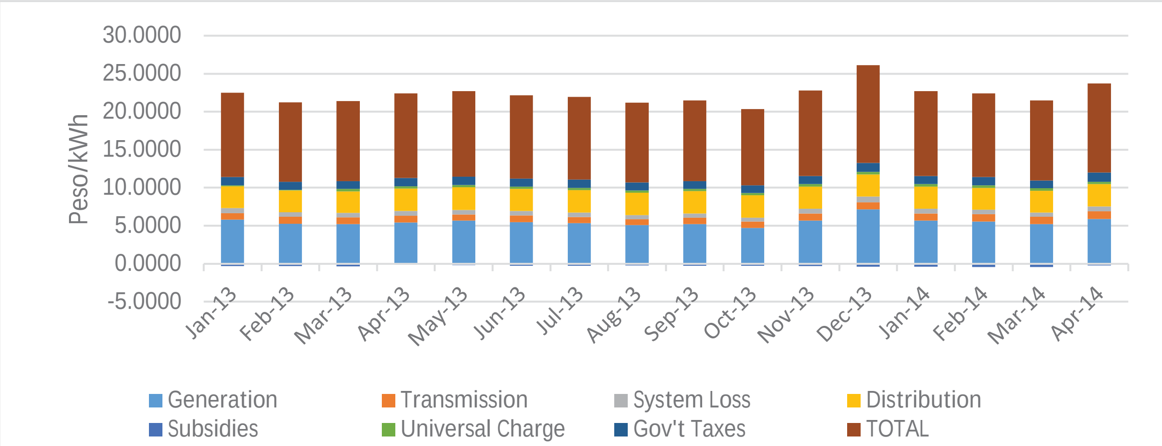
Table 7. Summary of MERALCO Residential Unbundled Power Rates, April 2014 (PhP/kWh)

BILL SUBGROUP	0 to 200 kWh		% Share	201 to 300 kWh	% Share	301 to 400 kWh	% Share	Over 400 kWh	% Share
Generation	5.90		52%	5.90	50%	5.90	49%	5.90	46%
Transmission	1.02		9%	1.02	9%	1.02	8%	1.02	8%
System Loss	0.61		5%	0.61	5%	0.61	5%	0.61	5%
Distribution	2.23		20%	2.59	22%	2.93	24%	3.52	27%
Subsidies*	0.16		1%	0.16	1%	0.16	1%	0.16	1%
Universal Charge	0.31		3%	0.31	3%	0.31	3%	0.31	2%
Government Taxes	1.13		10%	1.17	10%	1.21	10%	1.28	10%
TOTAL**	**11.37**		**100%**	**11.77**	**100%**	**12.14**	**100%**	**12.80**	**100%**

Source: MERALCO Website

Meanwhile, for the April 2014 billing of MERALCO, its effective residential rates for the different residential customer classes ranged from PhP11.37/kWh to PhP12.80/kWh of which the highest component was generation costs at PhP5.90/kWh. MERALCO distribution charges for its different residential customer classes comprised 20 to 27 percent of the total effective residential rates equivalent to PhP2.23/kWh and PhP3.52/kWh, respectively. Systems loss charges on the other hand was 61-centavos. It can be noted that from January 2013 to April 2014, MERALCO's highest effective residential rates occurred on December 2013. However, since the same period onwards, the rate significantly reduced in the succeeding months.

Figure 5 - MERALCO Average Effective Unbundled Rates



Source: MERALCO

As regard regulatory actions, for the PDUs, the ERC has decided on five (5) cases for PDUs' rate applications relative to the implementation of Performance-Base Rate Methodology for PDUs as summarized in Table 8. It can be noted that the ERC has approved minimal changes which are mostly true-up/down on the distribution rates of Panay Electric Company (PECO), Clark Electric Development Corporation (CEDC), Angeles Electric Company (AEC) and Bohol Light and Company, Inc.

For the ECs, conduct of public consultations are still on-going with regard to the petition filed by Philippine Rural Electric Cooperatives Association (PHILRECA) for the adoption of the proposed "Rules Governing the Collection from the Consumers of the Cost of Payment Guarantees for the Power Supply Contracts and Transmission Service Agreements Entered into by Electric Cooperative".

As previously reported, upon approval of this petition, a tariff mechanism will be adopted to address the cash flow problems of the ECs arising from the imposition of the security deposit and prudential requirements.

According to PHILRECA, unlike those of the private DUs, the existing tariff of the ECs does not provide for surplus funds by way of or in the form of a return on rate base and depreciation. Thus, while the private DUs can exercise certain degree of flexibility by charging the prudential and security deposit requirements against their surplus funds, the ECs are constrained to fund the same from their meager internally generated funds and in certain instances, from loans obtained from the National Electrification Administration (NEA) and other financial institutions.

Table 8. List of ERC Decisions on DU's Rate Applications for the Period November 2013 - April 2014

DU	Case Number/ Date of Filing	Regulatory Period	Previous Rates (RY 2013 Rate-PhP/kWh)	ERC Approved (RY 2014 Rate-PhP/kWh)	Increase/ Decrease (RY 2014 Rate-PhP/kWh)	Date of Final Decision
PECO	2013-203 RC/ Oct. 18, 2013	2011-2015	1.2695	1.3041	0.0626	Dec. 16, 2013
CEDC	2013-194 RC/ Sep. 30, 2013	2011-2015	0.8953	0.8444	0.0569	Dec. 9, 2013
AEC	2013-176 RC/ Aug. 28, 2013	2012-2015	1.4991	1.4593	(0.0398)	Dec. 9, 2013
BLCI	2013-183 RC/ Sep. 6, 2013	2012-2015	1.0321	1.0674	0.0471	Dec. 9, 2013

Source: ERC Website

B. Transmission Rates Regulatory Updates

The following are the updates on transmission rate filed by NGCP for approval of the ERC:

1. On 07 January 2014, the Commission resolved MERALCO's "Motion for Reconsideration" filed on 23 December 2013 on the Commission's ruling granting the opposition of the NGCP to MERALCO's intervention in relation to the Force Majeure Events (FMEs) in Visayas and Mindanao on ERC Case 2013-171 RC, filed by NGCP dated 07 August 2013. The Commission denied MERALCO's motion for reconsideration since it failed to substantiate its allegations that it has direct and substantial interest in the subject matter of the instant application with respect to the proposed FME Pass Through Amount for the Visayas and Mindanao Grids, since the retail rates being charged to its customers will not be affected by the approval of the proposed FME Pass Through Amounts for the

Visayas and Mindanao Grids inasmuch as the proposed recovery of the FME Pass Through Amounts is on a per grid basis.

2. On 30 January 2014, per ERC Case NO. 2014-007 RC, the NGCP filed with the Commission the application for approval of the Ancillary Services Procurement Agreement (ASPA) with Apo Cement Corporation (ACC) with prayer for provisional authority. The applicable rates for the capacity covered by the ASPA are as follows:

Non-Firm:

Ancillary Service	Applicable rates (Maximum Hourly Rate)
Contingency Reserve	PhP2.00/kW/Hr
Dispatchable Reserve	PhP1.25/kW/Hr

ACC submits that the rates represent a reasonable recovery of its cost in making available generation capacity to provide the procured AS. The rates took into due consideration the requirements related to providing the subject AS.

The rate under the ASPA was subjected to simulation by NGCP, as follows:

Ancillary Services	Indicative Rate Impact	
	PhP/kW	PhP/kWh
Contingency Reserve	4.5009	0.0082
Dispatchable Reserve	16.8510	0.0308
Total	**21.3519**	**0.0390**

Consistent with the AS-CRM, all the related and incidental expenses which NGCP will incur as a result of the procurement and operation of the AS shall be recovered from all the load customers in the Visayas Grid.

3. On 17 October 2013, on ERC order per Case No. 2013-202 RC, NGCP filed for the maximum allowable revenue (MAR) for CY 2014 and the net performance incentive for 2013 under the rules for setting the transmission wheeling rates (RTWR). In the said application, NGCP used the forecast demand (in kW) the figures below showing the indicative rates of the proposed MAR_{2014}:

Table 9. Indicative Rates of the Proposed Maximum Allowable Revenue (MAR) for CY 2014

	MAR_{2013}	MAR_{2014}
In PhP, Million	44,567.18	42,506.87
Forecast Demand, (MW)	132,469.339	137,709.00
Forecast Energy (GWh)	65,147.97	67,996.06
Indicative, PhP/kW	**336.43**	**308.67**
Inc/Dec		(27.76)
% Inc/Dec		(8.25)
Indicative Average, P/kWh	**0.6841**	**0.6251**
Inc/Dec		(0.0590)
% Inc/Dec		(8.62)

Consistent with the provisions of the Final Determination (FD) and the Open Access Transmission Services (OATS) Rules, NGCP shall recover the MAR_{2014}. In addition to the Power Delivery Service (PDS) Charge, it proposes the following charges on Regulated Transmission Services (System Operator [SO] & Metering Service Provider [MSP] Charges):

Table 10. 2014 Proposed Rates on Regulated Transmission Services (System Operator [SO]

FIRM (PhP/kW-mo.)	NON-FIRM (PhP/kW/day)
16.15	0.5308

Note: Non-firm rate is computed as firm rate x (12months/365 days)

	Proposed 2014 MSP, in PhP	
Per Voltage Level	**Full**	**Meter Only**
500/230 kV	43,640	16,397
138/115 kV	29,417	11,053
69 kV	19,111	7,181
34.5/23 kV	11,036	4,147
13.8 kV and below	5,766	2,166
Common Charge	**3,153**	

For the Performance Incentive Scheme (PIS) Computation, it was computed (limits of the rewards or penalties) in reference to the 3% of the Annual revenue Requirement (ARR) of the regulatory year (CY2014) of PhP46,954.66 million. It proposes a net performance incentive of PhP754.69 million to be billed in CY2014. Further, it proposes for the deferment of the setting of the ASAI parameters until the end of the Third Regulatory Period.

C. Generation Costs

Significant spikes were noted in the generation costs of DUs during the report period particularly during the billing months of November and December 2013 where prices in the WESM spiked significantly to an average of PhP27/kWh. Given this, MERALCO procurement from spot costs an average of PhP36/kWh in the billing period of December 2013, which covers the period November 26, 2013 to December 25, 2013. With this, MERALCO incurred a total generation cost in the amount of PhP24.82 billion that translated to a generation charge of PhP10.2279/kWh for the January 2014 billing month.

The said increase which was approved for staggered recovery by the ERC became a subject of a petition filed by the in which the ERC's approval of the corresponding increase in the pass-through generation cost was assailed through the Petition for Certiorari and/or Prohibition filed in the Supreme Court by various consumer groups resulting to a Temporary Restraining Order for the imposition of the additional generation cost.

Despite pending resolution of the Supreme Court, the ERC, in its Order dated 03 March 2014 voided the WESM (Wholesale Electricity Spot Market) prices during the period from 26 October 2013 to 25 December 2013 and ordered the imposition of regulated prices in lieu thereof. The ERC intervened after determining that the WESM prices during the said period could not qualify as reasonable, rational, and competitive due to the confluence of factors accompanying the tight supply situation in the market. The ERC likewise directed PEMC to calculate and implement the regulated prices in the revised WESM bills of the affected distribution utilities in Luzon for their immediate settlement, except for MERALCO whose November 2013 WESM bill will be maintained in compliance with the Temporary Restraining Order (TRO) issued by the Supreme Court in G.R. Nos. 210245 and 210255.

The regulated prices shall be calculated based on the load weighted average of the ex-post nodal energy prices and meter quantity of the same day same trading interval that have not been administered covering the period December 26, 2012 to September 25, 2013, subject to the payment to the oil-based plants of additional compensation to cover their full Fuel and Variable O&M costs, if warranted, following the manner and procedure for computing additional compensation under the WESM's Administered Price Determination Methodology. These regulated prices are expected to be at least 70% lower on the average than the voided WESM prices, which stood on average at PhP22.13/kWh for November 2013 and PhP25.67/kWh for December 2013.

D. Administration of Universal Charge (UC)

This section provides development on the implementation of UC pursuant to Section 34 of the EPIRA. Highlights include status of collection and disbursements, updates on PSALM's application for the recovery of stranded contract costs and stranded debts, and the implementation of UC collection from self-generating facilities.

Total UC remittances to PSALM as of 30 April 2014 amounted to PhP46.4 billion. Of this amount, PhP45.7 billion was disbursed by PSALM to the NPC-SPUG for missionary electrification, environmental charge and stranded contract cost in accordance with the provisions of the EPIRA. Meanwhile, PhP10.4 billion was transferred from the UC-Stranded Contract Cost (UC-SCC) Special Trust Fund (STF) account to PSALM's UC-SCC Special Fund Account (SFA) in accordance with the PSALM Board-approved Guidelines and Procedures on Disbursement and Utilization of UC-SCC of NPC. As of the same period, total interest earnings from placements of UC funds amounted to PhP0.1 billion. This leaves the UC fund with a balance of PhP0.8 billion.

Table 11. Universal Charge Remittances, Interests and Disbursements as of 30 April 2014 (In Billion PhP)

Particulars	Remittances	Interests	Disbursements	Balances
Missionary Electrification	35.328	0.044	35.344	0.028
Environmental Charge	1.377	0.085	0.714	0.748
Stranded Contract Cost	11.346	0.008	11.328	0.026
Total:	**48.051**	**0.137**	**47.386**	**0.802**

Source: PSALM

For the period November 2013 to April 2014, PSALM received a total of Php3.6 billion in UC remittances from collecting entities, and disbursed to NPC-SPUG the total amount of Php3.656 billion for missionary electrification. The monthly breakdown of the collections and disbursements are provided in Table 12.

Table 12. UC Collections and Disbursements for November 2013 – April 2014 (In Billion PhP)

	UC – ME	UC – EWR	UC-SCC	Total Month	UC-ME Disbursements
November 2013	0.595	0.014	0.992	1.601	0.596
December 2013	0.560	0.012	0.927	1.499	0.574
January 2014	0.546	0.012	0.885	1.443	0.504
February 2014	0.615	0.013	0.917	1.545	0.644
March 2014	0.638	0.011	0.828	1.477	0.643
April 2014	0.701	0.012	0.947	1.660	0.695
Total	**3.655**	**0.074**	**5.496**	**9.225**	**3.656**

Source: PSALM

E. Assumption of Loans of Electric Cooperatives

As of 30 April 2014, PSALM has paid a total of PhP16.3 billion worth of financial obligations of ECs to National Electrification Administration (NEA) and other government agencies (OGAs) as well as local government units (LGUs) pursuant to Executive Order (EO) No. 119, s. 2002 and the Memorandum of Agreement between PSALM and NEA dated 03 October 2003. Table 12 shows a summary of PSALM's outstanding financial obligations to NEA and LGUs/OGAs.

Table 13. Status of Loan as of 31 March 2014 (In PhP Billion)

	Total Consumption	Actual Payments		Balance	
		Amount	%	Amount	%
NEA	17.978	16.192 [1/]	90.07	1.785	9.93
LGU/OGA	0.096	0.077 [2/]	79.85	0.019	20.15
TOTAL	**18.074**	**16.269**	**90.01**	**1.805** [3/]	**9.99**

1/ Inclusive of PhP0.369 billion pertaining to NEA's double collection from ECs amounting to PhP2.215 billion for the period 2001-2003
2/ Net of discount from the Provincial Government of Palawan amounting to PhP3,725,000.97
3/ Balance covers the remaining amount to be paid to NEA and LGU/OGA, subject to submission of complete documents/requirements and compliance with the terms and conditions provided under Section 5 of EO 119
Source: PSALM

Of the PhP16.192 billion total payments to NEA as of 30 April 2014, PhP12.205 billion was used to pay the rural electrification loans incurred by the ECs, PhP2.496 billion for Mini-hydro loans, and PhP1.479 billion for Dendro Thermal loans. Payments intended for house wiring services only amounted to PhP0.012 billion. Table 13 shows the summary of payments made by PSALM:

Table 14. PSALM Payments per Type of Loan as of 30 April 2014 (In PhP Billion)

Type of Payment	Amount Paid	Percentage to Total (%)
Rural Electrification Loan	12.205	75.37
Mini-hydro	2.496	15.42
Dendro Thermal	1.479	9.13
House wiring	0.012	0.08
TOTAL	**16.192**	**100.00%**

Source: PSALM

F. Lifeline Rate Subsidy Program

The provision of lifeline rate subsidy is allowed by Section 73 of the EPIRA which defines the lifeline rate as a subsidized rate given to low-income captive market end-users who cannot afford to pay at full cost. This program is extended for another ten (10) years with the enactment of Republic Act 10150 on June 2011.

For the year 2013, the average total amount of subsidy provided to lifeline consumers was PhP477 million which translated to an average of PhP2.60/kWh subsidy to lifeline customers in the whole country. On the average, each of the lifeline customers had enjoyed an average monthly subsidy of PhP89.68. Large discrepancy though was noted between the subsidy availed by a PDU lifeline customer and an EC lifeline customer which averages monthly at PhP94.78/kWh and PhP32.28/kWh, respectively. Higher amount of subsidy was paid for by the non-lifeline customers of PDUs at PhP112.16 per month for the MERALCO franchise area, and PhP56.92 per month for other PDUs. For the ECs, non-lifeline customers subsidized an average of PhP3.36 per month.

Meanwhile, Table 15 shows the January to December 2013 status of lifeline rate subsidy implementation, as provided by the ERC.

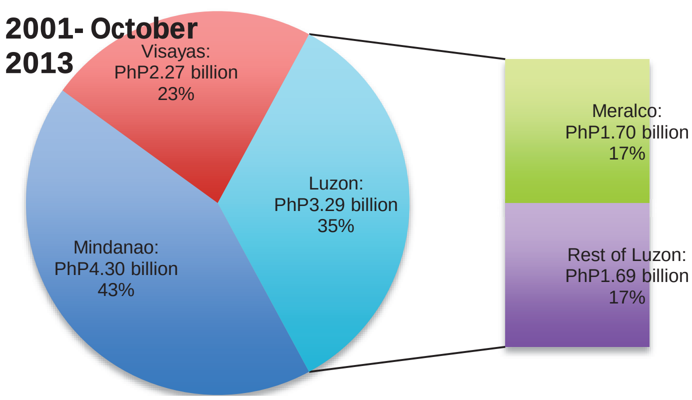
Table 15. Summary of Lifeline Subsidy Implementation, January to December 2013

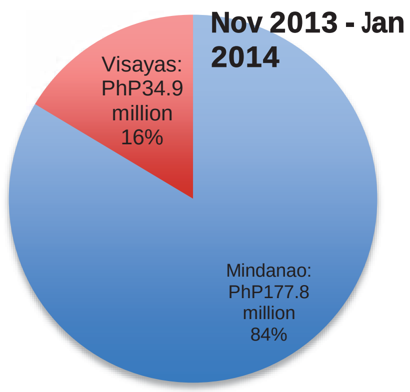
Particulars	MERALCO	Other PDUs	ECs	Total
Monthly Average Total Amount of Subsidy Provided by Non-Lifeline Customers (in Php	338,462,337.95	54,349,076.96	84,567,621.89	477,379,036.80
Average Monthly Total Consumption of Lifeline Customers (kWh)	108,383,477.29	25,219,032.06	50,342,815.10	183,945,324.45
Monthly Average Number of Lifeline Customers	2,130,257.71	573,395.20	2,619,433.15	5,323,086.07
Monthly Average Number of Non-Lifeline Customers	3,017,615.43	954,903.53	25,181,352.46	29,153,871.42
Average Amount of Subsidy Provided to Lifeline Customers (In PhP/kWh)	**3.12**	**2.16**	**1.68**	**2.60**
Average Amount of Subsidy Provided to Lifeline Customers (In PhP/Customer)	**158.88**	**94.78**	**32.28**	**89.68**
Average Amount of Subsidy Paid by Non-lifeline customers (in PhP/Customer)	**112.16**	**56.92**	**3.36**	**16.37**

Source: ERC Investigation & Enforcement Division

G. Mandatory Rate Reduction (MRR)

Pursuant to Section 72 of the EPIRA, NPC is continuously granting to residential customers the mandatory discount of 30-centavos/kWh. For the period November 2013 to January 2014, total discounts granted by NPC have amounted to PhP212.681 million of which 84 percent were availed by residential customers in Mindanao and 16 percent in the Visayas. With the expiration of NPC's Transition Supply Contracts in Luzon due to continuing privatization, no MRR was incurred by NPC for Luzon from June 2013 onwards. Since the MRR was granted in 2001, NPC has incurred a total of PhP29.8 billion of which, 43% was availed by Mindanao residential customers while 35% and 23% went to Luzon and Visayas, respectively. Data for MRR is summarized under Annex 16.





IV. COMPETITION

This section provides an update on key areas of competition to include the operation of the WESM, preparations and commercial operation of Retail Competition and Open Access (RCOA), implementation of the Interim Mindanao electricity Market (IMEM) and monitoring of compliance to *Section 45 of the EPIRA.*

A. Wholesale Electricity Spot Market (WESM) Operational Highlights

As of 30 April 2014, the integrated WESM (Luzon and Visayas) has a total of two hundred fifty one (251) registered participants comprised of fifty seven (57) generating companies and one hundred ninety four (194) customers comprised of sixteen (16) Private Distribution Utilities, seventy two (72) ECs, ninety five (95) Bulk users, four (4) Bulk users (Contestable Customers) and seven (7) Wholesale Aggregators. There are twenty four (24) applications for registration being evaluated by PEMC which comprised of nineteen (19) bulk users, two (2) DUs and three (3) generation companies.

Table 16. Registration Update as of 30 April 2014 (Luzon and Visayas)

CATEGORY		EXPECTED (Luz& Vis)	REGISTERED						NEW APPLICANT			NOT REGISTERED		
			DIRECT			INDIRECT								
			LUZ	VIS	LUZ /VIS	LUZ	VIS	LUZ/ VIS	LU Z	VIS	LUZ/ VIS	LUZ	VIS	LUZ /VIS
Generation Companies		57	**30**	**17**	**2**	**0**	**0**	**0**	**3**	**4**	**0**	**0**	**1**	**0**
Customer Trading Participants	Private DUs & LGUs	16	7	3	0	3	0	0	1	0	0	2	0	0
	ECs	72	26	26	0	17	2	0	1	0	0	0	0	0
	Bulk users	95	6	7	0	47	13	1	19	0	1	1	0	0
	▪ Bulk users (Contestable)	4	0	1	0	3	0	0	0	0	0	0	0	0
	Wholesale aggregators	7	0	0	7	0	0	0	0	0	0	0	0	0
Total Customer Trading Participant		**194**	**39**	**37**	**7**	**70**	**15**	**1**	**21**	**0**	**1**	**3**	**0**	**0**
TOTAL PARTICIPANTS/ APPLICANTS		**251**	**69**	**54**	**9**	**70**	**15**	**1**	**24**	**4**	**1**	**3**	**1**	**0**

Source: PEMC

During the report period, tight supply conditions was noted particularly in the Luzon grid, as a result of the unavailability of major generating units starting October 2013 and the conduct of the scheduled maintenance of the Malampaya onshore natural gas complex from 11 November 2013 until 10 December 2013. The latter resulted to Ilijan Block B (600 MW) being unavailable during the said period while the other natural gas plants (Ilijan Block A and Sta. Rita plants) were running on alternate fuel. Frequent under-generation and/or load shedding manifested in the market results. The tight supply conditions in the Luzon grid was further aggravated by the sudden unavailability of the 350 kV HVDC Link starting 08 November 2013 with the onset of typhoon “Yolanda”. Supply conditions eventually improved from the end of December 2013 given the improved level of supply and decrease in demand requirements.

The major disturbance made by “Yolanda” to the Visayas grid prompted the ERC to declare market intervention in the grid starting at 1400H of 08 November 2013 to 2400H of 25 March 2014 as the supply, demand, and transmission network operations has eventually normalized in the said grid.

The tight supply conditions in the last quarter of 2013 manifested in high prices frequently clearing in the market reaching as high as P62,000/MWh at times. High prices were also prevalent in mid-March 2014 when demand requirements started to increase with the onset of summer season simultaneous with the sudden drop of supply with major generating units undergoing maintencance. Artificial under-generation and/or load shedding then manifested frequently in the market results. During this period, there was an increase in the utilization of oil-based plants.

B. Updates on WESM Governance Activities

The DOE provides oversight in the governance of the WESM through the different committees which undertake rules changes, operational audit, conduct of technical evaluation and studies, investigation of breach of the WESM Rules, and management of dispute resolution process. For the report period, following are highlights of the activities of the various WESM governance committees:

1. Market Surveillance Committee (MSC)

- Approved and submitted to the PEM Board requests for investigations (RFIs)
- Approved and submitted to the PEM Board its review of ECO Investigation Reports covering 16 Must-Offer Rule (MOR) cases. MSC recommended to adopt the ECO recommendations on the MOR cases as follows:
    - Review of the Financial Penalty Manual;
    - Ensure compliance with the WESM Rules through the designation of WESM Compliance Officers (WCO)
    - Review od WESM Enforcement and Compliance Framework; and,
    - Review of the automatic dispatch and pricing of minimum stable load (Pmin) of scheduled generation companies.
- MSC recommended the imposition of penalties to a Trading Participant found to be in breach by ECO for having failed to submit generation offers and having cancelled generation offers previously made for its generating units between 26 August 2011 to 25 March 2012.
- MSC also recommended the following measures to address the numerous breaches by Trading Participants:
    - Review and study of the technical capability of generating units in the 16 MOR cases
    - Imposition of the minimum penalty of PhP100,000 per breach which the MSC noted is reasonable
- MSC coordinated with the System Operator to discuss the concerns of the Philippine Independent Power Producers Association (PIPPA) on among others, publication of the intra-hour dispatch instruction of the SO in the WESM website, SO Dispatch Discrepancy Monitoring Report, RTD Deviations due to grid frequency, plant outage capacity, analysis of MRU and other matters related to compliance to RTD schedules/instructions of the TPs
- Regular submission of its Monthly Monitoring Report to the PEM Board
- Reviewed Over-riding Constraints Monthly Monitoring Report
- Presented to the PEM Board its Market Monitoring Report covering the November-December 2013 period
- On-going review of the Financial Penalty Manual
- Conduct of lecture on Market Surveillance and Monitoring and Market Monitoring Indices

2. Technical Committee (TC)

- Completion of study on Luzon Hydroelectric Power Plants and transmittal of the results to Market Surveillance Committee on 27 December2013
- On-going review of the increase in Pmin of KEPCO Ilijan Power Plant
- On-going review of the WESM Manual on Metering Standards and Procedures
- Assist the PEM Audit Committee in the conduct of of 2nd metering arrangements review
- Conduct of study on the technical limitations of Malaya Thermal Power Plant (MTPP) to assist the MSC in assessing the validity of the technical reasons cited by PSALM in failing to comply with the MOR

3. Dispute Resolution Administration (DRA)

- Accreditation and selection of third batch of mediators and arbitrators tasked to assist the WESM Dispute Resolution Administrator in the resolution of disputes
- Conduct of lecture on IMEM dispute resolution process for IMEM Participants on 16 December 2013 at SMEX Davao Convention Center
- Conduct of lecture on WESM dispute resolution process for WESM Members on 18 March 2014 at Crowne Plaza Galleria Manila, Ortigas Center, Pasig City

4. Rules Change Committee (RCC)

The RCC completed four (4) proposed amendments to the WESM Rules and revisions of seven (7) Market Manuals. Most of the amendments are in compliance to various audit findings which calls for the alignment of the WESM Rules and Market Manuals to policy and regulatory issuances. The provisions of the WESM Rules and the Market Manuals amended are summarized in Table 17.

Table 17. Approved WESM Rules and Market Manuals Change Proposals (4Q2013-1Q2014)

Approved amendments to the WESM Rules	Approved Amendments to Market Manuals
Proposed amendments to the WESM Rules on Prudential Requirements (DOE Department Circular No. 2014-03-0008)	Proposed revisions to the Manual on Load Forecasting Methodology
Proposed amendments to the WESM Rules relative to load shedding (DOE Department Circular No. 2014-03-0007)	Proposed amendments to the Manual on Methodology for Determining Pricing Errors and Price Substitution due to congestion for energy transactions in the WESM
Proposed amendments to the WESM Rules on the inclusion of MO Business Continuity Plan	Proposed revisions to the Manual on the Management of Procedure for Load Shedding
Proposed revisions to the WESM Rules relative to bids and offers	Proposed revisions to the Manual on MNM Development and Maintenance-Criteria and Procedures
	Proposed amendments to the Billing & Settlements Manual
	Proposed urgent amendments on the Manuals on Dispatch Protocol and Constraint Violation Coefficient
	Proposed amendments to the Manual on the Criteria and Guidelines for the Issuance of Pricing Error Notices and Conduct of Market Re-runs

Meanwhile, the RCC have continued deliberations on the following aspects of the WESM Rules:

- Dispatch Protocol Manual and related Appendices
- Management of Excess Generation
- System and Security and Reliability Guidelines
- Administered Price Determination Methodology
- Management of Must-Run Units
- Adoption of Disconnection Policy

5. PEM Audit Committee (PAC)

- 4th Operational Audit covering the period of 26 June 2012 to 25 June 2013 was concluded last March 2014. The public version of the audit findings and observations is already available for viewing and download at market website
- 2nd Metering Arrangements Review that will cover the metering arrangements and transactions in the WESM will include the Retail Metering Services Providers. Competitive bidding process for the selection of firm that will undertake the metering arrangements review is on-going.

C. Reserve Market Implementation

On December 2, 2013, the DOE promulgated DOE Circular No. DC2013-02-0027 "Declaring the Commercial Launch for the Trading of Ancillary Services in Luzon and Visayas under the Philippine Wholesale Electricity Spot Market". Under the said DC, the final phase of the Reserve Market commercial operation will be on 26 March 2014 upon certification by PEMC attesting that all systems and procedures including interfaces with the participants and service providers necessary for its operation are in place. Likewise, PEMC has started the registration of all generation companies, and, customers intending to participate in the Reserve Market, as part of the preparatory activities.

The DOE envisions that the power industry will benefit from the Reserve Market with the co-optimization of energy and reserves and that it will help achieve greater competition among energy and reserve providers that will lead to transparent and competitive energy prices. Further, the Reserve Market will help facilitate the entry of renewable energy in accordance with Republic Act No. 9413 or the Renewable Energy Act of 2008.

Meanwhile, PEMC, in coordination with NGCP, is on the final stages of integrating the Reserve Market into the Commercial Operations of the WESM. Following are the milestones that were accomplished for the report period:

1. ERC Public Hearings for the Pricing and Cost Recovery Mechanism (PCRM) for Reserves

PEMC, along with NGCP, participated in the ERC Public Hearings for the PCRM for Reserves with discussion on each of the following:

- WESM's methodology for zonal pricing and scheduling;
- Determination and application of the Reserve Effectiveness Factor;
- Settlement of reserves that also accounts for bilateral contracts; and
- Cost recovery methodology

2. *Spearheading Changes to the WESM Manuals for the Dispatch Protocol and for the Constraint Violation Coeffiecient*

   WESM Manuals such as the Dispatch Protocol and the Constraint Violation Coefficient (CVC) had to be amended in view of the implementation of the Reserve Market. Changes to the Dispatch protocol involved provisions on the determination of the reserve requirement, offering and scheduling of each unit for only one reserve effectiveness factor. Changes to the CVC emanated from the need to re-order operational priorities upon integration of the Reserve Market into the Commercial Operations of the WESM.

3. *Market Participant Registration*

   On November 2013, DOE directed PEMC to initiate the call for registration of all generators capable of providing ancillary services in the Reserve Market. PEMC then immediately conducted consultative meetings with NGCP and the Trading Participants. As of the report period, all certified ASPA providers are nearing completion of their WESM registration. PEMC has also spearheaded the disaggregation of generating units from aggregate to per unit as prescribed in the requirements set forth in facilities providing ancillary services.

4. *Market Participant Training*

   PEMC has conducted Reserve Market Trainings for the System Operator and the Trading Participants for them to better understand the concepts and processes involved in the pricing, scheduling, settlement, and cost recovery for reserves.

5. *Enhancement on MO and SO systems and procedures*

   Enhancements on the Operational Systems and Procedures of the Market Operator and the Sustem Operator has already been initiated for an effective implementation of the Reserve Market

6. *Reserve Market Trial Operations Program*

   On 26 February 2014, PEMC has commenced the Trial Operations Plan (TOP) which is composed of two (2) phases. The first phase intends to facilitate the testing of protocols, procedures and interfaces that have been developed the Market Operator – System Operator (MO-SO) and Reserve Market Working Group. The pre-TOP timelines also include efforts to resolve remaining operational issues and to validate the implementability of energy and reserve schedules under the market regime. The second phase, referred to as main TOP, will involve activities that will demonstrate the operations of the Reserve Market and will familiarize the Trading Participants in all associated processes. A Limited Live Dispatch will also be implemented wherein the scheduling of energy and reserves will be transferred to the live Market Management System (MMS) for actual implementation.

   Further, the TOP is aimed with each of the following objectives:

   i. To enable the market participants (load customers, energy and reserve providers), service providers and System Operator to have a feel of the market environment by allowing them to perform their expected roles and responsibilities in the Reserve Market Commercial operations;

ii. To execute and evaluate the operational feasibility of market processes concerning the Reserve Market;
iii. To conduct final end-to-end testing of all Reserve Market interfaces and systems between MO, SO and Market participants; and
iv. Identify possible issues provide resolutions accordingly

7. Central Scheduling and Dispatch of Energy and Contracted Reserves

On 26 March 2014, the DOE issued the Department Circular DC2014-03-0009 directing PEMC, in coordination with NGCP and the Trading Participants, to implement the central scheduling and dispatch of energy and contracted reserve capacities for WESM as part of the trial operations in order for the DOE to monitor all available generation capacity in both energy and reserve, and to prepare the participants for the eventual commercial operation of the Reserve Market.

D. MERALCO Price Hike Case and other cases

a. Bayan Muna et al. v. ERC et al. (GR Nos. 210245, 210255, 210502)
- 19-20 December 2013: Filing of petitions with Supreme Court
- 23 December 2013: Issuance of TRO
- 21 Jan, 4 and 11 February 2014: Oral arguments
- 18 Feb 2014: Extension of TRO for 60 days
- 26 Feb 2014: Submission of Memorandum
- 22 April 2014: Indefinite extension of TRO

b. ERC Case No. 2014-0021MC (Regulated Price)

- 03 March 2014 Order

  i. Luzon WESM prices are void. Imposition of Regulated prices
  - Load-weighted average ex-post nodal energy prices and MQ of the same day same trading interval that have not been administered covering the period 26 December 2012 – 25 September 2013

  ii. Oil-based plants may apply for additional compensation
  - to cover fuel and variable O&M costs

  iii. PEMC to calculate regulated prices and implement the same in revised WESM Bills to the concerned DUs
  - for their immediate settlement
  - except for MERALCO whose November 2013 bill shall be maintained in compliance with the SC TRO

- 20 March 2014 PEMC Compliance and Manifestation

  i. PEMC calculated regulated prices for the Nov.-Dec. 2013 supply months in compliance with the 3 March 2014 Order
  ii. Revised WESM Bills for Luzon WESM trading participants, reflecting the adjustments in their Total Trading Amounts, issued on 18 March 2014

- Other Filings
  - i. Various Petitions for Intervention and Motions for Reconsideration assailing the 3 March 2014 Order
    - Due process and/or equal protection issue
    - Power/authority of the ERC to issue the Order

  - ii. 27 March 2014 Order
    - Directed PEMC to provide the market participants an additional period of 45 days from receipt to comply with the settlement of their respective adjusted WESM bills
    - Received: 28 March 2014
    - End of period: 12 May 2014

  - iii. 9 May 2014 Order
    - Directed PEMC to provide the market participants a non-extendible period of thirty (30) days from receipt hereof within which to settle their respective adjusted WESM bills
    - Received: 12 May 2014
    - End of period: 11 June 2014

E. Line Rental Segregation

i. Petition for Certiorari filed by PSALM with the Court of Appeals
- The 04 March 2013 Order amended the ERC's 10 March 2010 Decision which has attained finality
- MERALCO's Motion to Implement the 10 March 2010 Decision is a belated Motion for Reconsideration
- The 4 March 2013 Order amends NPC and MERALCO's TSC and Signed Protocols
- The segregation method must be applied for the fair determination of the double charged amount

ii. 06 January 2014 - PEMC filed its Comment and Opposition to the Petition

iii. 24 March 2014 CA Resolution
- noting the pleadings filed by the parties

F. Other Issuances

i. Revised Offer Cap
- On 27 December 2013, the Tripartite Committee issued a resolution providing for an interim offer cap at PhP32,000 pending further study
- The Tripartite extended the effectivity of the interim cap 60 days from 27 March 2014 to allow for public consultation
- Public consultation shall be held on 16 June 2014, 9:00am at Dusit, Makati
- Deadline for comments in 30 May 2014

ii. Secondary Price Cap
- 05 May 2014 - ERC issued Resolution No. 8 series of 2014 setting the cumulative price threshold (CPT) at PhP8,186 computed as the rolling average for 72 hours, and setting the price cap at PhP6,245
- Trading participants may claim for additional compensation for O&M for oil plants

- 09 May 2014 – PEMC conducted an IEC
- Date of Effectivity: 11 May 2014

G. Retail Competition and Open Access (RCOA)

Pursuant to *Section 31 of the Electric Power Industry Reform Act of 2001 (EPIRA),* the operating and regulatory policies and guidelines for the implementation of Retail Competition and Open Access (RCOA) were put in place to guide the retail market participants and ensure their smooth transition to the Retail Market.
As of April 2014, the Central Registration Body registered a total of 424 participants while 51 applicant registration are in process. Out of the estimated 878 Contestable Customers, 324 or 33 percent were successfully registered in the CRB. Further, the CRB reported that several CCs expressed that they will remain as customer of their franchised Distribution Utility.

Table 18. Summary of RCOA Registration as of 30 April 2014

Participants	Applicant	Registered	Total Registered and Applicant
Retail Electricity Supplier	4	16	20
Local Retail Electricity Supplier	6	7	13
Retail Metering Service Provider	5	23	28
Contestable Customer	30	324	354
Supplier of Last Resort	6	3	9
Total	**51**	**373**	**424**

Source: PEMC

There are 16 RES that have completed their registration process while 4 are still being evaluated pending completion of required documents. Thirteen DUs have signified intention to be Local RES with CRB with 6 approved so far including MPower, the Local RES arm of MERALCO. There are 28 RMSP applicants with 23 approved and 5 under evaluation while only 3 SOLRs have been approved among 9 applications.

1. Retail Market Transaction Highlights

For the period October 2013 to April 2014, As of April 2014, , the average Effective Settlement Price (ESP) for the retail market was recorded at the average of PhP10,521.74 per MWh. The lowest average ESP was recorded in February 2014 PhP2,066.55 per MWh while the highest was in December 2013 at Php 26,278.94 per MWh.

During the report period covered, the total metered quantity for the retail market was recorded at 3,097 GWh where 2,869 GWh was through bilateral contracts while 227 GWh was bought from the spot market which was equivalent to 7.4 percent of the metered quantity.

Table 19. Summary of Market Transactions (integrated Wholesale and Retail Markets)

Billing Period	MQ(MWh)	BCQ(MWh)	Spot Energy (MWh)	% Spot	TTA with LR (excluding NSS share)	ESP (PhP/MWh)
June 26 - Jul 25, 2013	434,780.28	414,535.73	20,244.54	4.66%	104,124,225.21	5,143.32
Jul 26 - Aug 25, 2013	452,117.87	428,038.22	24,079.65	10.56%	76,334,154.05	3,170.07
Aug 26 – Sep 25, 2013	461,038.15	494,627.12	-33,588.98	-7.29%	100,513,946.57	-1,964.54
Sep 26 - Oct 25, 2013	456,606.97	398,838.67	57,768.29	12.65%	299,361,824.14	3,656.68

Billing Period	MQ(MWh)	BCQ(MWh)	Spot Energy (MWh)	% Spot	TTA with LR (excluding NSS share)	ESP (PhP/MWh)
Oct 26 - Nov 25, 2013	477,897.79	431,904.53	45,993.26	9.62%	816,746,813.79	12,177.37
Nov 26 – Dec 25, 2013	462,144.47	411,521.64	50,622.83	10.95%	1,581,159,027.04	26,278.94
Dec 26, 2013 - Jan 25, 2014	502,467.13	485,646.98	16,820.15	3.35%	62,550,636.82	2,207.12
Jan 26, to Feb 25, 2014	563,652.59	534,865.97	28,786.62	5.11%	96,516,431.69	2,066.55
Feb 26 to Mar 25, 2014	524,192.43	485,171.13	39,021.30	7.44%	428,626,071.34	8,274.08
Mar 26 to Apr 25, 2014	566,862.24	520,432.50	46,429.74	8.19%	755,693,757.80	12,126.38
Average Oct 2013 - to Apr 2014	**516,202.78**	**478,257.13**	**37,945.65**	**7.44%**	**623,548,789.75**	**10,521.74**

Source: PEMC

Table 20. Retail Electricity Suppliers' Market Share as of 30 April 2014

SUPPLIER	No. of CCs	% Share	GWh*	% GWh Share
AdventEnergy, Inc.	7	2.16%	21.53	0.99%
Aboitiz Energy Solutions, Inc.	51	15.74%	439.04	20.09%
Direct Power Services, Inc.	31	9.57%	141.75	6.49%
Ecozone Power Management. Inc.	22	6.79%	126.68	5.80%
First Gen Energy Solution*	0	0.00%	0.00	0.00%
Global Energy Supply Corporation	2	0.62%	65.94	3.02%
GNPower Mariveles Coal Plant Ltd. Co.	0	0.00%	0.00	0.00%
GNPower Ltd. Co.	0	0.00%	0.00	0.00%
KRATOS RES, INC.	0	0.00%	0.00	0.00%
Masinloc Power Partners Company Ltd.	1	0.31%	57.21	2.62%
MERALCO Local RES	190	58.64%	1150.96	52.67%
Premier Energy Resources Corporation	0	0.00%	0.00	0.00%
Prism Energy, Inc.	0	0.00%	0.00	0.00%
San Miguel Electric Corporation	6	1.85%	112.29	5.14%
SN Aboitiz Power-RES, Inc.	2	0.62%	1.57	0.07%
Trans-Asia Oil & Energy Development Corporation	2	0.62%	34.12	1.56%
TeaM (Philippines) Energy Corporation	9	2.78%	33.95	1.55%
VECO Local RES	1	0.31%	0.00	0.00%
Total	**324**	**100.00%**	**2,764.81**	**100.00%**

Source: PEMC
Note: Suppliers with zero (0) shares are those yet to enter into retail supply contracts

The total energy consumption by the 324 CCs was recorded at 2,764.81 GWh of which the largest share of 52.7 percent or equivalent to 1,150 GWh was taken by MPower followed by AES RES at 20.0 percent or 439 GWh, Direct Power with 141 GWh at 6.5 percent and Ecozone Power Management Corporation 126 GWh at 5.80 percent.

Total number of contestable customers is now 324 with 190 or equivalent to 58.64 percent are contracted with MPower, 51 or 15.74 percent are with Aboitiz RES while 31 CCs or 9.57 percent have contracted with Direct Power Services. Ecozone Power Management has 22 CC customers which comprise 6.79 percent of the total CCs who have contracted with RES.

Six RES have still to enter into contracts with CCs as follows:

- First Gen Energy Solution;
- GNPower Mariveles Coal Plant Ltd. Co.;
- GNPower Ltd. Co.;
- KRATOS RES, Inc.;
- Premier Energy Resources Corporation; and
- Prism Energy, Inc.

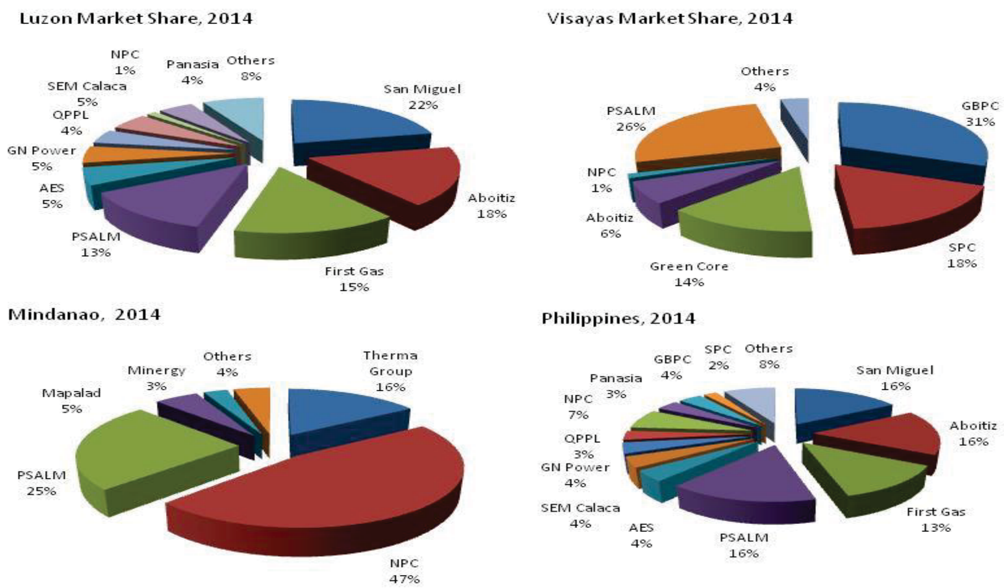
H. Market Share Monitoring

On 10 March 2014, the ERC issued Resolution No. 3, series of 2014, setting the installed generating capacity per grid and national grid and the market share limitation per grid and national grid for 2013. In accordance with its guidelines, the ERC determined a total installed capacity of 15,832 MW for 2014, higher by 115 MW as compared to 15,717 MW installed capacity in 2013.

For Luzon, San Miguel Energy Corporation (SMEC) still holds the largest share in the generation sector with 22 percent or equivalent to 2,615 MW capacity or 16 percent of the total capacity in the national grid. This is followed by the Aboitiz group with 18 percent and the First Gas Group with 15 percent. The government through PSALM and NPC still holds a total of 14 percent share in Luzon.

In the Visayas, Global Business Power has exceeded the threshold level in the grid but not for the reason that it has increased installed capacity but due to reduction in the installed generating capacity of Geothermal Power Plants in Leyte further reducing the total installed capacity in the grid from 2,046 MW in 2013 to 1,827 in 2014. The said reduction of capacity was due to damage inflicted by Typhoon Yolanda.

Figure 6. Market Share Monitoring, 2014



Source: ERC Resolution No. 3, Series of 2014

In Mindanao, the government still dominates the generation business with NPC holding 47 percent and PSALM with 25 percent share of the grid capacity. Therma Group holds 16 percent share in the grid. Overall, the government still holds 23 percent of the total generating capacity in the Philippines.

Based also on ERC Resolution No. 3, Series of 2014, it was observed that there were changes reflected in the nameplate rating of several power plants as follows:

Table 21. Power Plants with Changes in Nameplate Rating

Name of Plant	Fuel Type	2014 Nameplate Rating	2013 Nameplate Rating
LUZON			
Angeles Power, Inc.	Bunker C/Diesel	30,600	30,000
AP Renewables, Inc. - Mak-Ban GPP	Geothermal	459,200	410,000
Aboitiz Renewables, Inc. (Luzon Hydro Corporation)	Hydro	74,800	70,000
Bac-Man Geothermal, Inc. - Bac-Man GPP	Geothermal	130,000	150,000
1590 Energy Corporation - Bauang DPP	Bunker C/Diesel	212,800	235,200
First Gas Power Corporation	Natural Gas	1,094,800	1,047,051
First Gen Hydro Power Corporation - Pantabangan HEPP	Hydro	120,800	120,000
FGP Corp.	Natural Gas	508,300	549,100
KEPCO Ilijan Corporation	Natural Gas	1,277,900	1,271,000
Lucky PPH International, Inc.	Rice Hull	3,600	4,000
Panasia Energy Holdings, Inc. - Limay Combined Cycle PP	Blended Fuel Oil	648,000	655,535
Philippine Power and Development Company	Hydro	1,055	1,116
Quezon Power Philippines, Ltd.	Coal Thermal	538,380	511,000
SN Aboitiz Power-Benguet, Inc. - Binga HEPP	Hydro	125,800	119,350
Tarlac Power Corporation	Bunker C/Diesel	18,600	18,900
Trans-Asia Power Generation Corporation	Bunker C/Diesel	52,620	52,000
VISAYAS			
Energy Development Corporation - Leye Optimization GPP	Geothermal Steam	56,500	53,900
Energy Development Corporation - Mahanagdong GPP (formerly CE Luzon GP Company, Inc.)	Geothermal Steam/ Diesel	180,000	200,000
Energy Development Corporation - Upper Mahiao GPP	Geothermal Steam	129,320	132,000
Cebu Private Power Corporation	Bunker C/Diesel	70,650	73,000
DESCO, Inc.	Natural Gas	1,059	1,020
East Asia Utilities Corp.	Bunker C/Diesel	49,600	50,000
First Farmers Holding Corporation	Bagasse	21,760	21,000
ICS Renewables, Inc. - Amlan HEPP	Hydro	864	800
Panay Power Corporation	Bunker C/Diesel	112,380	167,400
Southern Leyte Electric Cooperative, Inc. - Henabian	Hydro	540	810
Toledo Power Corporation	Bunker C/Diesel/Coal	112,600	134,750
MINDANAO			
Agus 1 HEPP	Hydro	80,460	80,000
Agus 5 HEPP	Hydro	55,250	55,000
Western Mindanao Power Corp	Bunker C/Diesel	112,000	113,000
Cotabato Light and Power Company	Bunker C/Diesel	9,927	9,860
Crystal Sugar Company, Inc.	Bagasse	35,900	21,000
FG Bukidnon Power Corporation - Agusan River HEPP	Hydro	1,600	1,800

Source: ERC Resolution No. 3, Series of 2014

I. Interim Mindanao Electricity Market (IMEM)

1. Commercial Launch of IMEM

The Department of Energy issued DOE Department Circular DC2013-09-0023 last 24 September 2013 declaring the date of commercial launch of IMEM. Originally September 26th was the date provided by the DOE Department Circular for the initial commercial operation of the Interim Mindanao Electricity Market. However, there was a need to extend the IMEM Trial Operations Program (TOP) for an additional two months period in order to prepare Mindanao stakeholders for the implementation of the central scheduling and dispatch of the generating plants in the Mindanao Grid.

To ensure the efficient and reliable operation of the IMEM during the start of full commercial operations, the PEMC held several coordination meetings with the National Grid Corporation of the Philippines (NGCP) starting 12 November 2013 to discuss pending operations issues prior to the full commercial operations. Another coordination meeting with the NGCP was also held last 14 November 2013 with the representatives from Power Sector Assets and Liabilities Management, Corporation (PSALM) and the National Power Corporation (NPC) to discuss registration and bilateral contract matters. Further coordination meetings with the National Grid Corporation of the Philippines (NGCP) were held last 12 December 2013 which allowed the IMEM Operator and the Mindanao System Operator to discuss issues observed during the first trial weeks of IMEM operation.

In terms of preparing the Mindanao electric industry entities on their participation in the IMEM, PEMC provided regular notices to the IMEM Members to comply with the registration requirements to ensure their continuous participation in the IMEM. The PEMC also coordinated with the National Electrification Administration (NEA) with regard to the compliance of the electric cooperatives on the prudential security requirements of the market.

The full commercial operations of the Interim Mindanao Electricity Market (IMEM) commenced last 03 December 2013. To ensure a seamless transition from the initial commercial operations to the full commercial operations, the 1st IMEM Trading Participants' Meeting was held last 28 November 2013 at SMX, Davao City. The IMEM Trading Participants' Meeting was conducted to remind the participants on their obligations in the IMEM as well as to provide a forum to the IMEM Trading Participants to raise issues attendant to the implementation of the full commercial operations.

2. IMEM Market Fees and Cost Recovery Mechanism

On 28 August 2013, PEMC filed with the Energy Regulatory Commission (ERC), an application for the approval of market fees for the IMEM for the year 2014 in the amount of PhP20 Million as well as the authority to collect the amount of PhP34 Million as cost recovery mechanism used for the establishment of the IMEM. Parties have completed the presentation of evidence and have submitted their respective Formal Offer of Evidence. The ERC held its second (2nd) and third (3rd) hearing on the application last 30 October 2013 and 15 November 2013, respectively, in Pasig City. The fourth (4th) hearing was held on 09 December 2013. For this hearing, PSALM was cross-examined on its request for exemption on the payment of the IMEM market fees. No further hearing was scheduled on this matter.

On 20 December 2013, PEMC received Intervenor Davao Light and Power Co, Inc.'s (DLPC) Consolidated Comment dated 19 December 2013 specifically on the following items: (1) Application Dated August 26, 2013; and (2) Power Sector Assets and Liabilities

Management Corporation (PSALM) Motion for Exemption from Market Fees in the Petition to Intervene Dated October 2, 2013. PEMC filed its Reply to DLPC's Consolidated Comment on 02 January 2014. PEMC filed its memorandum on 13 January 2014. On 26 February 2014, PEMC received the Motion for Leave to File and Admit Memorandum of PSALM.

3. IMEM Price Determination Methodology (PDM)

PEMC filed a motion on 14 November 2013 praying that certain documents be excluded from the evidence of the Association for Mindanao Rural Electric Cooperatives (AMRECO) for failure to file its formal offer of evidence. The ERC issued an order dated 10 December 2013 directing AMRECO to file a comment on the motion within ten days from receipt of the order, after which the motion shall be deemed submitted for resolution.

PEMC filed an urgent manifestation on 21 January 2014, stating that it would be implementing the IMEM Price Determination Methodology (PDM) sans penalties and premiums during the interim period set by the DOE. This was duly noted by the ERC in its Order dated 27 January 2014.

4. 2nd, 3rd , 4th IMEM Billing Period

The month of January 2014 covering the period from 26 December 2013 to 25 January 2014 corresponds to the 2nd Billing Period of the full commercial operations of the Interim Mindanao Electricity Market (IMEM). The preliminary and final settlement statements for the 1st Billing period were issued to the IMEM Trading Participants last 07 and 20 January 2014, respectively. To ensure the efficient and reliable operations of the IMEM and to address the issues encountered during the first month of the IMEM commercial operations, a coordination meeting was held among the Department of Energy (DOE), Philippine Electricity Market Corporation (PEMC), National Grid Corporation of the Philippines (NGCP), Power Sector Assets and Liabilities Management, Corp (PSALM), and the National Power Corporation (NPC) last 09 January 2014. The meeting allowed the concerned agencies to discuss issues observed during the first month of the full commercial operations of the IMEM.

For the month of February 2014, the 3rd billing period covers 26 January up to 25 February 2014. During this period, there were several issues that were raised on the final settlement statements for the 1st Billing Period issued last 20 January 2014. The Philippine Electricity Market Corporation (PEMC) coordinated with the National Grid Corporation of the Philippines (NGCP), the Power Sector Assets and Liabilities Management Corporation (PSALM), and IMEM Trading Participants to address the issues, and subsequently released adjusted final settlement statements on 06 February 2014. To address all concerns and issues being encountered specifically during the first months of IMEM commercial operations, PEMC held its 2nd IMEM Trading Participants' Meeting last 07 February 2014. The meeting allowed the IMEM Trading Participants to air out their concerns on the operations and settlement of the IMEM. Recognizing the need to further coordinate with the IMEM Trading Participants, the Department of Energy (DOE) organized Reconciliation Meetings which were held last 18 – 20 February 2014 in Cagayan de Oro City and last 21 February 2014 in Davao City.

Finally, the 4th billing period for the month of March 2014 covers 26 February up to 25 March 2014. The Billing Period's highlights include the declaration of the IMEM Intervention by the Mindanao System Operator starting 27 February 2014 due to the system blackout that occurred on that day. The IMEM Intervention had been effective for the rest of the Billing Period due to the severe lack of supply attributable mainly to the unavailability of the 200 MW STEAG Coal-Fired Power Plant.

On the settlement of the IMEM Trading Participants, the IMEM Operator released the reconciled settlement statements for the 1st Billing Period last 03 March 2014. The reconciled bills reflected the latest inputs of the IMEM Trading Participants based on the Focused Group Discussions held last 18 – 21 February 2014 with the IMEM Trading Participants.

5. 27 February 2014 Declaration of Market Intervention

PEMC issued a market notice on February 28 via email informing that Market Intervention was declared by NGCP System Operator starting February 27, 2014 at 0400H due to Mindanao Grid System Blackout. PEMC advised that all customers were enjoined to follow dispatch instructions that would be provided by the System Operator. It further encouraged the submission of IMEM operational data based on the IMEM trading timetable for the day-ahead scheduling of March 1, 2014.

As reported by NGCP, the system blackout occurred at around 3:52:00 AM of 27 February 2014. Initial reports indicate that the tripping emanated from the breaker of the Agus 1 switchyard. The breaker or the switchyard of the power plants was the facility that links the power plant to the transmission network. As reported, the following were the plants that tripped (in chronological order) that led to the system collapse: Agus 1 Unit 2, Unit 1; Agus 2 Unit2, Unit3, Unit1; Agus 7 Unit 2; Mt. Apo Geothermal; Pulangi Units 1 &2; Agus 7 Unit 1; Agus 4 Units 1,2&3; SPPC; Agus 5 Unit 1, Unit 2; Agus 6 Unit 6; STEAG. These plants have a total capacity of 677.2 MW.

6. 1st Meeting of the IMEM Governance Committee (IGC)

On 27 January 2014, the IMEM Governance Committee (IGC) held its first meeting in PEMC Boardroom, Robinsons Equitable Tower, ADB Avenue, Ortigas, Pasig City. IMEM governance is the process by which decisions are made and implemented within the IMEM to ensure attainment of the IMEM Objectives.

As provided in IMEM Rules, Section 1.4 entitled Governance of the IMEM: “The ultimate governance of the IMEM is the responsibility of the PEM Board. The majority of governance functions will be carried out by the IMEM Governance Committee (“IGC”) under the oversight of the PEM Board, provided that the functions and responsibilities of the IGC and the PEM Board under the IMEM Rules shall be assumed by the Independent Market Operator (IMO) as defined under the EPIRA and its Implementing Rules, once the IMO is established”.

The composition of the IGC is made up of six (6) members, consisting of: (a) one representative from the IMEM Operator; (b) one representative from the Mindanao System Operator; (c) One representative from the DOE; and (d) three (3) members independent of the Philippine electric power industry and the Philippine Government.

As provided in the IMEM Rules, the DOE appointed the following in accordance with the required composition of the IGC as set out in Clause 1.4.2.1, having regard to the expertise necessary for the IGC to carry out its functions – (1) Mr. Jesus Arranza Chairman of the Federation of Philippine Industries (FPI), and PEMC Board Member; (2) Ms. Merly Cruz former DTI Undersecretary; (3) Mr. Noel Estoperez MSU Iligan Faculty of Engineering; (4) Atty. Patrick of the DOE; (5) President Mel Ocampo of PEMC; and (6) Mr. Eugene Bicar of NGCP Mindanao System Operator. Among these members, Ms. Merly Cruz was elected as the Chairperson for the IGC.

7. Public Hearing Committee on Energy 6 March 2014 Mallberry Suites Business Hotel, Cagayan De Oro City

A public hearing was conducted by the Committee on Energy last March 6, 2014 in Cagayan de Oro City. Among those in attendance were the members of Committee on Energy, DOE, ERC, PEMC, Association of Mndanao Rural Electric Cooperatives, Mindanao Development Authority, Mindanao Business Council, Mindanao Coalition of Power Consumers, and representatives from the Academe, the Business Sector and constituents of Mindanao.

Committee Chairman Reynaldo V. Umali stated that the public hearing on the IMEM was conducted in Cagayan de Oro City to be able to hear the sentiments of the people of Mindanao regarding the IMEM through consultation and participation. He stressed that the fastest way to solve the IMEM issues is to build a consensus. Chairman Umali stressed that through public hearing the IMEM will be explained clearly and that a more accurate estimates on the rates to be increased will be clarified. Cagayan de Oro City Administrator Atty. Roy Raagas noted that IMEM public hearing was needed to gather inputs coming from the various people concerned to be able to come up with the best solution.

Sentiments on the implementation of IMEM were raised by the following: (1) Representative Edgardo R. Masongsong was requesting the DOE and PEMC to defer the implementation of IMEM noting that this resulted to an increase in the electricity supply in Mindanao that forced the consumers to pay higher rates. He was clamouring for the suspension of IMEM subject to an amendment on its IRR. (2) Representative Maximo Rodriguez, Jr. revealed that the IMEM dominated the prices, a mandatory domination cap of P32/kwhr. He was hoping that the hearing will provide solutions. (3) Committee on Energy Vice Chairman Vicente F. Belmonte stated that the deferment of the IMEM will give the government ample time to study the issue and would like to know how the IMEM affects the price/rate and supply of power in Mindanao.

Several issues and concerns were likewise presented by individuals representing various sectors of Mindanao. Some of these personalities include the following: (1) Mindanao University of Science and Technology (MUST) President Dr. Ricardo E. Rotoras; (2) MUST Institute for Power Sector Economics Representatives Atty. Dionel O. Albina; (3) Mindanao Coalition of Power Consumers (MCPC) Chief Convenor Professor David A. Tauli; (4) Association of Mindanao Rural Electric Cooperatives, Inc. (AMRECO) President Sergio C. Dagooc; (5) Philippine Sinter Resident Manager Mr. Raymar Santos: (6) Iligan Light and Power, Inc. Chief Operations Officer Mr. Rolando Linaac; (7) Cagayan Electric Power and Light Co., Inc. Senior Vice President Jaime Rafael Paguio; (8) Lanao Power Consumers Federation (LAPOCOF) President Dr. Melchora Ambalong and LAPOCOF Representative Engr. Norberto Oller; (9) Northern Mindanao Electric Cooperative Association (NORMECA) Legal Counsel Atty. Conchito Oclarit; (10) Cagayan de Oro Chamber of Commerce and Industry President Mr. Cerael Donggay; and (11) Konsumanteng Kagay-anon President Mr. Rene Michael Banos.

After the presentations from various sectors, several additional queries and responses were made during the interpellations which was chaired by the Committee Chairman Mr. Reynaldo V. Umali. Specific issues that were raised were focused on the following: issuance of COCs; curtailment of 200 MW power barge; modular genset issues; process of application on the Interruptible Load Program (ILP); issues among embedded generators; capital recovery problem of SOCOTECO; need to conduct wider consultations among various sectors of Mindanao; role of ERC in IMEM; extension of assistance of MINDA in processing papers among embedded power plants; and to address ECs problems with NGCP, DOE, ERC and MINDA. At the end of the public hearing, Representative Edgardo R. Masongsong moved for the suspension of the IMEM which was approved by the body having no objection on the motion was made.

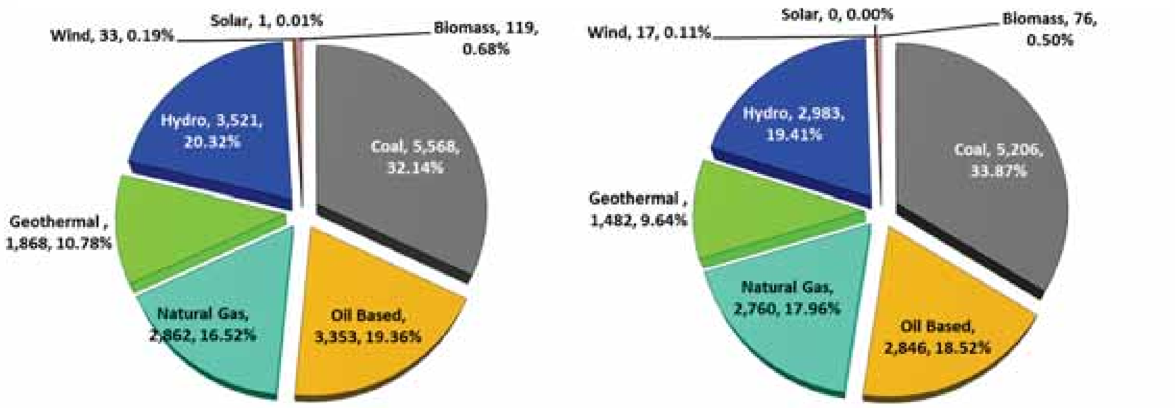
V. POWER SUPPLY SECURITY AND RELIABILITY

This section highlights the updates on the power situation and project developments in Luzon, Visayas and Mindanao for the period November 2013 to April 2014.

A. Installed and Dependable Capacity

Total installed and dependable capacity in the country as of March 2014 slightly increased to 17,325 MW and 15,321 MW, respectively due to the entry of new power plants in Luzon and Mindanao adding 300 MW to the installed capacity and 255 MW in dependable capacity.

Figure 6. 2014 Installed and Dependable Capacity



Total Installed Capacity = 17,325 MW **Total Dependable Capacity = 15,321 MW**

(Source: List of Existing Power plants, released March 2014)

In Luzon, the 20 MW Maibarra Geothermal power plant located in Sto. Tomas, Batangas was commissioned/commercial operation in March 2014 while the 242 MW Duracom power plant, now under Therma Marine Inc. (TMI) located in Navotas, Metro Manila was recommissioned in November 2014. These resulted to an increased in installed and dependable capacity in Luzon by 262 MW and 120 MW, respectively.

Table 22. 2013 Installed and Dependable Capacity of Luzon Grid

FUEL TYPE	Installed Capacity (MW)		Deviation		Dependable Capacity (MW)		Deviation	
	2013	2012	MW	%	2013	2012	MW	%
Coal	4,531	4,531	0	0	4,219	4,219	0	0
Oil Based	***2,020***	***1,778***	***242***	***13.61***	***1,686***	***1,586***	***100***	***6.31***
Natural Gas	2,861	2,861	0	0	2,759	2,759	0	0
Geothermal	***844***	***824***	***20***	***2.43***	***607***	***587***	***20***	***3.41***
Hydro	2,462	2,462	0	0	2,147	2,147	0	0
Wind	33	33	0	0	17	17	0	0
Biomass	38	38	0	0	34	34	0	0
TOTAL	**12,790**	**12,528**	**262**	**2.09**	**11,469**	**11,349**	**120**	**1.06**

The installed and dependable capacity in Visayas remained at its 2012 levels at 2,448 MW and 2,103 MW, respectively.

Table 23. 2013 Installed and Dependable Capacity of Visayas Grid

FUEL TYPE	Capacity (MW)		Percent Share (%)	
	Installed	Dependable	Installed	Dependable
Coal	806	777	32.91	36.93
Oil Based	670	505	27.39	24.03
Geothermal	915	777	37.39	36.94
Hydro	11	11	0.47	0.51
Biomass	44	32	1.81	1.54
Natural Gas	1	1	0.04	0.05
TOTAL	**2,448**	**2,103**		

Source: List of Existing Power plants, released March 2014

In Mindanao, 38 MW and 135 MW was added to the installed and dependable capacity of oil-based generating capacity due to the commercial operation of 10.6 MW of King Energy Generation Inc. (KEGI) in Misamis Oriental, 12 MW of Mapalad Power Corporation (MPC) in Koronadal City, and the 15 MW EEI Power in Davao del Norte. The dependable capacity in Mindanao is greater than the installed capacity due to the recommissioning of the 103 MW Iligan Diesel Power plant (now operated by Malapad Power Corporation), which was recorded as “zero” in its 2012 dependable capacity.

Table 24. Installed and Dependable Capacity of Mindanao Grid, 2013

FUEL TYPE	Installed Capacity (MW)		Deviation		Dependable Capacity (MW)		Deviation	
	2013	2012	MW	%	2013	2012	MW	%
Coal	232	232	0	0	210	210	0	0
Oil Based	***663***	***625***	***38***	***6.06***	***605***	***470***	***135***	***28.72***
Geothermal	108	108	0	0	98	98	0	0
Hydro	1,047	1,047	0	0	826	826	0	0
Solar	1	1	0	0	0	0	0	0
Biomass	36	36	0	0	10	10	0	0
TOTAL	**2,087**	**2,049**	**38**	**1.85**	**1,749**	**1,614**	**135**	**8.36**

B. System Peak Demand

The system peak demand for Luzon grid for 2013 was recorded at 8,305 MW on 08 May 2014 when the grid-wide Luzon blackout occurred. This was 5.27 percent higher than the recorded demand with 7,889 MW which happened on the month of April 2012. This was attributed to the high electricity consumption mainly from the air conditioning and other cooling equipment of the residential and commercial sector during the summer season.

The highest recorded coincident peak demand in Visayas for 2013 occurred on 06 May 2013 at 1,572 MW. This was 1.38 percent higher than the previous year’s demand with 1,551 MW which occurred on December 2012. Due to the calamities that struck Visayas in October and November 2013, highest demand which is supposed to occur in December was suppressed. Out of this highest demand for Visayas, 49.8 percent of this came from Cebu sub-grid; Panay and Negros almost have the equal demand share with 17.34 and 16.14 percent, respectively; while, Leyte-Samar region have 12.69 percent and Bohol sub-grid have the least share of demand with 4.03 percent. The remaining 5.63 MW or 0.36 percent of the highest peak demand came from the embedded generation loads from the five sub-grids in Visayas.

On the other hand, Mindanao grid still managed to increase its demand by 7.10 percent compared to 2012 despite continuous load curtailment and rotating brownouts in the area in 2013. This can be attributed to the efforts of the government in relieving tight supply condition of the grid, such as the Interim Mindanao Electricity Market (IMEM), modular gensets program and the Interruptible Load Program (ILP). The recorded highest demand including embedded loads was 1,415 MW which occurred on 12 December 2013.

Table 25. Comparative System Peak Demand, 2012-2013

Grid	Peak Demand (MW)				Deviation	
	2013	**Date**	**2012**	**Date**	**MW**	**%**
Luzon	8,305	May-13	7,889	Apr-12	416	5.27
Visayas	1,572	May-13	1,551	Dec-12	21	1.38
Mindanao	1,415	Dec-13	1,321	Nov-12	94	7.10

Note: Embedded Generation included
Source: NGCP Plant Loading, 2013; DOE Power Statistics, 2013

C. 2013 Major Incidents in the Power System:

- **15 October 2013 – Bohol Earthquake**

An earthquake of tectonic origin with a magnitude of 7.2 occurred in Region VII at about 8:12 a.m, 15 October 2013 with an epicenter at Carmen, Bohol Province. This caused region-wide outages in Bohol, Cebu and Negros. Power plants such as Central Azucarera de San Antonio (CASA) and Panay Energy Development Corporation (PEDC) in Iloilo as well as the Cebu Thermal Power Plant 2 (CTPP2) and Cebu Energy Development Corporation (CEDC) in Cebu, went on outage due to vibration caused by the earthquake but went back on normal operation on the same day. Unfortunately, majority of the supply which is coming from the Leyte grid (mainly from Unified Leyte Geothermal Power Plant) thru the submarine cable connecting Bohol and Leyte was cut off due to the earthquake.

- **08 November 2013 – Super Typhoon Yolanda/Haiyan**

On November 8, 2013, Super Typhoon Haiyan (Yolanda) cut a devastating path across the central Philippines, which made a landfall at Guiuan, Eastern Samar. It has a storm strength of category 5 - highest and the strongest tropical cyclone to ever make landfall. It has a sustained wind speed at 195 miles per hour and wind gusts up to 235 miles per hour. This natural calamity caused severe damages to the power system in Visayas. In the transmission side, NGCP accounted 566 transmission structures (248 towers and 318 poles) that were damaged by the typhoon. Also there were 7 substations that were damaged in Visayas.

Majority of distribution utilities in Visayas, as well on Bicol and MIMAROPA regions, suffered immensely during the devastation of the typhoon. There were also power plants that incurred damages from the strong wind of the typhoon. These are as follows:

- Tongonan Geothermal and Unified Leyte (Cooling towers of the Malitbog, Tongonan and Mahanagdong Power Plants have sustained damages. Admin building and control rooms were also damaged); and
- PB 103 in Estancia, Iloilo (detached mooring causing damage to hull and oil spill to the area)

- **11 November to 10 December 2013 – 30-day Malampaya Off-shore Gas field Turn-around**

The Malampaya Turnaround is a preventive maintenance schedule. Specifically, this is intended for the replacement of the obsolete Safety Instrumented System (SIS) and Fire and Gas System on SWP. It also includes additional works such as implementation of changes to enable production of new wells for Malampaya Project 2 and, completion of critical electrical tie-ins for the depletion compressors. Original schedule was 01 November to 01 December 2013 but was moved to a new schedule of 09 November to 08 December 2013. This was further moved to a later date, 11 November to 10 December 2013. The two-day deferment was caused by trouble that might cause to the shipment of equipment and personnel to the off-shore gas field during the Super Typhoon "Yolanda" (Haiyan) that hit Central Visayas on 08 November 2014.

This activity on Malampaya off-shore gas field caused tight supply condition in the Luzon grid. Ilijan Block A operated at a limited capacity of 420 MW due to biodiesel operation then went on planned outage from 05 to 10 December 2013 due to 5-day nozzle cleaning in preparation for the gas operation. On the other hand, Block B was out for Maintenance from 12 November to 12 December 2014. Available units of Sta Rita and San Lorenzo power plants operated using alternate fuel during the turnaround. Aside from these outages of natural gas power plants, there were other outages that occurred within the turnaround period that alleviated the tightness of supply in Luzon:

❖ GNPower Unit 2 (Forced outage from 12 to 19 November 2013 due to turbine vibration correction);
❖ Calaca Unit 1 (Forced outage from 26 October to 15 November 2013 due to low condenser vacuum); and
❖ Pagbilao Unit 2 (Planned outage from 31 August to 26 November 2013)

Several coal-fired generating units also suffered boiler tube leak during the latter part of the turnaround causing severe supply shortage in the Luzon grid and high offer price of peaking power plants in the Wholesale Electricity Spot Market (WESM). The coal-fired power plants that went on forced outage due to boiler tube leak are as follows:

❖ GNPower Unit 2 (Forced outage from 27 November to 08 December 2013);
❖ Pagbilao Unit 1 (Forced outage from 28 November to 12 December 2013);
❖ Pagbilao Unit 2 (Forced outage from 28 November to 13 December 2013); and
❖ Masinloc Unit 1 (Forced outage from 06 to 08 December 2013)

With these outages, the electricity price for November and December of MERALCO was greatly affected. The rate of Meralco in December spiked on account of higher generation charge for power purchased from WESM. Meralco had to buy more power from the spot market due to tight supply brought about by the Malampaya maintenance and the simultaneous outages of some power plants.

The average WESM price ballooned to P33.216 per kilowatt hour (kWh) in November and P36.08 per kWh in December, against only P13.74 per kWh in October. The Supreme Court (SC) issued a Temporary Restraining Order (TRO) on Meralco's record high price increase in its December generation charge of P9.10 per kWh.

In effect, the SC ordered Meralco to revert to its old generation charge of P5.67 per kWh. With the rate hike of over P4 per kWh on hold, Meralco faces roughly P10 billion in payables to energy suppliers, of which P6 billion is due to the Philippine Electricity Market Corp., the operator of the WESM.

C. Agus VI HEPP Uprating Project

On 12 December 2013, the Notice of Award (NOA) was issued to the joint venture (JV) of Guangxi Hydroelectric Construction Bureau and ITP Construction Inc.

With the approval of the Contract Agreement, the JV of Guangxi accepted the Notice to Proceed (NTP) from PSALM on 27 December 2013, thus the JV of Guangxi shall be responsible for performing the required services under the terms and conditions of the Agreement and in accordance with the following Project Milestone Schedule:

Activities	Timeline
Contract Execution	
a. Detailed Engineering	January 2014 - July 2014
b. Manufacturing	April 2014 - May 2015
c. Start of Construction	January 2015
d. Target Completion Date	May 2016

On 04 February 2014, PSALM released the downpayment to the JV of Guangxi of around PhP 160 million (PhP159,055,927.07) which represents ten percent (10%) of the total project cost.

As of 30 April 2014, the Project's overall accomplishment is 23.05% with the following activities:

- Conduct of site survey and data collection is 100% completed;
- Manufacture of Model Test equipment is 40% completed;
- Preparation of construction design is 20% completed;
- Manufacture of turbine and generator hydraulic machinery and electrical equipment of Unit 2 commenced and is 5% completed; and
- Purchase of construction equipment and materials also commenced and is 10% completed.

D. Total Replacement of Agus VI Unit 4 Generator Unit and Excitation System Project

On 16 April 2014, the Project commenced with the publication of the Invitation to Bid (ITB) under Negotiated Procurement (Emergency Cases).

On 21 April 2014, the Pre-Bid Conference was held to discuss the bidding procedures, as well as the technical specifications and requirements of the Project. Six (6) interested parties attended the said activity.

On 24 April 2014, only the JV of Guangxi Hydroelectric Construction Bureau and ITP Construction Inc. (JV of Guangxi and ITP) submitted a proposal, in the amount of PhP440,265,662.52. The proposal was found compliant with the requirements and within the Approved Budget for the Contract (ABC) of PhP440,639,982.00.

The JV of Guangxi and ITP was declared as the bidder with the Single Calculated and Responsive Bid with the negotiated price of PhP438,000,000.00.

On 30 April 2014, the NOA was issued to the JV of Guangxi and ITP.

E. Status of Transmission Projects

1. Luzon

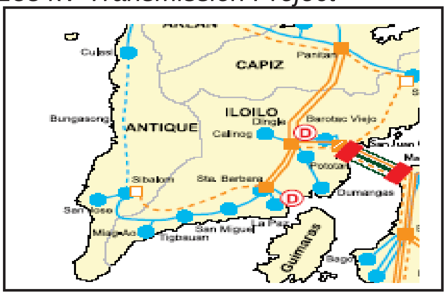
Luzon Power Circuit Breaker Replacement (PCB) Project includes 9 x 230 kV and 9 x 115 kV PCBs as replacement for the old units in San Jose, Labo, Malaya, and Gumaca to improve the system reliability, the 115 kV PCBs included in this project are all classified as transmission assets. This project is 71.14% complete as of 31 March 2014 and is scheduled to be completed on 30 June 2014.

The Mariveles Coal Transmission Reinforcement Project involves the associated grid reinforcements needed to allow the full dispatch of both the proposed Mariveles 600 MW Coal-Fired Power Plant (CFPP) and Limay Combined-cycle Power Plant (CCPP). The grid reinforcements involve the reconductoring of the existing Hermosa-Limay B-CCPP 230 kV line to maintain the N-1 provision of the line during the maximum dispatch of both CFPP and B-CCPP units. Likewise, this project also includes the replacement of PCBs at San Jose and Hermosa. The only remaining component to be completed is the BCCPP S/S expansion, at 95.71% completed as of 31 March 2014, with target date of completion on 30 June 2014.

Figure 7. Mariveles Coal Transmission Reinforcement Project

Luzon Voltage Improvement Project 1 involves the installation of shunt reactors in Naga substation and capacitor banks in Doña Imelda, Cabanatuan, and Muntinlupa. This project is due for completion 30 June 2014 and is currently 99.74% complete as of 31 March 2014.

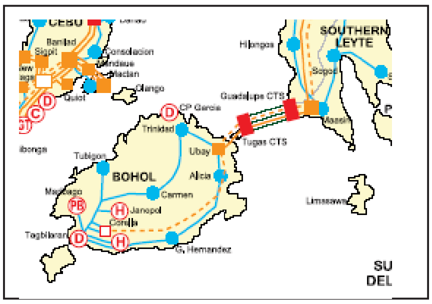
Figure 8. Southern Panay Backbone 138 kV Transmission Project



2. Visayas

The Southern Panay Backbone 138 kV Transmission Project is part of the Panay Power Transmission backbone which involves the installation/construction of a total of 97 kilometers of 138 kV and 69 kV overhead transmission lines which is aimed to accommodate the load growth and address the low voltage problem in Southern Panay. As of 31 March 2014, the transmission and substation components of the project are 99.78% and 89.79% complete respectively with target date of completion on 30 June 2014.

Figure 9. Bohol Backbone 138 Transmission Project



The Bohol Backbone 138 kV Transmission Project involves the installation/construction of a total of 96 kilometers of 138 kV overhead transmission line utilizing steel tower structures and the installation of a 100 MVA power transformer at the new Corella Substation which is intended to provide a new delivery point. As of

31 March 2014, the transmission and substation components of the project are 99.18% and 95.03% complete respectively and is scheduled for completion by 30 June 2014.

3. Mindanao

In the Mindanao Grid, the Balo-I (Abaga)-Villanueva (Kirahon) 230kV Transmission Project will provide additional transmission corridor to the Agus Hydro complex. This project will also serve as an initial step in developing a h igher capacity transmission highway from north to south of the grid to meet the increasing demand in Davao area. Likewise, the Villanueva (Kirahon)-Maramag 230 kV Transmission Project will complete the 230Kv Transmission Backbone linking Northern and Southern Mindanao. Both projects are designed at 230kV but will initially be energized at 138kV. As of 31 March 2014, the transmission and substation components of the Balo-I (Abaga)-Villanueva (Kirahon) 230kV Transmission Project, scheduled for completion by 31 July 2014, are 98.57% and 99.03% complete while the Villanueva (Kirahon)-Maramag 230 kV Transmission Project, is about 99.29% complete.

Figure 10. Aurora-Polanco 138 kV T/L

The Aurora-Polanco 138 kV T/L Project, scheduled for completion by September 2014, is intended to serve the growing power demand of Dipolog City and surrounding load centers. This will ensure a continuous and reliable power supply in the area. Currently, Dipolog City including neighboring cities and municipalities draw their power requirements from the Aurora Substation a very long 69 kV single circuit transmission line. As of 31 March 2014, the transmission and substation components of the project are 30.47% and 27.97% complete respectively. The contractor of the project, China National Electric Engineering Company Limited has backed out t hus, the NGCP will re-bid the remaining component of the project.

F. Distribution Infrastructure Projects

1. ERC-Approved Capital Expenditure (CAPEX) Projects

During the report period, the ERC approved twelve (12) Capital Expenditure (CAPEX) Projects applied by Central Negros Electric Cooperative, Inc. (CENECO), Province of Siquijor Electric Cooperative, Inc. (PROSIELCO), Pampanga I Electric Cooperative, Inc. (PELCO), Surigao Del Sur I Electric Cooperative (SURSECO I), Southern Leyte Electric Cooperative, Inc. (SOLECO), Tarlac Electric incorporated (TEI), Aklan Electric Cooperative, Inc. (AKELCO), Negros Oriental II Electric Cooperative, Inc. (NORECO II), Agusan Del Sur Electric Cooperative, Inc. (ASELCO), Manila Electric Company (MERALCO), Misamis Oriental II Rural Electric Service Cooperative, Inc. (MORESCO II), and Iloilo II Electric Cooperative, Inc. *Annex 15* shows the said approved CAPEX projects as of the report period.

2. Private Sector Financing of CAPEX Projects on System Loss Reduction

For the period November 2013 to April 2014, loan guarantees were issued to: (1) PALECO for its PHP167.00 million loan from PNB; and (2) LEYECO V's loan of PHP185.86 million given by Security Bank. The bookings of these accounts raised the number of existing ECPCG Program accounts to 19, representing PHP2.565 billion of private sector fund investments in ECs and leverage ratio of 3.20x. In addition, GUIMELCO was added to the committed accounts with its signing of loan and guarantee agreements on 21 November 2013.

Table 26. ECs Booked in EC-PCG Program

EC		Loan Amount (PhP Million)	Lender	Signing Date of Loan and Guarantee Agreements
A. Booked Accounts with Loan Releases				
1	MORESCO I	115.00	Security Bank	July 20, 2010
2	PANELCO I	113.00	Bank of the Philippine Islands (BPI)	September 15, 2010
3	SOCOTECO I	102.42	BPI	October 4, 2010
4	SURNECO	85.00	United Coconut Planters Bank (UCPB)	March 3, 2011
5	BUSECO	135.901	BPI	February 7, 2011
6	FIBECO	143.00	Allied Banking Corporation (Allied Bank)	May 10, 2011
7	BOHECO I	109.62	Development Bank of the Philippines (DBP)	June 3, 2011
8	CANORECO	133.25	BPI	July 12, 2011
9	DANECO	172.37	UCPB	September 20, 2011
10	MORESCO II	135.49	BPI	November 22, 2011
11	MOELCI I	167.73	UCPB	July 6, 2012
12	LUELCO	173.13	Allied Bank	December 7, 2012
13	CAMELCO	140.00	BPI	November 9, 2011
14	NEECO I	173.54	Allied Bank	June 6, 2012
15	BENECO	163.50	BPI	December 28, 2012
16	BUSECO (additional)	43.49	PNB	December 13, 2012
17	FICELCO	106.10	Security Bank	March 7, 2013
18	PALECO	166.97	PNB	December 19, 2012
19	LEYECO V	185.86	Security Bank	December 3, 2013
19	**Sub-Total (A)**	**2,565.35**		
B. Committed Accounts (Booked Accounts with no loan releases yet)				
1	BOHECO II	184.18	Security Bank	June 27, 2013
2	AKELCO	181.72	UCPB	July 17, 2013
3	GUIMELCO	79.85	Security Bank	November 21, 2013
3	**Sub-Total (B)**	**445.750**		
22	**Total (A+B)**	**3,011.10**		

Source: DOE, LGUGC

VI. TOTAL ELECTRIFICATION

In support of the Government's efforts to alleviate poverty, the DOE launched a massive and focused action to increase and accelerate access to electricity services by the country's unenergized communities.

Table 27. Electrification Targets Per Implementors

DOE	**6**
BEP	1
RAES	5
ER 1-94	0
MERALCO	0
AMORE	**0**
Total	**6**

Source: DOE

To further strengthen and integrate efforts on rural electrification by both the Government and the private sector, and assist the DOE to develop innovative and sustained policies and strategies consistent with the power sector reforms embodied in the EPIRA, the Expanded Rural Electrification Program (ER Program) was established, building around the basic concepts and objectives of its predecessors. The ER Program aims to achieve 100% barangays electrification by 2008 and 90% household electrification by 2017. As of 30 April 2014, the Program has already achieved 99.98 percent of the total potential barangay nationwide. The energization of 41,968 barangays was spearheaded by the DOE with assistance from the NEA, NPC-SPUG, and PNOC and its subsidiaries.

Table 28. Barangay Electrification Status as of 30 April 2014

Region	Potential Barangays	Electrified Barangays	Unelectrified Barangays	Electrification Level (%)
CAR	1,176	1,176	0	100.00
I	3,265	3,265	0	100.00
II	2,311	2,311	0	100.00
III	3,102	3,102	0	100.00
IV-A	4,010	4,010	0	100.00
IV-B	1,458	1,458	0	100.00
V	3,469	3,469	0	100.00
NCR	1,695	1,695	0	100.00
Sub-Total Luzon	***20,486***	***20,486***	**0**	**100.00**
VI	4,050	4,050	0	100.00
VII	3,003	3,003	0	100.00
VIII	4,389	4,389	0	100.00
Sub-Total Visayas	***11,442***	***11,442***	**0**	**100.00**
IX	1,904	1,904	0	100.00
X	2,020	2,020	0	100.00
XI	1,160	1,160	0	100.00
XII	1,194	1,194	0	100.00
ARMM	2,458	2,444	9	99.43
CARAGA	1,310	1,310	0	100.00
Sub-Total Mindanao	***10,046***	***10,040***	**6**	**99.94**
Total Philippines	**41,974**	**41,968**	**6**	**99.99**

Source: DOE

A. Qualified Third Party (QTP) Approach

Under *Sec. 59 of EPIRA*, areas deemed unviable and waived by the DUs may be offered to QTPs as part of the missionary electrification program. To date, there is one (1) QTP operating (PowerSource) in Bgy. Rio-Tuba, Palawan Province. The two (2) current QTP applications under DOE's review are (i) Malapascua, Cebu Province by PowerSource; and, (ii) Semirara Island QTP Project, by Semirara Mining. In addition, the program anticipates the future development of mini-grid and micro-grid electrification projects using biomass, wind and other renewable energy sources by other proponents that may also adopt QTP approach.

Following are the updates on the QTP Program being spearheaded by the DOE:

1) Rio Tuba QTP Project in Bataraza, Palawan

Powersource Philippines, Inc. (PSPI) continues to operate as QTP in Brgy. Riotuba.For the reporting period, the net electricity generation reached 199,830 kWh while the electricity sales at 169,963 kWh, both of which indicated a minimal increase of about 3.5% as compared with the last year electricity generation and sales. Total connected households to date are 1,769. The operation of its biomass gasifier stopped pending arrival of additional gas engine by next month. The gasifier intends to supplement the existing capacity as demand continues to increase in the site.

2) Malapascua QTP Project in Malapscua Island, Logon, DaanBantayan, Cebu

For the second QTP Project of PSPI, ERC conducted the public hearing last 20 February 2014 for the determination of the tariff and approval of PSPI's operation as QTP in the island. Presently, PSPI awaits ERC's issuance of its Provisional Authority as the former has already complied with the latter's directive to submit additional documents and evidences to support its petition.

Meanwhile, PSPI continues to operate its existing generating facility in the island. As of March 2014, its net electricity generation was 64 MWh with its electricity sales of 57940 kWh. There was a significant decrease of about 30 percent in both generation and sales as compared with the last year's operations. Said decrease can be attributed to the damage brought about Super Typhoon Yolanda In November 2013. To date, total connections are 738 as compared with last year's 663 connections. It can be noted that while electricity sales declined during the reporting period as compared with the same reporting period of last year, total customers connected increased by 11.31%.

3) Port Liminangcong in Taytay, Palawan

The mini-grid system in this barangay is currently being managed and operated by PSPI under its Project Agreement with the Provincial Government of Palawan (PGP). To date, PSPI intends to submit a petition to ERC on its QTP application under Section 6 of ERC Rules 22 on "Special Rules for Small QTPs not Requiring Subsidies." Said rule indicated that "an entity providing electricity service in the declared unviable area which has generating capacity below 200 kW…shall be deemed qualified and authorized to act as QTP upon issuance of COC in its favour…"PSPI expects to submit the said petition next month.

4) Semirara Project in Caluya, Antique

DMCI established its subsidiary, the Semirara Utilities, Inc. to serve as QTP in the three (3) barangays in the Semirara Island. It has submitted its Letter of Intent to the DOE with supporting documents to prove its financial and technical capacities to operate in the island. SUI now coordinates with NPC-SPUG for its QTP Service Contract as the former completes its technical and financial proposal for electricity provision in the island.

B. Household Electrification Development Plan

On July 19, 2013, Secretary Petilla has approved the overall implementation framework of the Household Electrification Development Plan (HEDP) 2013-2017. HEDP defines the overall policies, programs and activities of the Government to attain 90% household electrification by 2017.

To implement the plan, a Department Circular has been drafted to establish the Household Unified Strategic Electrification (HOUSE) Team as a multi-agency team composed of DOE, NEA, SPUG, DBM, DSWD and DILG to ensure a well-coordinated program in pursuing accelerated household electrification, among others.

C. Philippine Rural Electrification Service (PRES) Project

More than two months after DOE has presented the draft Assessment Study to National Power Corporation (NPC), National Electrification Administration (NEA), Masbate Electric Cooperative, Incorporated (MASELCO) and concerned Local Government Units last October 2013, the French Consulting Firm, Innovation Energie Development has finally completed said study for the PRES Project incorporating inputs and comments by the concerned agencies.

Essentially, the assessment study outlined various management options that need to be carried out by NPC for the sustainable operation of the above project, specifically, on tariff collection, transfer of PRES assets, including the possible extension of MASELCO's distribution lines to the PRES areas under NEA's Barangay Line Enhancement Program, among others.

As a way forward, DOE is planning to call for a meeting amongst NPC, NEA and MASELCO, tentatively scheduled by last week of March 2014, to discuss the strategies and business plan for the PRES Project taking into account the completed IED assessment study.

VII. BENEFITS TO HOST COMMUNITIES

Pursuant to Energy Regulations No.1-94 (ER 1-94), as amended, the Generation Company and/or Energy resource developer shall set aside one centavo per kilowatt-hour (P 0.01/kWh) of the total electricity sales as financial benefit for the host communities. Fifty percent of one centavo per kilowatt-hour (P0.005/kWh) is for electrification projects, twenty five percent (P0.0025/kWh) for development and livelihood projects and the remaining twenty five percent (P0.0025/kWh) for reforestation, watershed management, health and/or environment enhancement projects.

DOE as fund administrator, has already established a total of 709 Trust Accounts for Electrification Fund (EF) Development and Livelihood Fund (DLF), Reforestation, Watershed Management, Health and/or Environment Enhancement Fund (RWMHEEF).

The total accrued financial benefit from inception *(Year 1995)* to April 2013 is PhP 9.12 Billion from which Php 6.09 Billion was obligated for the implementation of projects. This leaves an available fund at around 3.03 Billion.

Table 29. Summary of Financial Benefits as of 30 April 2014 (In PhP Billion)

Particulars	EF	DLF	RWMHEEF	Total
Accrued Financial Benefit	3.75	2.53	2.87	9.12
Approved	3.34	1.27	1.56	6.09
Available/Collectible Balance	0.41	1.26	1.31	3.03

Source: DOE

- Project Approval

The initial process to avail a certain project is the submission of project proposal with its relevant documents. For electrification program, the concerned Distribution Utility (DU) endorses the LGU's project proposal to the DOE. Whereas, non-electrification (DL and RWMHEEF) project proposals are being endorsed by the Generation Company or the energy resource developer to DOE. The latter evaluates and approves all project proposals and subsequently issues Notice to proceed to the project implementer.

From November 2013 – April 2014, the DOE has approved a total amount of Php 90.13 Million for the energization of 14 Barangays, 39 Sitios and 390 Households in the Provinces of Pangasinan and Surigao del Sur.

In the same period, various non-electrification projects have also been approved. A total of Php 32.01 Million DL projects such as daycare centers, school buildings, streetlights, and road construction/concreting will be implemented in the Provinces of Ifugao, Benguet, Nueva Vizcaya, Pangasinan, Zambales, Iloilo, and Lanao del Sur. While, Php 27.90 Million RWMHEE projects which will be implemented for reforestation, water system, health centers and solid waste management projects in Metro Manila, Provinces of Ifugao, Isabela, Benguet, Nueva Vizcaya, Pangasinan, Albay, Quezon, Negros Oriental, Bukidnon, Davao del Sur and Lanao del Sur.

Table 30. Project Approval (In PhP Million) November 2013-April 2014

Fund Source	No. of Approved Projects	Amount (PhP in Million)
Electrification Fund	14 Barangays, 39 Sitios, 390 HH (PVSHS)	90.13
Development and Livelihood Fund	26	32.01
Reforestation, Watershed Management, Health and/or Environment Enhancement Fund	33	27.90

- Fund Releases

To commence with the preparation and processing of fund release, the concerned LGU has to submit a complete bidding documents and bank certificate for an account/trust fund separately and exclusively opened for ER 1-94 projects. With this, the scheme for fund transfer is through a bank to bank transaction.

Several releases were executed for the concerned DU's and Host LGU's for the implementation of their respective projects. Accordingly, the DOE was able to release a sum of Php 83.25 Million from which more than half of this amount was sourced out from EF at about Php 41.92 Million to energize 1 Barangay, 31 sitios and 1,750 households in Davao City and Provinces of Negros Oriental and Tawi-Tawi. Other releases such the amount of Php 22.49 Million was intended for the implementation of 25 various DL projects and then the remaining amount of Php 18.84 Million was released for eighteen (18) RWMHEE projects.

Table 31. Fund Release (In PhP Million) November 2013-April 2014

Fund Source	No. of Projects	Amount (PhP in Million)
Electrification Fund	1 Barangay, 31 Sitios, 1,750 Households	41.92
Development and Livelihood Fund	25	22.49
Reforestation, Watershed Management, Health and/or Environment Enhancement Fund	18	18.84

Source: DOE

- Conduct of Information and Education Campaign (IEC)

A series of IEC activities was conducted to orient and educate newly elected local officials of the host communities. It also intends to familiarize and increase the level of understanding of the Community Relations Officers (COMRELs) of the newly incorporated generation facilities in the E.R. No. 1-94 Program and various NPC-SPUG facilities on the pertinent activities/documents needed to access the E.R. No. 1-94 funds.

Significantly, the DOE was able to gather recommendations from the participants so to enhance the effective implementation of E.R. No. 1-94 program. The IECs were conducted In Luzon on November 7 and 28, 2013 in Baguio City and Batangas City respectively.

- Financial And Technical Audit

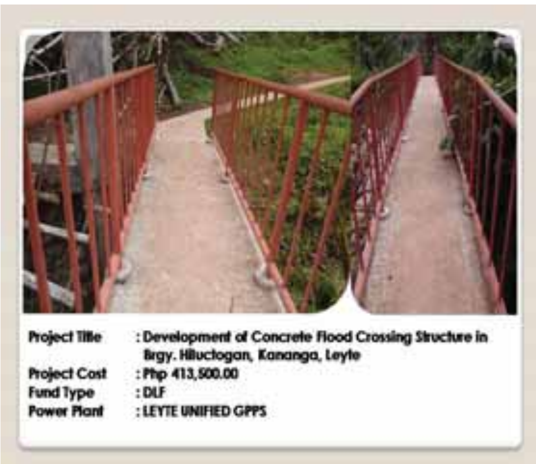
Consistent with the auditing rules and procedures under ER 1-94 program, the DOE-Internal Audit conducts a post-audit for the liquidation of project funds. In a given reporting period, the Department has audited and validated an amount of Php78.51 Million under EF, Php11.28Million under DLF, and 72.09 Million under RWMHEEF.

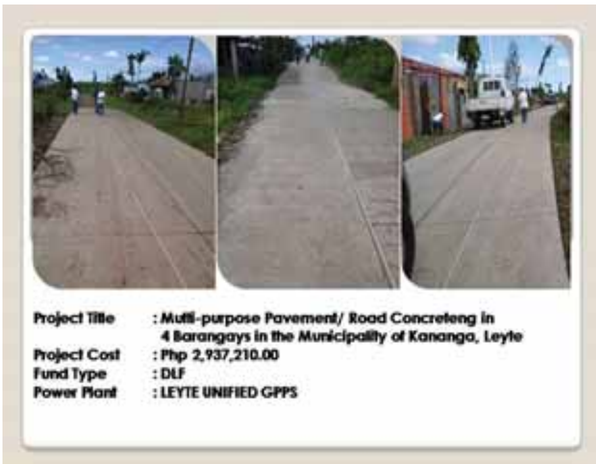
Upon completion of projects, the DOE together with our partners, LGU, Generation Company and Electric Cooperatives, conduct a joint technical inspection and evaluation to assess the quality, value and impact of the projects to the community. Resulting from the project implementation was the inspection of 160 Electrification projects and 24 non-electrification projects. (*Selected photos of projects are shown below).*

In the event of unjustified disbursement of funds and non-completion or delay in the implementation of projects, the DOE has to defer the succeeding releases of project funds to the implementer. This is essential to ensure proper and efficient disbursement of funds.

Electrification Projects in the Provinces of Cagayan de Oro and Tawi-Tawi

DL and RWMHEE Projects in the Provinces of Quezon, Leyte and Lanao del Sur





DL and RWMHEE Projects in the Provinces of Quezon, Leyte and Lanao del Sur

Project Title	**: Acquisition of Mini Dump Truck, Brgy. Cristina, Baloi, Lanao del Sur**
Project Cost	**: Php 150,450.00**
Fund Type	**: RWMHEEF**
Power Plant	**: Agus 4 HEP**

Project Title	**: Acquisition of Fire Truck, Brgy. Ma. Cristina, Iligan City**
Project Cost	**: Php 1,100,000.00**
Fund Type	**: RWMHEEF**
Power Plant	**: Agus 6 & 7 HEPs**

Project Title	**: Purchase of Medical Equipment for QMC & 15 District Hospitals in the Province of Quezon**
Project Cost	**: Php 12,125,364.96**
Fund Type	**: RWMHEEF**
Power Plant	**: Mauban CFTPP and Pagbilao CFTPP**

VII. EPIRA REVIEW

In response to the public clamor for EPIRA to be reviewed, the Department of Energy (DOE), through its Electric Power Industry Management Bureau (EPIMB), organized and conducted a series of stakeholder consultation on EPIRA review focused on ensuring security of electricity supply at reasonable price. The issues raised during the consultative process revolved around legislative, policy, regulatory and governance matters. Among the widely-discussed issues related to EPIRA were the Value-added Tax, cross-ownership, de-monopolization and shareholding dispersal, open access, WESM rules, and privatization of Agus-Pulangi power plants in Mindanao.

The consumers, labor groups and non-government organizations have taken the extreme stand of calling for the repeal or the abolition of the EPIRA, saying that it has been a complete failure. The business sector, on the other hand, has cautioned against amending the EPIRA, saying that this might send the wrong signals to investors and to financing institutions. The prevailing sentiment among the stakeholders however remains one of sobriety, with majority of them saying that government can still make EPIRA work by amending certain provisions of the law and by improving its implementation. Alongside the legislative reforms, government can also strengthen the roles of concerned implementing agencies like the DOE, and reinforce the regulatory powers of the Energy Regulatory Commission (ERC) to ensure that any forthcoming amendments to the EPIRA will be completely enforced.

Last February 18, 2014, the DOE spearheaded a multi-sector, consultative dialogue on the review of Republic Act 9136, or the Electric Power Industry Reform Act (EPIRA). Anchored on the theme “Ensuring Security of Electricity Supply at Reasonable Price”, the Consultative Dialogue aimed to solicit inputs and recommendations from various stakeholders on the EPIRA review. More than 300 participants attended the Dialogue held at the SMC Convention Center, SM Aura, Bonifacio Global City.

The Consultative Dialogue adopted a bottom up approach and targeted four sectoral groups: 1. Generators and suppliers, 2. Distribution utilities; 3, Business sector; and 4. Consumers, labor groups, academia, and NGOs/Peoples Organizations. It was also the culminating activity for the series of Focus Group Discussions (FGDs) conducted by the DOE throughout the country in January and February 2014 to sound out different stakeholders on what can be done to further improve the EPIRA and its implementation in order to ensure electricity supply security at reasonable price.

These FGDs were actively participated in by a broad range of interest groups that included private power companies involved in power generation, transmission and distribution; business groups and trade organizations representing power-intensive industries like semi-conductors, construction and flour and sugar milling; consumer groups and labor unions; concerned government agencies as well as members of the academe, among others. The FGDs were replicated in Cebu and Davao on February 6 and 7, 2014 for the benefit of the Visayas- and Mindanao-based stakeholders, respectively. DOE likewise posted all inputs and comments it received in its website, facebook and twitter accounts.

Due to the wide range of sectors invited to participate in the EPIRA review, the issues and proposals that were brought up during the FGDs were just as varied and numerous with the following as among the most widely- discussed and debated during the consultations:

A. LEGISLATIVE ISSUES AND PROPOSALS

VALUE-ADDED TAX

One of the most frequently-raised comments during the FGDs is for government to explore the possibility of exempting electricity supply from the Value-Added Tax (VAT).

- In general, electric cooperatives (ECs) say that power distribution should be exempted from the 12-percent VAT.
- Government should abolish the VAT on electricity altogether *(TUCP)*
- Government should review the EVAT Law to determine whether the said tax can be reduced as far as it applies to a basic service like electricity *(PEPOA)*
- Taxes and duties on fuel being used to run power plants should be removed *(Semiconductor and Electronics Industries of the Philippines, Inc.)*

CROSS-OWNERSHIP

Section 45 on cross-ownership is contained in the EPIRA as a safeguard against the creation of a monopoly in the power sector. Some quarters however feel that the said safeguard is inadequate because it only prohibits cross-ownership between power generation and transmission companies, but not between firms involved in generation and distribution.

- The prohibition on cross-ownership should apply to ALL sectors of the power industry, i.e., generation, transmission, supply and distribution *(proposed by the Trade Union Congress of the Philippines)*
- Stronger safeguards against cross-ownership and market power abuse should be implemented, and firms with vertical market power should be restricted from acquiring the remaining generation assets of the National Power Corporation *(National Electrification Administration)*

DE-MONOPOLIZATION AND SHAREHOLDING DISPERSAL

As with the existing policy on cross-ownership, it has been observed that Section 28 on de-monopolization is too liberal and should be made stricter to prevent the creation of a cartel to preclude any incidents of collusion.

- The 25-percent cap on shareholdings should be reduced to 15 percent for distribution utilities that are not listed in the Philippine Stock Exchange *(As consolidated by PHILRECA)*
- In light of the plans of some sugar mills to put up their own co-generation facilities, small power plants running on renewable energy should be exempted from the shareholding dispersal requirement *(Philippine Sugar Millers Association)*

OPEN ACCESS

Section 31 on open access aims to empower consumers by allowing them to choose their electricity suppliers.

- In the case of industries located within state-owned industrial estates, the *Philippine Economic Zone Authority* has requested exemption from the Retail Competition and Open Access provision of the EPIRA, and wants permission to continue choosing a power distributor on behalf of its ecozone locators.
- Ecozones and industrial estates should be allowed to connect directly to the main grids *(Philexport)*
- Open access should be made voluntary and industries with a low power demand should be allowed to continue sourcing their electricity supply from the local Distribution Utility, if they want to *(Cebu Chamber of Commerce)*
- Some ECs wants the open access threshold – which has been set at one megawatt under the EPIRA – to be raised to four megawatts during the initial implementation of open access, in view of the tight supply situation in Luzon.

PRIVATIZATION OF THE AGUS AND PULANGUI POWER PLANTS

Section 47 provides for the eventual privatization of the the Agus hydroelectric power plant complex and the Pulangui IV hydroelectric power plant. Except for a few power barges, these are the only remaining generation assets remaining with the National Power Corporation to-date.

- Agus and Pulangui should stay in government hands and should not be privatized anymore *(Kaamulan Chamber, Oro Chamber)*
- At the most, government can offer the Operation & Maintenance contract for the two plants to a private concessionaire, but retain ownership of the said assets *(PEPOA)*
- Government, through NPC, should immediately rehabilitate Agus and Pulangui, and create a Mindanao Power Corporation to manage the plants *(AMRECO)*

B. POLICY ISSUES AND PROPOSALS

WHOLESALE ELECTRICITY SPOT (WESM) MARKET RULES

Section 30 of the EPIRA pertains to the creation of the WESM, which was envisioned as a venue where electricity may be traded like a commodity by accredited buyers and sellers. The WESM is governed by the Philippine Electricity Market Corporation.

- The WESM rules should be changed, with the must offer rule modified or removed altogether, and a provision for a switch to a day-ahead delivery market included *(PIPPA, European Chamber of Commerce)*
- The maximum bid at the WESM should be reduced from P62 per kilowatt-hour to P32 per kWh, and generators should be paid based on the actual price of the electricity that they offered for bidding *(Cebu Chamber of Commerce)*
- Workers and consumers should be represented in the oversight body for the WESM *(TUCP)*
- The rules and operations of the WESM should be reviewed, revamped or suspended *(PCCI)*

- It might be worth mentioning that some Mindanao-based businesses have expressed mixed feelings about the planned implementation of WESM in the region. Some are in favour of having a spot market but only if the WESM rules are revised. Others, like the *Kaamulan Chamber*, would rather not have the WESM in Mindanao, saying that it has failed in Luzon.

HARMONIZATION OF POLICIES

- Policies of concerned government agencies must be harmonized to encourage the development of the RE sector. The BOI must revisit the one- stop-shop (Ernesto Pantangco, NREB)

SECURING PERMITS AND REQUIRED DOCUMENTS (DOE, SEC, BOI, GIS)

- Adopt simpler application process like a single endorsement document for one project. At present, it takes 150 signatures and 120 permits to build a power plant (PIPPA)

C. REGULATORY ISSUES AND PROPOSALS

SUPPLY SECURITY

- Require utilities to contract 100% of their projected peak demand for the next three years
- Set up an integrated national grid in order to improve the transmission of power between grids and to strengthen the country's existing transmission line network (Allan Ortiz, SMC Power)

HIGH POWER RATES

- Generation as well as supply of electricity should be treated as public utility operations (TUCP)
- Replace the current un-transparent and complex performance-based rate-setting methodology (PBR) with a simplified and transparent formula like the return-on-rate-base (RORB) that puts a 12% ceiling on profits and net income (TUCP)

D. GOVERNANCE ISSUES AND PROPOSALS

- Coordination of grid planning, system operations, and market operations (Meralco)
- Capacity enhancement for both policy makers and line agencies involved in power reform implementation

ANNEXES

Annex 1.Transco Inspection Report Based on Concession Agreement as of 30 April 2014

No.	Inspection Report No.	Location	Name of Project/ Transmission Facilities	Inspection Date
LUZON				
1	SLOMD3-12-27	South Luzon District 3	Naga City, Labo, Daraga, Tiwi	Nov. 4-8, 2013
2	NP-13-03	North Luzon	La Trinidad & Binga S/S	Nov. 20-22, 2013
3	NLD2-13-53	North Luzon District 2	La, Trinidad, Ambuklao,Binga,Itogon, Beckel	Nov. 18-22, 2013
4	SLD1-13-55	South Luzon District 1	Dasmariñas, Ternate, Rosario, Zapote, Sucat, Binan, Calaca, Batangas	Dec. 9-13, 2013
5	NLACC-14-02	North Luzon	La Trinidad AREA CONTROL CENTER	Jan. 20-21, 2014
6	NL-MTDA-14-04	North Luzon	La Union MTD-B	Jan. 22-23, 2014
7	CLACC-14-05	North Luzon	Mexico (Area Control Center)	Feb. 3-4, 2014
8	NL-MTDB-14-07	North Luzon	Mexico, Pampanga	Feb. 5-6, 2014
9	NLRD3-14-08	District 3	San Manuel, Bolo, Labrador, Kadampat, Nagsaag, Mangaldan, Cuyapo	Feb. 3-7, 2014
10	NLR-PR-14-02	Luzon	San Jose & Malaya SS	Feb. 11-14, 2014
11	NLRD7-14-10	North Luzon	San Jose, Doña Imelda (Araneta), Tay-Tay (Dolores), Malaya, Quezon (Balintawak)	Feb. 17-21, 2014
12	SLRD2-14-11	South Luzon District 2	Tayabas, Gumaca, Makban, Kalayaan, Caliraya	Mar. 3-7, 2014
13	NLRD5-14-12	North Luzon District 5	Hermosa, Limay, Hanjin, Olongapo, Subic, Botolan and Morong	Mar. 10-14, 2014
14	NLRD1-14-16	North Luzon District 1	Bauang, Bacnotan, San Esteban, Bantay, Currimao, Laoag	Apr. 21-25, 2014
VISAYAS				
1	VISD2-14-01	Visayas District 2	Banilad, Mandaue, Mactan, Compostela, Quiot, Naga, BDPP, Ubay, Talisay	Jan. 6-10, 2014
2	VISD3-14-03	Visayas District 3	Bacolod, Cadiz, Kabankalan, Mabinay, Amlan	Jan. 20-24, 2014
3	VIS-PR-14-01	Visayas	Southern Panay Backbone 138kV Transmission Project	Jan. 22-24, 2014
4	WVRS-14-09	Visayas	Western Visayas	Feb. 17-21, 2014
5	VIS-PR-14-03	Visayas	Colon-Cebu 138kV Transmission Project	Mar. 11-14, 2014
6	VIS-RCC-14-14	Visayas	Regional Control Center, Cebu City	Mar. 31-Apr. 1, 2014
	VIS-MTDA-14-15	Visayas	MTD-A – Talamban, Cebu City	Apr. 2-3, 2014
7	VISD4-14-17	Visayas DISTRICT 4	Sta. Barbara, Dingle, San Juan, Panit-an, Baldoza	Apr. 21-25, 2014
MINDANAO				
1	MRCC-13-52	Mindanao	Mindanao Regional Control Center	Nov. 4-8, 2013
2	ZACC-13-54	Mindanao	Zamboanga Area Control Center	Dec. 2-6, 2013
3	MIND2-14-06	Mindanao District 2	Lugait, Iligan(Overton), Balo-i(Abaga), Mindanao RCC, Metering Facilities and Microwave Station	Feb. 3-7, 2014
4	MIND5-14-13	DISTRICT 5	Davao City, Bunawan, Matanao, Maco, Nabunturan, Kidapawan	Mar. 24-28, 2014
5	MIND3-14-18	Mindanao DISTRICT 3	Carmen, Tagoloan, Aplaya, Kibawe, Maramag	Apr. 21-25, 2014
6	MIN-PR-14-04	Mindanao	Matanao-Gen. Santos 138kV Transmission Project	Apr. 22-24, 2014

Source: Transco

Annex 2. Summary Inspection Report (PUC) as of 31 March 2014

No.	Observation Report No.	Inspection Date/ Area	Description of Observation (TransCo)	Action Plan / Remarks (NGCP)
VISAYAS				
1	**(VIS-PR-14-01)** OR-P-14-0001	Jan. 22-24, 2014 Substations	Despite the approval of 155 calendar day Contract Time Extension for the substation contract, the revised project completion of June 14, 2012 was not attained.	Imposition of LD started on Billing No. 3 dated July 20, 2012.
2	OR-P-14-0002	Jan. 22-24, 2014	Outdoor Lighting System for the substations are still for delivery.	Contractor to purchase locally
3	OR-P-14-0003	Jan. 22-24, 2014	Line & Substation Protection, control and Communication Equipment for the substations are already mounted but lacking cable laying, termination, test and commissioning	Prepare updated program of works for the remaining installation, test and commissioning works.
4	OR-P-14-0004	Jan. 22-24, 2014	Mechanical works, i.e., domestic water supply, fire protection system and air-conditioning & ventilation system, for the substations are not yet completed.	Prepare updated program of works for the remaining installation, test and commissioning works.
5	OR-P-14-0005	Jan. 22-24, 2014	1 set of 138 kV PCB at the Sta. Barbara S/S was already installed, however, its bushing are not yet mounted.	For safety consideration, installation will be done before the test and commissioning.
6	OR-P-14-0006	Jan. 22-24, 2014	Installation of substation equipment at Sta. Barbara S/S are not followed as per original design.	The revised design scheme was already agreed by the EDG, VOM, MTD and VPD per MOM dated Sept. 11, 2013. Project Change Request (PCR) is on process.
7	OR-P-14-0007	Jan. 22-24, 2014	The dismantling & re-installation of the existing 30 MVA Power Transformer at Sta. Barbara S/S was deleted from the contract.	With approved Design Change Notice. Variation Order under process.
8	OR-P-14-0008	Jan. 22-24, 2014	Construction of the Control House at Sta. Barbara S/S is not yet completed.	Equipment and manpower augmentation
9	OR-P-14-0009	Jan. 22-24, 2014	Construction of the Administration Building at Sta. Barbara S/S is yet to be completed.	Equipment and manpower augmentation
10	OR-P-14-0010	Jan. 22-24, 2014	Construction of the Pump House at Sta. Barbara S/S is not yet completed.	Equipment and manpower augmentation
11	OR-P-14-0011	Jan. 22-24, 2014	The Sentry Tower at Sta. Barbara S/S was already erected, however, the roofing is still not installed.	For installation.
12	OR-P-14-0013	Jan. 22-24, 2014	1 set of 138 kV DS at San Jose S/S is still for installation.	For installation.
13	OR-P-14-0013	Jan. 22-24, 2014	2 sets of 69 kV PCB at San Jose S/S were already installed but their accessories are still for assembly.	For safety consideration, installation will be done before the test and commissioning.
14	OR-P-14-0014	Jan. 22-24, 2014	Construction of the Control House at San Jose S/S is not yet completed.	Equipment and manpower augmentation
15	OR-P-14-0015	Jan. 22-24, 2014	Construction of the Pump House at San Jose S/S is not yet completed.	Equipment and manpower augmentation
16	OR-P-14-0016	Jan. 22-24, 2014	Construction of the Line Men's Quarter at San Jose S/S is not yet completed.	Equipment and manpower augmentation
17	OR-P-14-0017	Jan. 22-24, 2014	Construction of the perimeter and seclusion fence at San Jose S/S are not yet completed.	Equipment and manpower augmentation
18	OR-P-14-0018	Jan. 22-24, 2014	Construction of the Sentry Tower and Helipad at San Jose S/S has not yet started.	Equipment and manpower augmentation
19	OR-P-14-0019	Jan. 22-24, 2014 Transmission Line	The construction of 69 kV cut-in San Jose-Sibalom line to the new San Jose S/S is not yet completed.	Ongoing erection and stringing.
20	OR-P-14-0020	Jan. 22-24, 2014	The construction of tie-line at Sta. Barbara S/S, from the existing S/Y to new S/Y, is not yet completed.	Ongoing erection and stringing.
21	OR-P-14-0021	Jan. 22-24, 2014	All the steel towers were already erected and strung, however, construction of slope protections for the five (5) towers are yet to be completed.	Ongoing construction.
22	OR-P-14-0022	Jan. 22-24, 2014	Installation of helicopter patrol numbers and tower numbering has not yet started.	For installation.

Source: TransCo

Annex 3. NGCP Related Petitions to ERC as of 30 April 2014

ERC DECISION/CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS
ERC Case 2014-024 RC	March 20, 2014	In the Matter of the Application for the Approval of the Eastern Panay Transmission Line Project, with Prayer for Provisional Authority.	• immediately ISSUE an Order Provisionally Approving the implementation of the Eastern Panay Transmission Line Backbone; and • APPROVE, After Notice and hearing, the application for the implementation of the Eastern Panay Transmission Line Backbone.	• On April 28, 2014, the ERC issued an order setting the Jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on May 27, 2014 (Tuesday) at ten o' clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.
ERC Case 2014-016 RC	February 25, 2014	In the Matter of the Application for the Approval of the Hermosa – Floridablanca 69 kV Line Project, with Prayer for the Issuance of a Provisional Authority.	• Immediately ISSUE an Order Provisionally Approving the implementation of the Hermosa - Floridablanca 69 kV Line Project; and • APPROVE, after Notice and hearing, the application for the implementation of the Hermosa - Floridablanca 69 kV Line Project.	• On April 28, 2014, the ERC issued an order setting the Jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on May 28, 2014 (Wednesday) at ten o' clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.
ERC Case 2014-015 RC	February 25, 2014	In the Matter of the Application for the Approval of the La Trinidad – Calot 69 kV Line Project, with Prayer for the Issuance of a Provisional Authority.	• ISSUE, immediately upon filing of the application, a provisional approval for the implementation of the La Trinidad – Calot 69 kV Line Project; and • APPROVE, After Notice and hearing, the application for the implementation of the La Trinidad – Calot 69 kV Line Project and render judgment making Provisional Approval permanent.	• On April 15, 2014, the ERC issued an order setting the Jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on May 22, 2014 (Thursday) at ten o' clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.
ERC Case 2014-014 RC	February 25, 2014	In the Matter of the Application for the Approval of the Submarine Fiber Optic Cable: Sorsogon-Samar Interconnection Project, with Prayer for Provisional Authority.	• Immediately ISSUE an Order provisionally approving the implementation of the Submarine Fiber Optic Cable: Sorsogon-Samar Interconnection Project pending final approval; and • APPROVE, After Notice and hearing, the application for the implementation of the Submarine Fiber Optic Cable: Sorsogon-Samar Interconnection Project.	• On April 15, 2014, ERC issued an order setting the Jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on May 21, 2014 (Wednesday) at two o' clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City.
ERC Case 2014-007 RC	January 30, 2014	In the Matter of the Application for	• ISSUE a provisional authority to implement the subject ASPA; and	• On March 27, 2014, as per ERC order/notice of hearing dated February 17, 2014 the

ERC DECISION/CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS
		Approval of the Ancillary Services Procurement Agreement (ASPA) Between the National Grid Corporation of the Philippines (NGCP) and APO Cement Corporation (ACC), with prayer the Issuance of Provisional Authority	• After Notice and hearing, APPROVE the subject ASPA.	Commission conducted the jurisdictional, expository, pre-trial and evidentiary hearing in Cebu city. NGCP was directed to file its Formal offer of Evidence within fifteen (15) days.
ERC Case 2013-064 RC	April 5, 2013	In the Matter of the Application for the Approval of the Tugeugarao-Lal-lo (Magapit) 230kV Transmission Line Project, with Prayer for the Issuance of a Provisional Authority	• ISSUE, immediately upon filing of the Application, a Provisional Approval for the implementation of the Tuguegarao – Lal-lo (Magapit) 230kV T/L Project; and • APPROVE, after notice and hearing, the Application the implementation of the Tuguegarao – Lal-lo (Magapit) 230 kV T/L Project and render judgment making the provisional approval permanent.	• On March 4, 2014, the ERC posted on its website a decision dated December 16, 2014 *"WHEREFORE, the foregoing premises considered, the application filed by the National Grid Corporation of the Philippines (NGCP) for approval of its Tuguegarao-Lal-lo (Magapit) 230 kV transmission line project is hereby APPROVED, subject to optimization and asset classification based on its actual use pursuant to Rules for Setting Transmission Wheeling Rates (RTWR) and other relevant issuances of the Commission."*
ERC Case 2013-214 RC	November 20, 2013	In the Matter of the Application for Approval of the Ancillary Services Procurement Agreement (ASPA) between the National Grid Corporation of the Philippines (NGCP) and SN Aboitiz Power	• ISSUE a provisional authority to implement the subject ASPA; • After Notice and hearing, APPROVE the subject ASPA.	• On February 3, 2014, the ERC issued an order setting the Jurisdictional hearing, expository presentation, pre-trial conference and evidentiary hearing on March 3, 2014 (Monday) at two o' clock in the afternoon (2:00 P.M.) at the ERC Hearing Room, 15th Floor, Pacific Center Building, San Miguel Avenue, Pasig City. • On February 25, 2014, the ERC Issues an order wherein it provisionally approved the application

<table>
<tr><th>ERC DECISION/CASE NO.</th><th>DATE OF FILING</th><th>NATURE OF PETITION</th><th>GROUNDS FOR FILING</th><th>STATUS</th></tr>
<tr><td></td><td></td><td>Benguet, Inc. (SNAP-BI), with prayer for the Issuance of Provisional Authority</td><td></td><td>filed by NGCP and SNAP-BI for the approval of ASPA, subject to some conditions.

• On March 3, 2014, as per ERC order/notice of hearing issued on February 3, 2014, the Commission conducted the jurisdictional, expository & pre-trial conference.</td></tr>
<tr><td>ERC Case 2013-202 RC</td><td>October 17, 2013</td><td>In the Matter of the Application for the Approval of the Maximum Allowable Revenue for the Calendar Year 2014 and the Net Performance Incentive for 2013 Under the Rules for Setting the Transmission Wheeling Rates, with Prayer for Provisional Authority</td><td>• Immediately GRANT provisional authority to implement the collection of the MAR2014 in the amount of PhP42,506.87Mn and the PIS 2013 of PhP754.69Mn and the System Operator and Metering Service Provider Charges beginning the billing period of 26 December 2013 – 25 January 2014;
• APPROVE the authority to collect the MAR2014 in the amount of PhP42,506.87Mn and the PIS2013 of PhP754.69Mn and the System Operator and Metering Service Provider Charges;
• APPROVE the fifty percent (50%) of PhP24.30Mn or the equivalent of PhP12.15Mn as RBRt from co-location and rental of equipment; and
• DEFER the setting of the ASAI parameters until the end of the Third (3rd) Regulatory Period.</td><td>• ERC issued an order dated October 30, 2013, setting the initial hearing, pre-trial conference, expository presentation and evidentiary hearings that were conducted on the following dates and venues:
<table>
<tr><th>Date</th><th>Time</th><th>Venue</th><th>Particulars</th></tr>
<tr><td>Dec. 10, 2013</td><td>10:00 am</td><td>15th floor, Pacific Center Bldg.,San Miguel Ave., Pasig City</td><td>Jurisdictional Hearing and Expository Presentation</td></tr>
<tr><td>Dec. 11, 2013</td><td>9:00 am</td><td>ERC Mindanao Field Office</td><td>Expository Presentation</td></tr>
<tr><td>Dec. 12, 2013</td><td>9:00 am</td><td>ERC Visayas Field Office</td><td>Expository Presentation</td></tr>
<tr><td>Jan. 14, 2014</td><td>10:00 am</td><td>15th floor, Pacific Center Bldg.,San Miguel Ave., Pasig City</td><td>Pre-trial Conference and Evidentiary Hearing</td></tr>
<tr><td>Jan. 14, 2014</td><td>10:00 am</td><td>15th floor, Pacific Center Bldg.,San</td><td>Continuation of Evidentiar</td></tr>
</table></td></tr>
</table>

ERC DECISION/CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS
				| | | Miguel Ave., Pasig City | y Hearing, if necessary | • On December 6, 2013, TransCo filed a petition for intervention; • The jurisdictional and expository hearing for the Luzon leg was conducted on December 10, 2013 while the expository hearing for Mindanao and Visayas were conducted on December 11 & 12, 2013, respectively. • On January 14, 2014, the Pre-trial Conference was conducted and terminated. ERC manifest that it will issue a consolidated Pre-Trial Brief before setting the date for the evidentiary hearing.
ERC Case 2013-171 RC	August 7, 2013	In the Matter of the Application of the National Grid Corporation of the Philippines for the approval of Force Majeure (FM) Event regulated FM pass through for flooding caused by monsoon rains in Luzon, sabotage incidents in Mindanao, and typhoon Pablo in accordance with the Rules for Setting Transmission Wheeling Rates, with prayer for Provisional Authority	• Grant, provisional approval to implement and bill the FM Pass-Through Amounts to Luzon, Visayas and Mindanao customers starting September 2013 billing month to December 2015 billing month or until such time that the amount incurred is fully recovered; • DECLARE the flooding caused by monsoon rains in Luzon area, sabotage incidents in Mindanao area and Typhoon Pablo as Force Majeure Events; • APPROVE the CAPEX incurred for the restoration, rehabilitation and repair of the damaged transmission assets and other related facilities for the FMEs flooding caused by monsoon rains in Luzon area, sabotage incidents in Mindanao area and Typhoon Pablo as Force Majeure Events; • APPROVE the proposed pass-through amount representing return on capital,	• On November 5, 2013, the pre-trial conference was conducted and terminated. The evidentiary hearing covers direct examination only because the interveners requested the commission to allow them to conduct their cross examination on a later date. • On January 23, 2014, the continuation of the evidentiary hearing and ERC reiterated to NGCP to revisit/review its existing Industrial All Risk Insurance Policy so as to lessen, if not eliminate the expenses that is being Passed-on to consumers during an FME. The commission will issue an order setting the next hearing date.

<table>
<tr><th>ERC DECISION/CASE NO.</th><th>DATE OF FILING</th><th>NATURE OF PETITION</th><th>GROUNDS FOR FILING</th><th>STATUS</th></tr>
<tr><td></td><td></td><td></td><td>return of capital and taxes associated with the emergency responses and the repair and rehabilitation of facilities damaged due to the said events, as shown in the table below;
<table><tr><th>FME – Peso/kW-mo.</th><th>2013</th><th>2014</th><th>2015</th></tr><tr><td>Luzon</td><td>0.0134</td><td>0.0149</td><td>0.0149</td></tr><tr><td>Visayas</td><td>0.0037</td><td>0.0067</td><td>0.0064</td></tr><tr><td>Mindanao</td><td>0.7043</td><td>0.8778</td><td>0.8638</td></tr></table>
APPROVE and ALLOW the recovery of the Net Fixed Asset Value of the transmission assets and other related facilities damaged by FMEs flooding caused by monsoon rains in Luzon area, sabotage incidents in Mindanao area and Typhoon Pablo during the Fourth Regulatory Period given that the said amount would have been fully recovered by NGCP if these transmission assets and other related facilities have not been damaged or destroyed by said FMEs;
EXCLUDE the proposed Pass-Through Amount from the side constraint calculation.</td><td></td></tr>
<tr><td>ERC Case 2013-148 RC</td><td>July 19, 2013</td><td>In the Matter of the Application for the Approval of the Cebu-Lapu-lapu Transmission Project, with Prayer for Provisional Authority</td><td>ISSUE, immediately upon filing of the application, a Provisional approval for the implementation of the Cebu – Lapu-lapu Transmission project; and
APPROVE, after notice and hearing, the Application for the implementation of the Cebu – Lapu-lapu Transmission Project and render judgment making provisional approval permanent.</td><td>On November 27, 2013, as per ERC order/notice of hearing dated October 7, 2013 the commission conducted the jurisdictional, expository, pre-trial and evidentiary hearing. NGCP was directed to file its Formal offer of Evidence within fifteen (15) days.</td></tr>
</table>

ERC DECISION/CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS
ERC Case 2013-144 RC	July 11, 2013	In the Matter of the Application for the Approval of the Manila (Navotas) 230 kV substation Project, with Prayer for the issuance of a Provisional Authority	• ISSUE, immediately upon filing of the application, a Provisional approval for the implementation of the Manila (Navotas) 230 kV Substation project; and • APPROVE, after notice and hearing, the Application for the implementation of the Manila (Navotas) 230 Substation Project and render judgment making provisional approval permanent.	• On November 26, 2013, as per ERC order/notice of hearing dated October 7, 2013, the ERC conducted the jurisdictional, expository and pre-trial hearing. The evidentiary hearing was set on another date as agreed upon by the concern parties.
ERC Case 2013-139 RC	June 28, 2013	In the Matter of the Application for the Approval of the Calamba 230 kV substation Project, with Prayer for the issuance of a Provisional Authority	• ISSUE, immediately upon filing of the application, a Provisional approval for the implementation of the Calamba 230 kV Substation project; and • APPROVE, after notice and hearing, the Application for the implementation of the Calamba 230 Substation Project and render judgment making provisional approval permanent.	• On November 25, 2013, as per ERC order/notice of hearing dated October 7, 2013, the ERC conducted the jurisdictional, expository and pre-trial hearing. The Commission will issue another order for the hearing date of the evidentiary.
ERC Case 2013-132 RC	June 17, 2013	In the Matter of the Application for the Approval of the Toril Substation Project, with Prayer for Provisional Authority	• ISSUE, an Order provisionally authorizing the implementation of Toril Substation project; and • After notice and hearing, APPROVE the Application for the implementation of the Toril Substation Project.	• On January 10, 2014, the ERC posted on its website a Decision dated November 2013, which stated: *"WHEREFORE, the foregoing premises considered, the application filed by the National Grid Corporation of the Philippines (NGCP) for the approval of the Toril Substation Project is hereby APPROVED...."*
ERC Case 2013-077 RC	April 17, 2013	In the matter of the Application for the Approval of the Laoag – Bangui 230 kV Transmission Line Project, with Prayer for the Issuance of a Provisional Authority	• ISSUE, immediately upon filing of the Application, a Provisional Approval for the implementation of the Laoag – Bangui 230 kV Transmission Line Project; and • APPROVE, after notice and hearing, the Application for the implementation of the Laoag – Bangui 230 kV Transmission Line Project and render judgment making provisional approval permanent.	• On April 21, 2014, a clarificatory conference regarding NGCP's Motion for Withdrawal was conducted.

<table>
<tr><th>ERC DECISION/CASE NO.</th><th>DATE OF FILING</th><th>NATURE OF PETITION</th><th>GROUNDS FOR FILING</th><th>STATUS</th></tr>
<tr>
<td>ERC Case 2013-007 RC</td>
<td>January 17, 2013</td>
<td>In the Matter of the Application for Approval of Connection Charges and Residual Subtransmission charges for calendar year 2013 on subtransmission assets of the National Grid Corporation of the Philippines, with prayer for provisional authority</td>
<td>
ISSUE a Provisional Authority to implement and commence the billing and collection of the proposed CY 2013 CC/RSTC beginning the billing month of January 2013 as follows:
<table>
<tr><th></th><th>CC</th><th>RSTC</th><th>Total (Monthly)</th><th>Total (Annual)</th></tr>
<tr><td>Luzon</td><td>88,361,700.72</td><td>25,942,325.06</td><td>114,304,025.78</td><td>1,371,648,309.40</td></tr>
<tr><td>Visayas</td><td>41,602,314.64</td><td>12,730,257.54</td><td>54,332,572.19</td><td>651,990,866.22</td></tr>
<tr><td>Mindanao</td><td>41,848,823.39</td><td>31,092,269.21</td><td>72,941,092.60</td><td>875,293,111.20</td></tr>
<tr><td>Total</td><td>171,812,838.76</td><td>69,764,851.81</td><td>241,577,690.57</td><td>2,898,932,286.82</td></tr>
</table>
APPROVE the recovery of the computed CY 2013 CC/RSTC provided in this application to all Transmission Customers;
ALLOW NGCP to bill and collect the following through the CC/RSTC; and
Deferred CC/RSTC for disposed subtransmission assets;
Uncollected rehabilitation and improvement costs;
</td>
<td>
On November 26, 2013, the pre-trial brief was conducted and terminated and thereafter, ERC directed interveners to file motion requesting the breakdown of the CC/RSTC Charges of all the users. The Commission directs NGCP to comment on the said motion and instructed the same to provide interveners a copy of 2008 SKM Valuation and submit a recomputation of the 2013 CC/RSTC Charges that based on 2004 SKM Asset Valuation;
On January 15, 2014 (docketed January 21, 2014) - ERC issues Order directing NGCP to file its comment on the motion filed by TransCo, MERALCO and APRI (motion to produce documents/data); and
On April 16, 2014 ERC issued an order denying TransCo's Motion to be furnished with list of specific assets considered for the CC/RSTC for the various DUs' and Directly Connected customers.
</td>
</tr>
</table>

ERC DECISION/CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS
			3. CC/RSTC for disposed subtransmission assets with approved contracts to sell; 4. Other uncollected CC/RSTC resulting from adjustment of the CY 2009 charges. • ALLOW NGCP to impose a 3% Franchise Tax on CC/RSTC to be reflected as a separate line item in the Power Bill.	
ERC Case 2012-109 RC	October 17, 2012	In the Matter of the Application for Approval of the Maximum Allowable Revenue for the Calendar Year 2013 and the Performance Incentive Scheme under the Rules for Setting the Transmission Wheeling Rates, with Prayer for Provisional Authority	• APPROVE the authority to collect MAR2013 in the amount of PhP44,977.95Mn, the PIS2012 of PhP642.08Mn and the System Operator and Metering Service Provider Charges; • GRANT provisional authority to implement the collection of the MAR_{2013} in the amount of PhP44,977.95Mn, the PIS_{2012} of PhP642.08Mn and the System Operator and Metering Service Provider Charges beginning the billing period of 26 December 2012 – 25 January 2013; • APPROVE the fifty percent (50%) of PhP13.532MN or the equivalent of PhP6.766Mn as RBRt from co-location and rental of equipment; • DEFERMENT of the setting of the ASAI parameters until the end of the Third Period Regulatory.	• On January 23, 2014, the ERC posted on its website a Decision dated December 2, 2013 approving the application which stated to wit: *"WHEREFORE, the foregoing premises considered, the approval of the application filed by the National Grid Corporation of the Philippines (NGCP) for approval of its maximum Allowable Revenue (MAR) for Calendar Year (CY) 2013 and Performance Incentive Scheme (PIS) compliance in accordance with the alternative form of rate setting methodology under the Rules for Setting Transmission Wheeling Rates (RTWR), with prayer for provisional authority is hereby MADE PERMANENT.* *Accordingly, a MAR of PhP44,567.18 Million for CY 2013 and a PIS reward claim of PhP609.05 Million are hereby APPROVED. "* • On February 14, 2014, the NGCP filed their "MOTION" (for the Approval of the 2012 Net Performance Incentive True-up Adjustment). NGCP moves for the Honorable Commission to adopt the 2012 Customer Service Survey (CSS) Results conducted by UPSCRFI as the true-up adjustment mechanism and for the

ERC DECISION/CASE NO.	DATE OF FILING	NATURE OF PETITION	GROUNDS FOR FILING	STATUS
				recovery of the 2012 Net Performance Incentive Adjustment of Php39.53Mn, inclusive of time value of money, within six (6) months starting from June 2014 Billing Period.
ERC Case No. 2011-108 RC	August 2, 2011	In the Matter of the Application for the Approval of the Batangas-Mindoro Interconnection Project (BMIP)	• ISSUE, immediately upon filing of the Application, a Provisional Authority for the implementation of the Batangas-Mindoro Interconnection Project; and • APPROVE, after notice and hearing, the Application for the implementation of the Batangas-Mindoro Interconnection Project and render judgment making provisional approval permanent.	• On October 22, 2013, clarificatory hearing was conducted in order for NGCP to further explain the manifestation they submitted to ERC on October 3, 2013.

Source: Transco

Annex 4. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
1	Jul-2006	3,094,164.95	1,355,434.37	44%	1,738,730.58	56%
2	Aug-2006	3,147,800.36	1,159,428.23	37%	1,988,372.13	63%
3	Sep-2006	3,314,855.13	1,291,334.84	39%	2,023,520.30	61%
4	Oct-2006	2,873,285.25	1,224,467.60	43%	1,648,817.65	57%
5	Nov-2006	3,234,958.03	1,069,288.10	33%	2,165,669.93	67%
6	Dec-2006	2,972,091.65	519,152.06	17%	2,452,939.59	83%
7	Jan-2007	3,035,805.04	589,925.05	19%	2,445,879.99	81%
8	Feb-2007	3,102,610.89	510,281.30	16%	2,592,329.59	84%
9	Mar-2007	2,980,658.77	536,155.65	18%	2,444,503.12	82%
10	Apr-2007	3,407,504.68	698,602.96	21%	2,708,901.72	79%
11	May-2007	3,460,944.49	503,878.03	15%	2,957,066.46	85%
12	Jun-2007	3,561,655.99	805,535.91	23%	2,756,120.08	77%
13	Jul-2007	3,408,973.90	531,237.60	16%	2,877,736.29	84%
14	Aug-2007	3,286,050.22	460,225.65	14%	2,825,824.57	86%
15	Sep-2007	3,362,494.13	358,578.07	11%	3,003,916.06	89%
16	Oct-2007	3,229,031.96	247,585.19	8%	2,981,446.77	92%
17	Nov-2007	3,204,655.78	346,596.90	11%	2,858,058.88	89%
18	Dec-2007	3,083,441.24	371,343.26	12%	2,712,097.98	88%
19	Jan-2008	3,131,009.80	411,372.54	13%	2,719,637.26	87%
20	Feb-2008	3,212,635.82	454,532.74	14%	2,758,103.08	86%
21	Mar-2008	3,041,008.30	354,398.37	12%	2,686,609.93	88%
22	Apr-2008	3,634,855.57	634,329.07	17%	3,000,526.50	83%
23	May-2008	3,323,367.13	356,234.23	11%	2,967,132.90	89%
24	Jun-2008	3,538,106.32	400,132.11	11%	3,137,974.21	89%
25	Jul-2008	3,435,104.78	408,863.87	12%	3,026,240.91	88%
26	Aug-2008	3,399,912.16	372,803.00	11%	3,027,109.16	89%
27	Sep-2008	3,530,050.75	511,447.58	14%	3,018,603.17	86%
28	Oct-2008	3,421,671.57	466,154.42	13.6%	2,955,517.15	86%
29	Nov-2008	3,447,266.38	535,759.02	15.5%	2,911,507.37	84%
30	Dec-2008	3,151,245.74	545,175.13	17.3%	2,606,070.61	83%
31	Jan-2009	2,906,720.56	604,622.65	20.8%	2,302,097.92	79%
32	Feb-2009	3,358,810.66	766,465.14	22.8%	2,592,345.53	77%

Annex 4. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
33	Mar-2009	3,222,969.29	537,701.69	16.7%	2,685,267.60	83%
34	Apr-2009	3,503,547.55	414,910.72	11.8%	3,088,636.83	88%
35	May-2009	3,463,438.29	516,030.34	14.9%	2,947,407.95	85%
36	Jun-2009	3,608,313.89	475,456.08	13.2%	3,132,857.82	87%
37	Jul-2009	3,538,571.31	357,675.26	10.1%	3,180,896.05	90%
38	Aug-2009	3,671,459.51	586,189.83	16.0%	3,085,269.69	84%
39	Sep-2009	3,652,903.81	486,078.85	13.3%	3,166,824.96	87%
40	Oct-2009	3,347,101.84	512,979.44	15.3%	2,834,122.40	85%
41	Nov-2009	3,575,986.76	474,059.82	13.3%	3,101,926.94	87%
42	Dec-2009	3,381,576.00	447,970.83	13.2%	2,933,605.16	87%
43	Jan-2010	3,391,691.08	464,968.76	13.7%	2,926,722.32	86%
44	Feb-2010	3,709,258.54	678,908.20	18.3%	3,030,350.34	82%
45	Mar-2010	3,496,870.27	479,469.01	13.7%	3,017,401.26	86%
46	Apr-2010	3,785,877.48	587,784.31	15.5%	3,198,093.17	84%
47	May-2010	4,025,236.25	632,741.76	15.7%	3,392,494.49	84%
48	Jun-2010	4,120,067.20	711,151.61	17.3%	3,408,915.59	83%
49	Jul-2010	3,705,460.47	594,644.27	16.0%	3,110,816.20	84%
50	Aug-2010	3,900,844.43	462,747.56	11.9%	3,438,096.86	88%
51	Sep-2010	3,893,171.32	321,815.88	8.3%	3,571,355.44	92%
52	Oct-2010	3,721,843.57	363,704.17	9.8%	3,358,139.40	90%
53	Nov-2010	3,791,123.99	448,742.73	11.8%	3,342,381.26	88%
54	Dec-2010	3,618,918.64	403,623.82	11.2%	3,215,294.82	89%
55	Jan-2011	4,065,400.56	272,481.78	6.7%	3,792,918.77	93%
56	Feb-2011	4,405,384.21	470,203.49	10.7%	3,935,180.72	89%
57	Mar-2011	4,072,738.35	263,789.55	6.5%	3,808,948.79	94%
58	Apr-2011	4,313,514.71	202,777.98	5%	4,110,736.73	95%
59	May-2011	4,675,217.40	399,466.39	9%	4,275,751.00	91%
60	Jun-2011	4,665,692.14	453,082.12	10%	4,212,610.01	90%
61	Jul-2011	4,496,424.04	358,118.31	8%	4,138,305.73	92%
62	Aug-2011	4,588,527.67	280,049.63	6%	4,308,478.03	94%

Annex 4. Metered Quantity, Spot Quantity, Bilateral Quantity (MWh)

Billing Month		Metered Quantity (Load), MWh	Spot Quantity (Load), MWh	%	Bilateral Contract Quantity, MWh	%
63	Sep-2011	4,591,257.49	364,979.67	8%	4,226,277.81	92%
64	Oct-2011	4,359,048.50	435,802.47	10%	3,923,246.03	90%
65	Nov-2011	4,597,790.37	460,942.12	10%	4,136,848.25	90%
66	Dec-2011	4,386,874.52	524,084.49	12%	3,862,790.03	88%
67	Jan-2012	4,335,207.47	261,447.91	6%	4,073,759.57	94%
68	Feb-2012	4,519,990.57	251,555.63	6%	4,268,434.94	94%
69	Mar-2012	4,416,326.59	389,036.20	9%	4,027,290.40	91%
70	Apr-2012	4,724,661.49	303,929.41	6%	4,420,732.08	94%
71	May-2012	4,980,881.89	373,513.98	7%	4,607,367.91	93%
72	Jun-2012	5,080,154.44	513,897.32	10%	4,566,257.12	90%
73	Jul-2012	4,756,271.85	686,471.55	14%	4,069,800.30	86%
74	Aug-2012	4,502,480.50	288,702.16	6%	4,213,766.33	94%
75	Sep-2012	4,745,836.69	391,723.48	8%	4,354,113.21	92%
76	Oct-2012	4,656,469.61	382,553.20	8%	4,273,916.41	92%
77	Nov-2012	4,744,798.66	405,825.13	9%	4,338,973.53	91%
78	Dec-2012	4,607,806.64	425,066.37	9%	4,182,740.26	91%
79	Jan-2013	4,414,305.72	389,527.57	9%	4,024,778.15	91%
80	Feb-2013	4,621,906.41	436,075.11	9%	4,185,831.30	91%
81	Mar-2013	4,440,321.96	489,406.63	11%	3,950,915.33	89%
82	Apr-2013	5,165,108.01	690,301.91	13%	4,474,806.09	87%
83	May-13	5,164,987.79	649,414.99	13%	4,515,572.80	87%
84	June-13	5,216,803.55	462,431.41	9%	4,754,372.14	91%
85	July-13	4,987,292.11	372,992.40	7%	4,614,299.70	93%
86	Aug-13	4,849,001.48	298,890.93	6%	4,550,110.55	94%
87	Sep-13	4,987,626.49	376,226.02	8%	4,611,400.47	92%
88	Oct-13	4,766,261.63	512,972.96	11%	4,253,288.67	89%
89	Nov-13	4,677,500.80	528,864.25	11%	4,148,636.54	89%
90	Dec-13	4,609,734.84	596,725.33	13%	4,013,009.51	87%
91	Jan-14	4,312,799.83	237,572.21	6%	4,075,227.62	94%
92	Feb-14	4,567,631.21	381,847.63	8%	4,185,783.58	92%
93	Mar-14	4,377,185.09	363,153.84	8%	4,014,031.24	92%

Source: PEM

Annex 5. Demand and Energy Offers (MW) (Luzon)

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
1	Jul-2006	6,111	7,185	4,778	6,242	2,634
2	Aug-2006	5,888	5,950	4,634	6,027	2,094
3	Sep-2006	6,113	6,705	4,887	6,446	1,743
4	Oct-2006	5,895	6,653	4,323	5,818	1,866
5	Nov-2006	5,894	5,808	4,715	5,769	2,223
6	Dec-2006	5,869	5,925	4,468	5,257	3,188
7	Jan-2007	5,739	5,794	4,407	5,250	1,815
8	Feb-2007	6,021	5,965	4,529	5,371	1,737
9	Mar-2007	6,108	5,747	4,845	5,362	1,846
10	Apr-2007	6,559	6,268	4,991	5,284	1,769
11	May-2007	6,590	6,831	5,249	5,766	770
12	Jun-2007	6,547	6,308	5,187	5,631	1,137
13	Jul-2007	6,413	5,384	5,124	5,099	1,454
14	Aug-2007	6,339	6,015	4,880	5,675	953
15	Sep-2007	6,376	6,073	4,894	5,568	1,440
16	Oct-2007	6,103	6,260	4,872	5,723	1,725
17	Nov-2007	6,088	5,964	4,659	5,833	1,608
18	Dec-2007	6,092	5,989	4,645	5,529	1,106
19	Jan-2008	5,949	6,495	4,564	5,594	1,166
20	Feb-2008	6,034	5,880	4,676	5,410	1,618
21	Mar-2008	6,205	5,664	4,725	5,337	1,800
22	Apr-2008	6,619	6,584	5,301	5,949	1,149
23	May-2008	6,590	7,141	5,035	6,344	967
24	Jun-2008	6,681	6,733	5,159	6,639	860
25	Jul-2008	6,512	6,401	5,164	5,909	1,168
26	Aug-2008	6,373	6,795	4,948	6,189	1,459
27	Sep-2008	6,448	6,516	5,120	6,534	1,300
28	Oct-2008	6,520	6,316	5,124	5,825	1,845
29	Nov-2008	6,395	6,361	4,986	5,828	1,204
30	Dec-2008	6,338	6,826	4,711	6,327	946
31	Jan-2009	6,050	6,512	4,191	5,603	1,472
32	Feb-2009	6,421	6,240	4,853	5,969	1,281
33	Mar-2009	6,638	6,721	5,167	6,315	1,104
34	Apr-2009	6,810	7,220	5,068	6,374	1,383
35	May-2009	6,842	7,493	5,157	6,788	1,250
36	Jun-2009	6,932	7,374	5,203	6,876	1,432
37	Jul-2009	6,819	7,482	5,258	6,875	980
38	Aug-2009	6,833	7,263	5,255	6,692	1,577
39	Sep-2009	6,870	7,044	5,228	7,007	1,592
40	Oct-2009	6,501	6,532	4,935	6,511	2,427
41	Nov-2009	6,585	7,474	5,141	6,912	1,024
42	Dec-2009	6,564	7,195	5,070	6,720	1,176
43	Jan-2010	6,391	6,266	4,902	5,813	2,071
44	Feb-2010	6,877	6,783	5,435	5,592	2,520

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
45	Mar-2010	7,037	6,347	5,683	5,864	1,867
46	Apr-2010	7,296	7,169	5,574	6,079	1,696
47	May-2010	7,558	7,152	6,101	6,932	631
48	Jun-2010	7,643	7,791	6,027	6,618	1,245
49	Jul-2010	7,242	7,447	5,605	6,247	1,712
50	Aug-2010	7,042	7,049	5,699	6,780	1,737
51	Sep-2010	7,039	7,170	5,656	6,480	2,193
52	Oct-2010	7,044	6,731	5,576	5,986	2,445
53	Nov-2010	6,842	6,857	5,512	6,229	2,214
54	Dec-2010	6,902	7,028	5,543	6,354	2,121
55	Jan-2011	6,587	6,778	5,035	6,299	
56	Feb-2011	6,864	7,161	5,366	6,796	
57	Mar-2011	6,973	7,655	5,484	7,279	
58	Apr-2011	7,037	7,419	5,384	6,953	
59	May-2011	7,507	7,326	6,059	6,892	
60	Jun-2011	7,530	7,338	5,828	6,964	
61	Jul-2011	7,404	7,742	5,814	6,722	
62	Aug-2011	7,188	7,394	5,699	6,847	
63	Sep-2011	7,099	7,039	5,686	6,789	
64	Oct-2011	7,219	7,252	5,594	6,552	
65	Nov-2011	7,193	7,157	5,713	7,015	
66	Dec-2011	7,137	7,154	5,610	6,896	
67	Jan-2012	7,034	6,978	5,395	6,622	
68	Feb-2012	7,164	7,635	5,650	7,183	
69	Mar-2012	7,500	7,935	5,942	7,289	
70	Apr-12	7,894	7,590	5,939	7,251	
71	May-12	7,898	7,660	6,484	6,985	
72	Jun-12	7,685	6,987	6,220	6,710	
73	Jul-12	7,564	7,098	5,976	6,700	
74	Aug-12	7,244	7,895	5,488	7,667	
75	Sep-12	7,298	7,244	5,849	7,345	
76	Oct-12	7,394	7,426	5,949	7,220	
77	Nov-12	7,434	7,071	5,878	7,239	
78	Dec-12	7,362	7,002	5,958	7,044	
79	Jan-13	7,031	7,746	5,461	7,048	
80	Feb-13	7,242	7,831	5,797	7,349	
81	Mar-13	7,684	7,440	6,147	7,387	
82	Apr-13	8,232	7,674	6,469	7,270	
83	May-13	8,237	7,642	6,674	7,536	
84	June-13	8,178	8,253	6,543	7,774	
85	July-13	8,017	8,474	6,461	8,448	
86	Aug-13	7,764	8,560	5,969	7,892	
87	Sep-13	7,918	8,980	6,125	8,099	

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
88	Oct-13	7,582	7,777	6,072	7,170	
89	Nov-13	7,495	7,622	5,960	7,110	
90	Dec-13	7,606	8,384	6,044	7,227	
91	Jan-14	7,066	8,160	5,418	7,933	
92	Feb-14	7,475	8,604	5,788	8,031	
93	Mar-14	7,639	7,798	6,077	7,018	

Source: PEMC

Annex 6. Demand and Energy Offers (MW) (Visayas)

Billing Month		Peak Demand	Coincidental Energy Offers	Average Demand	Average Energy Offers	Average Capacity on Outage
55	Jan-2011	1,264	1,305	948	1,243	
56	Feb-2011	1,282	1,272	968	1,207	
57	Mar-2011	1,309	1,389	999	1,277	
58	Apr-2011	1,346	1,511	1,004	1,363	
59	May-2011	1,383	1,493	1,087	1,434	
60	Jun-2011	1,356	1,490	1,069	1,446	
61	Jul-2011	1,381	1,560	1,071	1,490	
62	Aug-2011	1,355	1,587	1,051	1,509	
63	Sep-2011	1,405	1,511	1,085	1,559	
64	Oct-2011	1,377	1,532	1,064	1,494	
65	Nov-2011	1,407	1,669	1,076	1,460	
66	Dec-2011	1,447	1,618	1,084	1,527	
67	Jan-2012	1,369	1,586	1.020	1,527	
68	Feb-2012	1,348	1,605	1,024	1,531	
69	Mar-2012	1,369	1,600	1,069	1,532	
70	Apr-12	1,460	1,710	1,085	1,603	
71	May-12	1,444	1,647	1,153	1,600	
72	Jun-12	1,423	1,728	1,118	1,618	
73	Jul-12	1,436	1,539	1,100	1,519	
74	Aug-12	1,462	1,623	1,130	1,547	
75	Sep-12	1,448	1,651	1,119	1,531	
76	Oct-12	1,425	1,488	1,123	1,482	
77	Nov-12	1,467	1,503	1,125	1,496	
78	Dec-12	1,486	1,703	1,113	1,541	
79	Jan-13	1,417	1,729	1,087	1,607	
80	Feb-13	1,408	1,706	1,075	1,584	
81	Mar-13	1,475	1,754	1,153	1,641	
82	Apr-13	1,484	1,598	1,176	1,552	
83	May-13	1,572	1,557	1,249	1,625	
84	June-13	1,526	1,671	1,187	1,575	
85	July-13	1,510	1,660	1,176	1,585	
86	Aug-13	1,499	1,622	1,148	1,565	
87	Sep-13	1,528	1,692	1,194	1,575	
88	Oct-13	1,458	1,664	1,140	1,466	
89	Nov-13	1,489	1,611	936	1,487	
90	Dec-13	1,260	1,247	953	1,190	
91	Jan-14	1,294	1,346	942	1,312	
92	Feb-14	1,307	1,463	971	1,370	
93	Mar-14	1,367	1,565	1,068	1,511	

Source: PEMC

Annex 7. Generation Mix (%)

Billing Month			Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
1	Jul-06	12.53%	9.28%	33.67%	43.16%	1.27%	0.09%	
2	Aug-06	21.78%	8.89%	24.27%	44.91%	0.08%	0.07%	
3	Sep-06	18.37%	9.29%	29.71%	42.49%	0.09%	0.04%	
4	Oct-06	13.81%	6.34%	28.65%	49.74%	1.25%	0.21%	
5	Nov-06	15.72%	7.03%	26.93%	47.25%	2.90%	0.17%	
6	Dec-06	17.15%	6.58%	30.53%	35.12%	10.24%	0.38%	
7	Jan-07	11.72%	6.61%	30.30%	50.47%	0.61%	0.30%	
8	Feb-07	10.76%	9.57%	28.08%	49.97%	1.46%	0.15%	
9	Mar-07	8.62%	9.46%	33.48%	45.65%	2.66%	0.14%	
10	Apr-07	6.67%	8.83%	31.52%	46.03%	6.84%	0.11%	
11	May-07	5.12%	7.47%	36.34%	48.21%	2.80%	0.06%	
12	Jun-07	9.29%	8.88%	32.39%	44.63%	4.80%	0.02%	
13	Jul-07	8.93%	9.57%	32.21%	39.69%	9.56%	0.04%	
14	Aug-07	9.29%	10.14%	33.72%	44.87%	1.88%	0.09%	
15	Sep-07	11.80%	10.62%	29.68%	47.24%	0.61%	0.04%	
16	Oct-07	16.15%	11.26%	31.15%	39.86%	1.35%	0.23%	
17	Nov-07	17.07%	11.54%	31.76%	38.46%	0.91%	0.28%	
18	Dec-07	16.09%	11.71%	30.97%	37.42%	3.61%	0.20%	
19	Jan-2008	11.32%	11.60%	31.77%	43.24%	1.83%	0.25%	
20	Feb-2008	11.76%	11.48%	29.86%	43.77%	2.86%	0.26%	
21	Mar-2008	11.92%	10.85%	21.28%	52.86%	2.88%	0.21%	
22	Apr-2008	7.68%	9.93%	29.26%	48.43%	4.63%	0.07%	
23	May-2008	12.08%	10.07%	27.65%	49.28%	0.85%	0.08%	
24	Jun-2008	14.92%	10.23%	28.65%	45.09%	1.09%	0.03%	
25	Jul-2008	12.88%	9.40%	29.65%	42.99%	5.04%	0.04%	
26	Aug-2008	15.07%	11.42%	21.23%	47.02%	5.18%	0.08%	
27	Sep-2008	14.91%	10.41%	24.68%	45.40%	4.54%	0.05%	
28	Oct-2008	15.37%	9.31%	32.54%	39.82%	2.84%	0.12%	
29	Nov-2008	10.92%	9.59%	36.02%	40.69%	2.61%	0.18%	
30	Dec-2008	11.44%	9.28%	33.34%	45.08%	0.57%	0.29%	
31	Jan-2009	11.61%	12.99%	36.68%	37.97%	0.34%	0.40%	
32	Feb-2009	10.16%	10.24%	35.38%	42.23%	1.81%	0.17%	
33	Mar-2009	7.77%	10.10%	32.95%	46.79%	2.31%	0.09%	
34	Apr-2009	6.17%	9.72%	32.54%	46.65%	4.76%	0.15%	
35	May-2009	11.42%	8.92%	29.58%	44.95%	4.95%	0.17%	
36	Jun-2009	14.27%	8.46%	26.88%	45.88%	4.44%	0.08%	
37	Jul-2009	13.85%	8.33%	30.58%	45.82%	1.38%	0.04%	
38	Aug-2009	17.95%	7.75%	26.92%	43.92%	3.42%	0.04%	
39	Sep-2009	17.01%	7.12%	24.69%	47.59%	3.56%	0.04%	
40	Oct-2009	21.46%	8.08%	20.64%	46.80%	2.92%	0.11%	

Billing Month			Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
41	Nov-2009	11.41%	8.84%	30.12%	46.82%	2.62%	0.19%	
42	Dec-2009	9.76%	8.91%	30.80%	48.50%	1.79%	0.24%	
43	Jan-2010	9.58%	9.76%	30.48%	45.93%	3.97%	0.28%	
44	Feb-2010	8.19%	8.04%	42.71%	32.69%	8.27%	0.10%	
45	Mar-2010	6.45%	8.56%	46.90%	28.70%	9.30%	0.08%	
46	Apr-2010	4.53%	7.46%	43.11%	37.75%	7.00%	0.15%	
47	May-2010	3.86%	6.51%	44.52%	40.50%	4.57%	0.04%	
48	Jun-2010	4.69%	6.46%	42.54%	40.69%	5.58%	0.04%	
49	Jul-2010	8.75%	6.47%	35.74%	41.20%	7.81%	0.02%	
50	Aug-2010	11.25%	6.51%	35.38%	41.44%	5.28%	0.14%	
51	Sep-2010	11.36%	6.56%	33.22%	44.17%	4.62%	0.06%	
52	Oct-2010	9.87%	7.46%	33.21%	43.92%	5.46%	0.08%	
53	Nov-2010	12.15%	7.51%	34.93%	42.51%	2.64%	0.26%	
54	Dec-2010	9.70%	7.70%	37.60%	42.70%	2.00%	0.30%	
55	Jan-2011	8.30%	18.00%	39.10%	33.10%	1.10%	0.30%	0.006%
56	Feb-2011	7.66%	16.58%	34.94%	39.66%	0.93%	0.22%	0.009%
57	Mar-2011	7.07%	15.25%	38.49%	38.16%	0.72%	0.25%	0.071%
58	Apr-2011	8.3%	18.0%	39.8%	32.9%	0.7%	0.312%	0.013%
59	May-2011	7.6%	16.7%	35.0%	39.4%	1.0%	0.218%	0.023%
60	Jun-2011	7.1%	15.2%	38.4%	38.0%	1.1%	0.239%	0.050%
61	Jul-2011	5.6%	15.9%	39.8%	37.6%	0.8%	0.219%	0.122%
62	Aug-2011	4.4%	14.6%	42.2%	35.7%	2.9%	0.056%	0.036%
63	Sep-2011	5.8%	15.1%	41.1%	36.9%	1.0%	0.049%	0.000%
64	Oct-11	13.7%	14.3%	34.6%	34.3%	3.1%	0.100%	0.006%
65	Nov-11	10.7%	14.5%	36.5%	36.6%	1.4%	0.196%	0.059%
66	Dec-11	10.2%	15.5%	37.6%	34.9%	1.4%	0.294%	0.086%
67	Jan-12	9.0%	16.2%	36.0%	37.0%	1.4%	0.285%	0.089%
68	Feb-12	8.0%	15.8%	39.0%	35.8%	1.1%	0.167%	0.115%
69	Mar-12	6.8%	16.1%	40.1%	35.3%	1.6%	0.128%	0.088%
70	Apr-12	6.0%	15.7%	42.5%	33.4%	2.1%	0.118%	0.065%
71	May-12	5.5%	14.4%	42.9%	33.3%	4.0%	0.018%	0.012%
72	Jun-12	7.00%	14.86%	41.28%	32.86%	3.87%	0.10%	0.01%
73	Jul-12	8.99%	15.52%	41.23%	31.17%	3.06%	0.03%	0.01%
74	Aug-12	16.22%	15.53%	35.17%	32.30%	0.63%	0.14%	0.00%
75	Sep-12	14.78%	14.56%	35.95%	33.03%	1.61%	0.07%	0.00%
76	Oct-12	9.59%	14.74%	40.85%	32.29%	2.29%	0.19%	0.04%
77	Nov-12	8.63%	14.98%	44.72%	29.34%	2.08%	0.14%	0.10%
78	Dec-12	7.6%	14.7%	45.2%	28.4%	3.9%	0.2%	0.1%
79	Jan-13	8.0%	16.1%	38.8%	36.2%	0.5%	0.2%	0.1%
80	Feb-13	7.0%	16.2%	43.3%	32.8%	0.4%	0.2%	0.2%

Billing Month			Geo	Coal	Nat Gas	Diesel/Oil	Wind	Biofuel
81	Mar-13	6.3%	14.4%	45.6%	32.2%	1.3%	0.1%	0.2%
82	Apr-13	5.6%	14.3%	45.4%	31.1%	3.3%	0.1%	0.1%
83	May-13	5.8%	13.7%	46.3%	31.5%	2.5%	0.0%	0.0%
84	June-13	6.7%	13.5%	48.8%	29.4%	1.6%	0.019%	0.021%
85	July-13	7.6%	13.2%	49.9%	28.8%	0.5%	0.029%	0.009%
86	Aug-13	11.0%	14.6%	43.0%	30.3%	1.0%	0.077%	0.002%
87	Sep-13	15.5%	14.7%	40.3%	28.6%	0.9%	0.057%	0.011%
88	Oct-13	12.6%	14.6%	37.1%	32.4%	3.0%	0.110%	0.106%
89	Nov-13	9.9%	10.7%	48.9%	25.7%	4.5%	0.194%	0.129%
90	Dec-13	10.2%	10.0%	48.3%	24.8%	6.2%	0.208%	0.188%
91	Jan-14	8.5%	12.9%	44.3%	33.0%	0.9%	0.220%	0.154%
92	Feb-14	7.7%	14.3%	44.8%	32.0%	0.9%	0.154%	0.237%
93	Mar-14	5.9%	15.2%	47.3%	27.7%	3.5%	0.151%	0.277%

Source: PEMC

Annex 8. WESM Effective Settlement Prices

EFFECTIVE SETTLEMENT PRICES (PhP/MWh)				
Billing Month		ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
1	Jul-2006	3,255.36	3,094.12	3,152
2	Aug-2006	3,767.94	3,577.67	3,373
3	Sep-2006	4,129.05	4,129.05	3,624
4	Oct-2006	4,159.09	4,159.09	3,750
5	Nov-2006	6,092.03	5,746.92	4,115
6	Dec-2006	9,807.99	8,731.92	4,542
7	Jan-2007	3,981.62	3,791.67	4,481
8	Feb-2007	4,932.45	4,810.36	4,501
9	Mar-2007	5,936.19	5,370.34	4,560
10	Apr-2007	8,738.61	8,592.97	4,871
11	May-2007	7,555.25	6,484.51	4,962
12	Jun-2007	7,164.04	6,031.63	5,062
13	Jul-2007	8,768.71	8,350.31	5,223
14	Aug-2007	4,626.97	4,348.65	5,196
15	Sep-2007	4,309.14	3,538.37	5,147
16	Oct-2007	6,244.44	3,599.09	5,119
17	Nov-2007	5,276.00	2,618.23	5,056
18	Dec-2007	6,793.73	6,425.61	5,098
19	Jan-2008	2,551.23	2,278.66	5,010
20	Feb-2008	5,729.20	5,389.93	5,024
21	Mar-2008	6,723.81	6,373.18	5,060
22	Apr-2008	6,006.01	5,545.63	5,085
23	May-2008	2,315.63	1,734.50	5,005
24	Jun-2008	3,370.16	2,100.68	4,933
25	Jul-2008	16,600.93	7,872.34	5,037
26	Aug-2008	4,124.77	4,124.77	5,016
27	Sep-2008	3,911.62	3,911.62	4,981
28	Oct-2008	4,009.38	4,009.38	4,955
29	Nov-2008	5,520.95	4,833.61	4,954
30	Dec-2008	1,244.97	786.69	4,831
31	Jan-2009	1,881.33	1,797.76	4,733

EFFECTIVE SETTLEMENT PRICES (PhP/MWh)				
Billing Month		ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
32	Feb-2009	3,062.87	2,893.06	4,662
33	Mar-2009	3,395.09	2,774.35	4,614
34	Apr-2009	4,350.10	3,798.38	4,598
35	May-2009	2,871.07	2,516.38	4,548
36	Jun-2009	2,519.61	2,207.39	4,497
37	Jul-2009	3,294.88	2,041.02	4,459
38	Aug-2009	2,291.13	1,986.39	4,395
39	Sep-2009	2,080.29	1,148.78	4,328
40	Oct-2009	1,445.37	1,396.63	4,264
41	Nov-2009	2,287.51	2,089.83	4,221
42	Dec-2009	3,656.20	3,304.74	4,205
43	Jan-2010	4,559.03	4,425.10	4,209
44	Feb-2010	11,286.94	10,999.48	4,393
45	Mar-2010	13,383.73	12,253.53	4,541
46	Apr-2010	8,873.98	8,725.72	4,635
47	May-2010	8,467.56	7,933.40	4,714
48	Jun-2010	8,737.16	8,265.95	4,807
49	Jul-2010	10,542.92	9,089.57	4,902
50	Aug-2010	5,952.68	5,034.90	4,906
51	Sep-2010	8,980.91	7,508.47	4,936
52	Oct-2010	10,276.10	9,543.00	4,993
53	Nov-2010	7,492.27	7,011.72	5,024
54	Dec-2010	6,824.19	6,394.00	5,043
55	Jan-2011	3,388		
56	Feb-2011	3,453		
57	Mar-2011	2,554		
58	Apr-2011	3,404		
59	May-2011	6,408		
60	Jun-2011	4,189		

EFFECTIVE SETTLEMENT PRICES (PhP/MWh)				
Billing Month		ESP (w/ Surplus)	ESP (w/o Surplus)	Cumulative Average ESP
61	Jul-2011	5,179		
62	Aug-2011	4,395		
63	Sep-2011	5,035		
64	Oct-2011	8,192		
65	Nov-2011	6,050		
66	Dec-2011	5,548		
67	Jan-2012	6,321		
68	Feb-2012	4,122		
69	Mar-2012	5,405		
70	Apr-2012	4,300		
71	May-2012	8,914		
72	Jun-2012	12,667		
73	Jul-2012	10,725		
74	Aug-2012	3,572		
75	Sep-2012	5,806		
76	Oct-2012	7,543		
77	Nov-2012	7,015		
78	Dec-12	8,057		
79	Jan-13	3,262		
80	Feb-13	3,163		
81	Mar-13	5,719		
82	Apr-13	7,740		
83	May-13	6,838		
84	June-13	5.780		
85	July-13	3,737		
86	Aug-13	4,439		
87	Sep-13	3,726		
88	Oct-13	8,253		
89	Nov-13	16,895		
90	Dec-13	25,667		
91	Jan-14	2,655		
92	Feb-14	2,853		
93	Mar-14	9,123		

Source: PEMC

Annex 9. Private Sector Initiated Power Projects in Luzon (COMMITTED) as of 28 February 2014

Committed/ Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			**652.00**		
Committed	135 MW Puting Bato Coal Fired Power Plant Phase I	South Luzon Thermal Energy Corp. (SLTEC)	Brgy. Puting Bato West, Calaca, Batangas	135	-Financial Arrangement Secured on 28 October 2014; -GIS approved by NGCP on 17 May 2013; -Started Construction on December 2011; -Construction Duration - 32 Months; -Ground breaking - February 2012; -Target Testing & Commissioning - May 2014; -Target Commercial Operation - October 2014; -Project cost is Php12.9B	May 2014
Committed	2 X 150 MW SLPGC Coal-Fired Power Plant Phase I	Southwest Luzon Power Generation Corporation (Project Company)	Brgy. San Rafael, Calaca, Batangas	300	-Financial Arrangement Secured on 24 February 2012 (60% Loan / 40% Equity); - GIS approved by NGCP on 8 November 2011; -On-going negotiations with prospective off-takes (DUs and those currently with PSAs and contestable market under Open Access Regime; -Site Mobilization / Commencement of Construction on May 2012; -Groundbreaking - May 2012; -Target Testing & Commissioning 1st Unit - July 2014/ 2nd Unit-October 2014; -Target Commercial Operation - Unit 1 - Nov 2014, Unit 2 - February 2015; -Project cost for Phase I is Php20.4B	Unit I - July 2014 Unit II - October 2014
Committed	135 MW Puting Bato Coal Fired Power Plant Phase II	South Luzon Thermal Energy Corp. (SLTEC)	Brgy. Puting Bato West, Calaca, Batangas	135	-Financial Close with tenders on 1 July 2013; -GIS approved by NGCP on 17 May 2013; -Started Construction on August 2013; -Construction Duration - 28 Months; -Groundbreaking Target Date - August 2013; -Target Testing and Commissioning on June 2015; -Target Commercial Operation - November 2015 -Project cost is Php 9.6B	June 2015
Committed	Anda Power Corporation's 82 MW Ciculating Fluidized Bed Coal Fired Power Plant	Anda Power Corporation	Brgy. Bundagul, Mabalacat, Pampanga	82	- Financial Arrangement Secured ; - On-going negotiations with offtakers; - Commencement of Construction:March 2014; - Target Testing and Commissioning: September 2015; - Target Testing and Commissioning: March 2016; - Total Project Cost- $196,246,837.63;	September 2015

Committed/ Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	NATURAL GAS			**1,150.00**		
Committed	Pagbilao 600 MW Combined Cycle Gas Fired Power Plant Proposed 3x200 MW CCGT Power Plant	Energy World Corporation	Brgy. Ibabang Polo, Grande Island, Pagbilao, Quezon	600	-Financial Arrangement Secured : Financing equity will be 100% sourced from EWC; - GIS for 300MW issued by NGCP on 8 August 2013 and revised on 3 July 2013 for 600MW ; Issued DOE Endorsement for Revised Capacity on 3 July 2013; Revised DOE clearance for GIS submitted to NGCP on January 2014; -Land is already secured with a long lease entered into since 2007; -Commencement of Construction: December 2013; -Off-taker:No specific offtaker yet but already have a discussion with Federation of Philippine Industries, intended to supply power into the Wholesale Electricity Spot Market but is also open to discussing potential off take arrangements as well; -LNG Tank is currently at 40% construction completed as of February 2014; -Target Testing & Commissioning: (December 2014: 1st Unit -200MW, December 2015:2nd Unit-200MW, December 2016:3rd Unit-200MW); -Target Commercial Operation: (December 2014: 1st Unit -200MW, December 2015:2nd Unit-200MW, December 2016:3rd Unit-200MW); -Project Cost:$300M	Dec 2014:1st Unit - 200MW, Dec 2015:2nd Unit-200MW Dec 2016:3rd Unit-200MW
Committed	100 MW San Gabriel Avion Project	Prime Meridian PowerGen Corporation (Project Company)	Barangay Bolbok, Batangas	100	-Financial Arrangement Secured : -Secured Clearance from DOE for the conduct of GIS on 21 June 2011; -GIS with NGCP for finalization by the end of February 2014 ; -Off-taker: Discussion with target off-takers on-going; -Commencement of Construction will be on October 2013; -Target Testing & Commissioning: December 2014 -Target Commercial Operation: October 2015; -Project cost is Php10B	December 2014

Committed/ Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Committed	San Gabriel Power Plant	First Gas Power Corp.	San Gabriel, Batangas	450	-Financial Arrangement Secured : -Secured Clearance from DOE for the conduct of GIS on 18 February 2013 ; -SIS was approved by NGCP on 11 December 2013. ; -Commencement of Construction: December 2013; -Off-taker:Discussion with target offtakers targeted for the first half of 2014; -Target Testing & Commissioning: December 2015 -Target Commercial Operation: March 2016; - Project cost is US$600 Million;	December 2015
	HYDROPOWER			**33.30**		
Committed	Catuiran	Sta. Clara Power Corp.	Naujan, Oriental Mindoro	8.0	-Financial Arrangement Secured; -Ground breaking held in January 2013; -Issued Confirmation of Commerciality on 07 February 2013; -Submission lacking requirements e.g. permits in progress.	March 2016
Committed	Inabasan	Ormin Power, Inc.	San Teodoro, Oriental Mindoro	10.0	-Financial Arrangement Secured; -Ground breaking held on 29 July 2013; - Issued Confirmation of Commerciality on 28 May 2013; -Already secured DENR ECC, NCIP Certificate, and NWRB Permit; -Submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work Plan.	December 2015
Committed	Linao-Cawayan (Upper Cascade)	Oriental Mindoro Electric Cooperative, Inc.	Baco, Oriental Mindoro	2.1	-Financial Arrangement Secured; -On-going construction; - Already secured LGU Endorsement, DENR ECC, NWRB CWP, NCIP Compliance Certificate; -Submitted Feasibility Study and 5-Yr Work Plan. Financing from DBP; - Project cost PhP 293M.	March 2016
Committed	Sabangan	Hedcor Sabangan, Inc.	Mt. Province	13.2	-Financial Arrangement Secured; -Ground breaking held on June 2013; - Issued Confirmation of Commerciality on 28 August 2013.	June 2015

Committed/ Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	WIND			**253.50**		
Committed	Phase 1: Pililla Wind Power Project	Alternergy Wind One Corporation	Brgy. Halayhayin, Pililla, Rizal	67.5	-Financial Arrangement Secured -AWOC to finance the implementation of the project with 100% equity; -Awarded with Wind Energy Service Contract (WESC No. 2009-09-018) on 23 Oct 2009; -Acquired various LGU permits and resolutions of support, DENR Environmental Compliance Certificate, NCIP Certificate of Non-Overlap, Contract to Buy with private land owners, and clearances from DAR, NIA, LRA, HLURB, and Laguna Lake Development Authority; -Interconnection Agreement with MERALCO secured on 1 Mar 2012; -EPC and O&M Contract with consortium of Nordex SE and McConnell Donnell secured on 11 Jul 2012; -Secured Clearance from DOE for the conduct of GIS on 21 November 2011 ; -NGCP Review of Third Party SIS secured on 31 Jul 2012; -Acquired DOE Certificate of Confirmation of Commerciality on 16 May 2013; -Conducted Groundbreaking Ceremony on 18 Jun 2013; -Total project cost is US$177.9Million.	July 2015
Committed	Phase 1: Burgos Wind Power Project	EDC Burgos Wind Power Corporation	Nagsurot-Saoit, Burgos, Ilocos Norte	87	-Financial Arrangement Secured: Issued certification dated 13 March 2013 that EDC, its parent company, has the capacity to finance the project;100% equity financed; -Awarded with Wind Energy Service Contract (WESC No. 2009-09-004) on 14 Sept 2009; -Conducted detailed wind resource assessment; Acquired various LGU permits and resolutions of support, DENR Environmental Compliance Certificate, NCIP Certificate of Non-Overlap, Land Lease Agreement with private land owners, Forest Landuse Agreement with DENR for public land,DAR landuse conversion and exemption from CARP and CAAP Height Clearance permit; -Final Report of SIS and Connection Agreement with NGCP secured; -Supply, EPC and Service Energy Based Availability Agreement with the consortium of Vestas and First Balfuor secured; -Conducted Groundbreaking Ceremony on 17 Apr 2013; -On-going construction.	August 2014

Committed/ Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Committed	Caparispisan Wind Energy Project	Northern Luzon UPC Asia Corporation	Brgy. Caparispisan, Pagudpud, Ilocos Norte	81	-Financial Arrangement Secured: Submitted a certification from various Banks dated 12 July 2011; -Awarded with Wind Energy Service Contract (WESC No. 2009-09-005) on 14 Sept 2009; -Conducted detailed wind resource assessment; Conducted detailed wind resource assessment; -Completed detailed feasibility atudy; Acquired various LGU permits and resolutions of support, NCIP Certificate of Non-Overlap on 10 Apr 2007, Forest Landuse Agreement with DENR on 20 May 2009, DENR Environmental Compliance Certificate on 23 Jul 2009, DPWH Road Right-of-Way for T/L construction, and CAAP Height Clearance permit; -Final Report of SIS and Connection Agreement with NGCP secured on 4 Jan 2011; -BOI Registered on 23 Jun 2011; -Acquired DOE Certificate of Confirmation of Commerciality on 2 Jul 2013; -On-going construction -Total project cost is US$255Million.	September 2014
Committed	Phase 3: Bangui Bay Wind Power Project	NorthWind Power Development Corporation	Bangui, Ilocos Norte	18	-Financial Arrangement Secured with a Bank dated 15 July 2013; -Covered by WESC No. 2013-07-058 dated 26 February 2013; -Conducted detailed wind resource assessment; -Completed detailed feasibility study; Acquired various LGU permits and resolutions of support, NCIP Certificate of Non-Overlap, DENR Amended Environmental Compliance Certificate and CAAP Height Clearance permit; -Secured Clearance from DOE for the conduct of GIS on 12 February 2013 ; -Acquired DOE Certificate of Confirmation of Commerciality on 03 December 2013; -On-going construction; -Total project cost is US$48.5Million.	July 2014
	BIOMASS			**103.05**		
Committed	24 MW SJCiPower Rice Husk-Fired Biomass power Plant Project (Phase 1 - 12MW Phase 2 - 12 MW)	San Jose City I Power Corporation	Brgy. Tulat, San Jose, Nueva Ecija	24.00	-Financially Closed; -Ongoing construction (87.69% completed); -Permits obtained-ECC,LGU,LandUse Permit) EPC w/ Engcon of Singapore; BREOC 2011-01-013; -Secured Clearance from DOE for the conduct of GIS on 21 July 2011 ; -Issued Certificate Confirmation of Commerciality-Sept 2013;	Phase 1 -June 2014 Phase 2 - December 2014 (Subject to FIT)

Committed/ Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Groundbreaking on 12 Oct 2013; -Proj.Cost Php1.234B	
Committed	20 MW IBEC Biomass Power Plant	Isabela Biomass Energy Corporation	Isabela	18	-Financially Closed; -On-going construction (20% completed); - Permits obtained (ECC, LGU Endorsement, Land Use Permit, etc.); -Secured Clearance from DOE for the conduct of GIS on 22 April 2013 ; -Has EPC; -Subject to FIT; -Project cost is Php1.9B	March 2015 (Subject to FIT)
Committed	20 MW Waste-to-Energy Project using Thermal Gasifier Conversion	CJ Global Green Energy Philippine Corp.	Camarines Sur	18	-Financially Closed; -On-going construction	December 2015
Committed	12 MW Biomass Power Plant Project	Green Innovations for Tomorrow Corporation	Nueva Ecija	10.80	-Financially Closed; -On-going construction	July 2015
Committed	3.5 MW Bicol Biomass Energy Corporation	Bicol Biomass Energy Corporation	Camarines Sur	3.15	-Financially Closed; -On-going construction	2015
Committed	12 MW Multi-Feedstock Biomass Power Plant Project	Cagayan Biomass Energy Corporation	Cagayan	10.80	-Financially Closed; -For groundbreaking	2015
Committed	12 MW Biomass Power Project	Hypergreen	Bulacan	10.80	-Financially Closed; -For groundbreaking	2016
Committed	12.5 MW Bataan 2020 Rice hull-fired Cogen Plant	Bataan 2020 Inc.	Bataan	7.50	-Financially Closed; -Operating for Own-Use	---

Total Committed Rated Capacity: 2,191.85

Source: DOE

Annex 10. Private Sector Initiated Power Projects in Luzon (INDICATIVE) as of 28 February 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			**4,560.00**		
Indicative	2 X 20 MW FDC Camarines CFB Coal Power Plant	FDC Utilities, Inc.	Camarines Sur	40	-Completed technical and financial study; -Acquisition of project site ongoing; -Signed supply contract with franchised electric cooperative; -On-going negotiations for the financing arrangements and other permits; -Selection of EPC Contractor to commence after award of EPC contract for Danao; -Clearance to Underatake GIS from DOE issued on 29 December 2011; -On-going feasibility study and plant site evaluation; -On-going securing of regulatory requirements; -Other required permits and endorsement to be secured upon completion of pre-con activities;	March 2016
Indicative	2 X 300 MW Coal-Fired Power Plant	Redondo Peninsula Energy, Inc.	Sitio Naglatore, Cawag, Subic Bay Freeport Zone	600	-Feasibility study completed; -Project Site is leased from the Subic Bay Metropolitan Authority; Amended ECC (3rd Amendment) secured last 15 November 2012; -The Connection Agreement has been finalized and initialed.Execution after completion of NGCP's review of the revised System Impact Study and Facilities Study prepared by RPE; -NGCP's application to ERC for approval of Transmission Asset has been completed and is currently awaiting decision. RPE's application to the ERC for the Connection Asset has been deemed sufficient in form and substance; -Revised System Impact GIS review by NGCP completed 10 May 2012; -Any further development dependent on Supreme Court decision on Writ of Kalikasan case; -Public consultations conducted in Subic on 29 June 2012; Engineering, Procurement and Construction (EPC) contract negotiations finalized; -Site preparation construction on-going, construction commenced on Q3 2013; -On-going financing arrangements; -Started discussions with the Manila Electric Company for sale of power; 52% owned by Meralco PowerGen Corp. (MPGC); -Target Commencement of Construction will be Dependent on Supreme Court decision on Writ of Kalikasan Case; -Project cost Php50B / $1.2B	Unit I - October 2016 Unit II - December 2016 (Target Commencement of Construction will be Dependent on Supreme Court decision on Writ of Kalikasan Case.)
Indicative	2 X 600 MW Mariveles Expansion Project	GNPower Mariveles Coal Plant Ltd. Co.	Mariveles, Bataan	1200	-On-going presentation/proposal submissions to potential customers;	2018

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Clearance to Underatake GIS from DOE issued on 26 June 2013; -Obtained LGU endorsements; BOI registration for 600 MW pre-approved;On-going SIS; -On-going EIS for ECC application; Arrangements for securing the required land will be acquired by an affiliate Filipino company of GNPower; -On-going negotiation with tenders; -On-going finalization of EPC Contract; Commercial operation by 2018; -Project cost is $1B	
Indicative	2 X 150 MW SLPGC Coal-Fired Power Plant Phase II	Southwest Luzon Power Generation Corporation (Project Company)	Brgy. San Rafael, Calaca, Batangas	300	-Property is currently under Land Lease Agreement (LLA) between Sem-Calaca Power Corporation (SCPC) with PSALM; -On-going negotiations with prospective off-takes (DUs and those currently with PSAs and contestable market under Open Access Regime; -ACQUIRED Permits: SEC Registration - Aug 2011; ECC application approved 21 Oct. 2011; Issued COE for BOI on 11 March 2013 under the name of SLPGC; ECC application approved 21 Oct. 2011; -On-going securing other necessary permits; -On-going financing negotiations with prospective banks; -On-going negotiation with prospective EPC; -Target NTP - End of 2013; -Target Testing & Commissioning - 2016; -Target Commercial Operation - 2017; -Project cost for Phase II is Php19.864B	Unit I - 2016 Unit II - 2016
Indicative	2 X 300 MW Masinloc Expansion	AES Masinloc Power Partners Co., Inc.	Zambales	600	-Feasibility studies completed 2011; -Grid Impact Studies obtained on 7 January 2011; -No additional land will be aquired as the expansion will be inside the existing Masinloc Power Plant Complex. NPC/PSALM, however, is still continuing the titling process and land registration for some parcels of land;ECC Amendment was released by DENR on April 23, 2012. -The amended DOE Certificate of Endorsement for BOI was released on May 7, 2012; -Secured CoE for ERC on September 2011; -On-going processing of Certificate of Precondition from NCIP; -SAPA amendment is still pending with DENR; -Selection of EPC Contractor on going; -Commencement of Construction:2nd Qtr 2014; -Undergoing consultation with international / local banks; -Target Testing and Commissioning:3rd Quarter of 2017; -Project cost is Php49.45B	Unit 3 (300 MW) - October 2017 Unit 4 (300 MW) - October 2017

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	300 MW Limay Power Plant Project Phase I (2x150MW)	SMC Consolidated Power Corporation	Brgy. Lamao, Limay, Bataan	300	-Completed Feasibility Study; - Final review and drafting of ECC was done last 16 August 2013 and expected to receive by end of August 2013; -Submitted System Impact Study last 12 July 2013, review of the report is still on-going; -Requirements for BOI will be submitted once ECC is release; -Expected submission on 1st week of September 2013; -Agreement for the use of the land was entered between SMC Consolidated Power Corp and leasehold rights holder; -On-going securing of other permits and other regulatory requirements; SEC issued last 19 August 2011; - Land acquisition completed; On-going electric power supply contract negotiation with prospective off-takers (DUs); -On-going negotiations for financing arrangements - securing project financing 70:30 Debt-equity ratio; -Completed and issued construction and supply contracts on EPC's inside batter limit (main equipment); Other main contracts for review and awarding (site development/land preparation, transmission connection, pier and jetty structure, fuel handling facilities an dother ancillaries, ash pond construction and water supply); -Clearance to Underatake GIS from DOE issued on 13 February 2013; -Target commencement of construction- Site development/Land preparation: 2 September 2013 (upon release of ECC), Start of Piling and Construction: 15 October 2013; -Target Date of Ground Breaking: 3rd Week of September 2013; -Target Testing & Commissioning: Unit 1 - December 2015, Unit 2 - May 2016; Project cost is $622.15M / Php25.508B	Unit 1 - 150 MW - Feb. 2016 Unit 2 - 150 MW - July 2016
Indicative	Quezon Power Expansion Project	Quezon Power Phils.	Mauban, Quezon	500	-Completed Selection Study in 2012; -Coal Sourcing Study completed in 2012; -System Impact Study completed in 2007 and is being revalidated; -Project will be located within the existing site; -Clearance to Underatake GIS from DOE issued on 7 March 2013; -Marketing of Generating Capacities under development; Permits and Other Regulatory Requirements: ECC (Ref.Code 0610-012-4021) issued on 4 June 2007; ECC extension of validity issued on 31 May 2012 and valid until 4 June 2015; Reguest for Amendment to upgraded technology submitted to EMB on 18 June 2013; Additional information requested by EMB on 31 July 2013;QPL is in the process of preparing the documents;	July 2017

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Financing arrangements under development; Owner's Engineer selected; Invitation to bid for EPC contract sent out in third quarter of 2013. Bids expected to be received in 4th qtr 2013. SIS completed in 2007 and is being revalidated; - ECC issued June 4, 2007; -Municipal LGU endorsement issued April 19, 2005; Award EPC contract estimate September 2013; -Target commencement of construction - July 2014; -Target Testing and Commissioning - July 2017; -Target Commercial Operation July 2018 -Design and construction to start June 2014; -Project cost is Php37.8B	
Indicative	300 MW Limay Power Plant Project Phase II(2x150MW)	SMC Consolidated Power Corporation	Brgy. Lamao, Limay, Bataan	300	Completed Feasibility Study. Final review and drafting of ECC was done last 16 August 2013 and expected to receive by end of August 2013; Submitted System Impact Study last 12 July 2013, review of the report is still on-going; Requirements for BOI will be submitted once ECC is release; Expected submission on 1st week of September 2013; Agreement for the use of the land was entered between SMC Consolidated Power Corp and leasehold rights holder; On-going securing of other permits and other regulatory requirements; SEC issued last 19 August 2011; Land acquisition completed; On-going electric power supply contract negotiation with prospective off-takers (DUs); On-going negotiations for financing arrangements - securing project financing 70:30 Debt-equity ratio; Completed and issued construction and supply contracts on EPC's inside batter limit (main equipment); Other main contracts for review and awarding (site development/land preparation, transmission connection, pier and jetty structure, fuel handling facilities an dother ancillaries, ash pond construction and water supply); Target commencement of construction- Site development/Land preparation: 2 September 2013 (upon release of ECC), Start of Piling and Construction: 15 October 2013; Target Date of Ground Breaking: 3rd Week of September 2013;Project cost is Under Budget Review; Target Testing & Commissioning: Unit 1 - November 2016, Unit 2 - May 2017	Unit 1 - 150 MW - Jan. 2017 Unit 2 - 150 MW - July 2017
Indicative	1 x 420 MW Pagbilao Coal-Fired Thermal Power Plant	Pagbilao Energy Corporation	Pagbilao Power Station, Nrgy. Ibabang Polo, Pagbilao, Quezon	420	-Estimated Net Capacity: 400MW; -Feasibility Study completed; -In final negotiations with NPC, PSALM, TeaM Energy Corporation and Therma Luzon, Inc. to co-locate the plant in the existing Pagbilao Power Station; Marketing of Generating Capacities: 50% of the plant's capability will be sold to Therma Luzin Inc. and other 50% will be sold to TeaM (Phils.) Energy Corporation;	January 2018

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Environmental Compliance Certificate was issued on 18 June 2013; -In final negotiations with lenders; -In final negotiations with EPC contractors Mitsubishi Heavy Industries, Ltd. and Daelim Industrial Co.Ltd.; -Target Commencement of Construction: July 2014; -Target Testing and Commissioning: January 2018; -Target Commercial Operation: March 2018; -Estimated Project Cost: US$ 1,000,000,000.00	
Indicative	300 MW Limay Power Plant Project Phase III 1x300MW)	SMC Consolidated Power Corporation	Brgy. Lamao, Limay, Bataan	300	-Completed Feasibility Study; - Final review and drafting of ECC was done last 16 August 2013 and expected to receive by end of August 2013; -Submitted System Impact Study last 12 July 2013, review of the report is still on-going; -Requirements for BOI will be submitted once ECC is release; Expected submission on 1st week of September 2013; -Agreement for the use of the land was entered between SMC Consolidated Power Corp and leasehold rights holder; On-going securing of other permits and other regulatory requirements; -SEC issued last 19 August 2011; -Land acquisition completed; -On-going electric power supply contract negotiation with prospective off-takers (DUs); -On-going negotiations for financing arrangements - securing project financing 70:30 Debt-equity ratio; -Completed and issued construction and supply contracts on EPC's inside batter limit (main equipment); Other main contracts for review and awarding (site development/land preparation, transmission connection, pier and jetty structure, fuel handling facilities an dother ancillaries, ash pond construction and water supply); -Target commencement of construction- Site development/Land preparation: 2 September 2013 (upon release of ECC), Start of Piling and Construction: 15 October 2013; -Date of Ground Breaking: 3rd Week of September 2013; -Project cost is Under Planning and Budget Review; -Target Testing & Commissioning: 2019/2020	2019/2020
	OIL			**150.00**		
Indicative	Aero Derivative Combined Cycle Power Plant	Calamba Aero Power Corporation	Calamba, Laguna	150	-On-going securing of permits and other regulatory requirements; -Granted clearance by DOE for the conduct of GIS; -Project cost is Php5.67B	TBA
	NATURAL GAS			**4,565.00**		

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	LNG-Fired Combined Cycle Power Plant * Onshore Regasification and Storage Terminal	Meralco PowerGen Corporation and Chubu Electric Power	Atimonan, Quezon	1,750	-On-going Feasibility Study (Joint Study Agreement - Meralco PowerGen Corp. & Chubu Electric Power); - Acquisition of the parcels of the land in the target plant site in Atimonan, Quezon is on-going (83 hectares); - ECC and onshore regasification and storage terminal obtained last 25 April 2013; Foreshore Lease Application submitted to the DENR last March 2013; -Clearance to Underatake GIS from DOE issued on 3 December 2012; -GIS is currently being conducted by NGCP; -Discussion of PSA with potential off-takers on-going; Informal discussions have begun with several banks with respect to the financing of the project.; -Applied Certificate of Non-Overlap with National Commission on Indigenous Peoples (NCIP);No cantracts have been awarded to date re: EPC; -The parties have yet to agree on when construction will commence; - Project cost Php50B ; - Other Issues & Concerns: MPG presented to the DOE on 11 Oct 2013 and still awaiting for the results of a gas master plan being crafted jointly by the DOE and the World Bank before it continues developing the Project.	2018-2019
Indicative	2 x 1,200 MW Combined Cycle Gas Turbine Power Plant Project	Atlantic, Gulf and Pacific Company of Manila, Inc	Limay, Bataan (PNOC-AFC Industrial Estate)	2,400	-On-going Feasibility Study; Secured Clearance to Undertake GIS from DOE on 3 June 2013; -Awaiting for review and approval of conversion of PNOC ECC from Petro Chemicals to LNG for Power ; -AG&P has made major financial commitments to the development of the new power plant project at Bataan which includes expert third parties to provide: (i) market data for electricity; (ii) technical feasibility and initial design studies for the project development; (iii) environment support and permitting and (iv) market study on LNG supplies; Details of off-takers for electricity are still being considered; -Target Start Testing & Commissioning Date: Unit 1 - October 2016; Unit 2: October 2018;	Unit 1 - March 2017 Unit II - March 2018
Indicative	415 MW San Isidro Combined Cycle Gas Turbine Plant Project	Trans Asia Oil and Energy Development Corporation (TAOil)	Pilipinas Shell Petroleum Co.'s Tabangao Refinery, Brgy. San Isidro and Tabangao-Ambulong, Batangas City	415	-Development of the LNG Import Terminal shall be done by Shell; - Work on the CCGT development by TAOil is proceeding; -TAOil and its Consultants is performing a Feasibility and Pre-Engineering Study; -Clearance to Underatake GIS from DOE issued on 24 September 2013; -The process to obtain an Environmental Compliance Certificate from the DENR, and a Grid Impact Study is currently underway;	September 2017

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Will operate as both a Merchant and Contracted power facility. Hence, electricity produced will be sold to both to the WESM and thru long term bilateral contracts. TAOil will be the sole marketer of electricity generated from this power facility; -Target Testing and Commissioning/Commercial Operations by the Third Quarter of 2017	
	GEOTHERMAL			**120.00**		
Indicative	Tanawon Geothermal Project	Energy Development Corporation	Guinlajon, Sorsogon	40	-On-going Feasibility Study; DOE Service Contract within GRESC # 2009-10-003; -LGU endorsement, Land Use Permits, DENR-ECC, and Water Rights obtained; -Turnkey Contract pending result of feasibility study; project finance preparation on-going; -Project cost estimated $200M	December 2018
Indicative	Rangas Geothermal Project	Energy Development Corporation	Bacon District, Sorsogon	40	-On-going Feasibility Study; DOE Service Contract within GRESC # 2009-10-003; -LGU endorsement, Land Use Permits, and DENR-ECC obtained; Turnkey Contract pending result of feasibility study; project finance pending result of feasibility study; -Project cost is Php8.4B	June 2019
Indicative	Kayabon Geothermal Project	Energy Development Corporation	Manito, Albay	40	-On-going Feasibility Study; DOE Service Contract within GRESC # 2009-10-003; -LGU endorsement, DENR-ECC, and Water Rights obtained; -On-going application for land-use permits; -Clearance to Underatake GIS from DOE issued on 7 October 2011; -Project cost is Php8.4B	December 2019
	HYDROPOWER			**53.60**		
Indicative	Dupinga Hydroelectric Power Project	Constellation Energy Corporation	Gabaldon, Nueva Ecija	3	'-Issued Confirmation of Commerciality on 26 June 2013; ; -Already secured LGU Endorsements, DENR Environmental Compliance Certificate, NCIP Certificate of Compliance, and NWRB Permit. Also submitted Feasibility Study and 5-Yr Work Plan; -Submission of lacking requirements e.g. permits in progress.	October 2015
Indicative	Ibulao Hydroelectric Power Project	Hydrocore, Inc.	Lagawe, Ifugao	4.5	-Issued Confirmation of Commerciality on 26 June 2013; -Already secured LGU Endorsements, DENR Environmental Compliance Certificate, NCIP Certificate of Precondition, and NWRB Permit. Also submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work Plan and Grid Impact Study	May 2015
Indicative	Main Aklan	Sunwest Water & Electric Co., Inc.	Libacao, Albay	15.0	-Issued Confirmation of Commerciality on 19 September 2013; -Clearance to Underatake GIS from DOE issued on 25 March2013; -Submission of lacking requirements e.g. permits in progress.	July 2016

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	Pinacanauan	Sunwest Water & Electric Co., Inc.	Peñablanca, Cagayan	6.0	'-Issued Confirmation of Commerciality on 18 September 2013; -Already secured LGU Endorsement, DENR ECC, NWRB CWP and NCIP CNO. Submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work Plan; -Clearance to Underatake GIS from DOE issued on 25 March 2013;	July 2017
Indicative	Tinoc 1	Quadriver Energy Corp.	Tinoc, Ifugao	4.1	-Issued Confirmation of Commerciality on 09 August 2013; -Already secured LGU Endorsement, DENR ECC, NWRB Permit and NCIP Clearance. Submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work Plan.	April 2018
Indicative	Tinoc 4	Philnew Hydro Power Corporation	Tinoc, Ifugao	5.0	-Issued Confirmation of Commerciality on 09 August 2013; -Submission of lacking requirements e.g. permits in progress; -Clearance to Underatake GIS from DOE issued on 11 July 2011;	April 2018
Indicative	Tinoc 2	Philnew Hydro Power Corporation	Tinoc, Ifugao	11.0	-Issued Confirmation of Commerciality on 06 January 2014; -Submission of lacking requirements e.g. permits in progress; -Clearance to Underatake GIS from DOE issued on 11 July 2011;	December 2016
Indicative	Tinoc 3	Philnew Hydro Power Corporation	Tinoc, Ifugao	5.0	-Issued Confirmation of Commerciality on 06 January 2014; -Submission of lacking requirements e.g. permits in progress; -Clearance to Underatake GIS from DOE issued on 11 July 2011;	June 2017
	SOLAR			**90.00**		
Indicative	Currimao Solar Photovoltaic Power Project	Mirae Asia Energy Corporation	Currimao, Ilocos Norte	20	-Awarded with Solar Energy Service Contract (SESC No. 2012-08-020) on 19 Sept 2012; -Secured Memorandum of Agreement with Provincial Government of Ilocos Norte for the utilization of the land; Completed feasibility study; Conducted Third Party SIS, currently under review by NGCP; Acquired ECC from DENR, CNO from NCIP, Provincial, Municipal and Barangay Resolutions of Support, EPC Contract with LG CNS Co. Ltd., and proofs of negotiations/certifications with financial institutions for project financing; -Secured Clearance from DOE for the conduct of GIS on 11 October 2012; -Conducted Groundbreaking Ceremony on Nov 2012; Acquired the DOE -Certificate of Confirmation of Commerciality on 12 Jul 2013; -Total project cost is US$51.9Million; - Negotiations with lenders is on-going.	August 2014
Indicative	Macabud Solar Photovoltaic Power Project	ATN Philippines Solar Energy Group, Inc.	Brgy. Macabud, Rodriguez, Rizal	30	-Awarded with Solar Energy Service Contract (SESC No. 2011-05-002) on 12 May 2011; -Secured NGCP Review of Third Party SIS, ECC from DENR, CNO from NCIP, Provincial Resolution of Support, clearances from Land Registration Authority and DAR, EPC Contract,	February 2016

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					and proofs of negotiations/certifications with financial institutions for project financing; -Completed feasibility study; -Acquired the DOE Certificate of Confirmation of Commerciality on 27 Jun 2013; -Clearance to Underatake GIS from DOE issued on 17 October 2011; -Total project cost is US$70.0Million; -Facility Study is under review by NGCP; DIS/DAS with MERALCO is on-going; -Negotiations with lenders is on-going.	
Indicative	CEZ Solar Rooftop Power Project	Majestics Energy Corporation	Cavite Economic Zones I and II, Rosario and Gen. Trias, Cavite	40	-Awarded with Solar Energy Service Contract (SESC No. 2013-10-040) on 30 October 2013; - Secured Third Party System Impact Study, ECC/CNC from DENR, CNO from NCIP, Provincial Resolutions of Support, Certificate of Registration from PEZA, and EPC Contract; - Completed technical study; Declaration of Commerciality submitted on 20 February 2014 is under evaluation; - On-going construction;	July 2014
	WIND			**228.00**		
Indicative	Phase 2: Burgos Wind Power Project	EDC Burgos Wind Power Corporation	Nagsurot-Saoit, Burgos, Ilocos Norte	63	-Covered by WESC No. 2009-09-004; -Covered by all local permits acquired by the Phase 1 Project; -Other relevant studies and permits such as System Impact Study and Connection Agreement with NGCP and EPC Contracts were covered by the Approved 5-Year Work Plan; -Total Project Cost is US$167.58MM; 100% equity financed subject to available installation target.	September 2014
Indicative	Sembrano Wind Power Project (Formerly: Phase 2: Mabitac Wind Power Project)	Alternergy Sembrano Wind Corporation	Mt. Sembrano, Mabitac, Laguna	72	-Acquired DOE Certificate of Confirmation of Commerciality on 13 February 2014; -Amended the Contract Area and assigned partially to Alternergy Sembrano Wind Corporation ASWC-WESC No. 2009-09-018-AP2 on 27 February 2014; -Under the same contract area of WESC No. 2009-09-018; -On-going wind resource assessment; Acquired various LGU permits and resolutions of support; -AWOC to finance the implementation of the project with 100% equity; Interconnection Agreement with MERALCO last 1 March 2012; -EPC and O&M Contract with consortium of Nordex SE and McConnell Donnell last 11 July 2012; -Project Finance Term Sheet with Bank last 27 July 2012; Negotiation for financial closing is on-going; -Final review of GIS by NGCP last 31 July 2012; - Project cost is Php7.056B;	April 2017

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	Phase 1: Pasuquin East Wind Power Project	Energy Logics Philippines, Inc.	Pasuquin, Ilocos Norte	48	'-Awarded with Wind Energy Service Contract (WESC No. 2009-09-001) on 14 Sept 2009; - Acquired Forest Land-Use Agreement with DENR; -On-going wind resource assessment; Completed the feasibility study; Acquired various LGU permits and resolutions of support; - ECC secured 15 Jun 2010; - GIS secured Dec 2010; On-going negotiation with the Dept. of National Defense for the clearance to construct wind farm within the vicinity of Pasuquin Radar Station; - Equity Investors committment secured; Selected Preferred EPC Turn-key Tenderer for both the wind energy farm and the connection assets; Submitted the Declaration of Commerciality (DOC) with incomplete documentary requirements; -The DOE is waiting for the final Work Plan of the project for further evaluation; - Project cost is Php6.048B; - Negotiation for financial closing is on-going.	October 2015
Indicative	Balaoi Wind Power Project	Northern Luzon UPC Asia Corporation	Brgy. Balaoi, Pagudpud, Ilocos Norte	45	-Awarded with Wind Energy Service Contract (WESC No. 2010-02-038) on 1 Feb 2010; Conducted detailed wind resource assessment; -Completed detailed feasibility atudy; -Acquired various LGU permits and resolutions of support, NCIP Certificate of Non-Overlap on 15 Jan 2007, Forest Landuse Agreement with DENR on 20 May 2009, DENR Environmental Compliance Certificate on 23 Jul 2009, DPWH Road Right-of-Way for T/L construction, and CAAP Height Clearance permit; -Final Report of SIS and Connection Agreement with NGCP secured on 4 Jan 2011; BOI Registered on 23 Jun 2011; -Submitted proofs of negotiations/certifications from banks for project financing; - Acquired DOE Certificate of Confirmation of Commerciality on 02 December 2013; -Total project cost is US$139.5Million;	September 2015
	BIOMASS			**8.60**		
Indicative	10 MW Serin CorporationRice Husk-Fired Power Plant	Serin Corporation	Tarlac	8.6	---	TBA

Total Indicative Rated Capacity: 9,775.20

Source: DOE

Annex 11. Private Sector Initiated Power Projects in Visayas (COMMITTED) as of 28 February 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			**352.00**		
Committed	2 X 135 MW Concepcion Coal-fired Power Plant Phase 1-135MW (1st Unit) Phase 2-135MW (2nd Unit)	Palm Thermal Consolidated Holdings Corp.	Brgy. Nipa, Concepcion, Iloilo	270	'-Financial Arrangement Secured : Done on 24 July 2013; -Secured Clearance from DOE for the conduct of GIS on 14 June 2012 ; -SIS Report approved by NGCP on 17 July 2012; -Commencement of Construction for 1st Unit on 18 July 2013; 2nd Unit on September 2014 (specific dates for the 2nd unit will still firmed up after 1st unit's commencement of construction) ; -Offtaker: Signed Electric Power Purchase Agreements (EPPA) with VRESCO (5MW) - 14 Nov. 2012, NOCECO (10MW)- 31 Jan. 2013, NORECO(1 MW)- 13 Feb. 2013, CENECO (22.6MW) on 11 March 2013, PECO(10MW) on 20 May 2013, AKELCO (12MW) on 22 Aug. 2013, and CAPELCO (2MW) on 5 Sep. 2013; -Ground breaking of construction on 15 Jan. 2013; -Target Commercial Operation 1st Unit - 2nd Quarter of 2016/ 2nd Unit - November 2016 ; -Project cost is Php26.356B	1st Unit - 3rd Quarter of 2015/ 2nd Unit - May 2016 to September 2016 (specific dates for the 2nd unit will still be firmed up after 1st unit's commencement of construction)
Committed	TPC Coal-Fired Power Plant Expansion Project (1 x 82 MW Coal-Fired Power Plant	Toledo Power Company	Toledo City, Cebu	82	-Financial Arrangement Secured: Loan agreement with Banks in place, financial close on 07 March 2013 (70% Loan / 30% Equity); -Secured Clearance from DOE for the conduct of GIS on 3 March 2011 ; -ECC issued last 28 August 2012; -BOI-Certificate of Registration No. 2012-225 last 23 October 2012; -On-going construction (60% completed); -Groundbreaking on 11 November 2012; -Project fee is Php10.17B	September 2014
	GEOTHERMAL			**50.00**		
Committed	Nasulo Geothermal Project	Energy Development Corporation	Nasuji, Valencia, Negros Oriental	50	-Financial Arrangement Secured; to be financed by EDC (100% equity); -Secured Clearance from DOE for the conduct of GIS on 21 November 2011 ; -Certificate of Commerciality and Certificate of Additional Investment obtained; DOE Service Contract within GRESC # 2009-10-002; LGU endorsement, Land Use Permits, DENR-ECC, and Water Rights obtained; -Start of construction- Jan 2013; -On-going construction started on Jan 2013; -Groundbreaking on 11 November 2012;	August 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Project accomplishment:Phase 1 (civil works) -92%; Phase 2 (Electromechanical works) -70%; -Target Testing and commissioning - 2nd Qtr of 2014; -Target Commercial operation - August 2014; -Project cost $91M	
	HYDROPOWER			**8.00**		
Committed	Villasiga HEP	Sunwest Water & Electric Co., Inc.	Brgy. Igsoro, Bugasong, Antique	8	On-going construction; Already secured LGU Endorsements, DENR Environmental Compliance Certificate, and Energy Sales Agreement with Antique Electric Cooperative. Also submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work PlanVarious permits obtained (LGU Endorsement, Water Permit last 19 Februaru 2010, Reconnaisance Permit, ECC last 8 July 2010, BOI last 24 November 2010 and DOE Hydropower Service Contract last 1 February 2010); Financing from PNB; Project cost Php1.4B	March 2014
Committed	Cantakoy	Quadriver Energy Corp.	Danao, Bohol	8.0	-Financial Arrangement Secured; -Secured Clearance from DOE for the conduct of GIS on 11 July 2011; -Construction was on-hold due to conflict with LGU	To be determined
	SOLAR			**20.00**		
Committed	San Carlos Solar Photovoltaic Power Project	San Carlos Solar Energy Inc.	San Carlos City, Negros Occidenta	Phase 1 - 12 MW Phase 2 - 8 MW	-Financial Arrangement Secured:100% equity financed; -Awarded with Solar Energy Service Contract (SESC No. 2013-09-037) on 30 October 2013; -Acquired ECC from DENR, Municipal and Barangay Resolutions of Support, Lease Agreements with land owners, and EPC Contract with Conergy and Schema Konsult, Inc.; -Submitted a photocopies of Subscription Agreement dated 02 May 2013 for a total amount of USD48.2Million between SACASOL and its sponsor, Thomaslloyd Cleantech Infrastructure Fund Gmbh, with the corresponding Notes issued amounting to USD1.9MM; - Acquired the DOE Certificate of Confirmation of Commerciality on 03 March 2014; -Secured Clearance from DOE for the conduct of GIS on 25 June 2013 ; -Acquired NGCP System Impact Study and approval of Facility Study; -On-going construction; -Total project cost is US$43.1Million;	Phase 1 - April 2014 Phase 2 - June 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	WIND			**54.00**		
Committed	Nabas Wind Power Project	Petrogreen Energy Corporation	Brgy. Pawa, Nabas, Aklan	50.00	'Financial Arrangement Secured: Submitted a certification dated 31 August 2012 from its Lead Arranger, ensuring the required financing is already available if needed; -Awarded with Wind Energy Service Contract (WESC No. 2009-09-002) on 14 Sept 2009; -Conducted detailed wind resource assessment; -Completed final feasibility study on Aug 2012; -Secured Clearance from DOE for the conduct of GIS on 16 September 2011; -SIS Final Report from NGCP dated 1 Oct 2012; -Acquired ECC from DENR dated 4 Jun 2012; -Acquired CNO from NCIP; secured Barangay, Municipal, and Provincial Resolutions of Support; EPC Contract with EEI Corp. secured 31 Jul 2012; -Heads of Agreement with AKELCO for T/L construction secured 28 Nov 2012; - Acquired the DOE Certificate of Confirmation of Commerciality on 31 May 2013; -On-going construction; -Total project cost is US$118.44M;	December 2014
Committed	54 MW San Lorenzo Wind Power Project (8 MW & 46 MW)	Trans-Asia Renewable Energy Corporation	San Lorenzo, Guimaras Island	54	'Financial Arrangement Secured: 30% equity and 70% debt; Submitted Letter of Loan Approval dated 12 December 2012 from various dated 12 December 2012; -Awarded with Wind Energy Service Contract (WESC No. 2009-10-009) on 23 Oct 2009; -Conducted detailed wind resource assessment; Completed feasibility study; -Secured various LGU permits and Resolutions of Support; -Secured ECC permit for the wind farm on 19 Feb 2010; -Secured NCIP Certificate of Non-Overlap on 23 Jul 2010; -Secured System Impact Study Final Report from NGCP; -Secured ECC for the construction of overhead T/L on 14 May 2012; -Secured ECC for the upgrading of Iloilo-Guimaras Submarine Cable on 14 May 2012; -Secured CAAP Height Clearance for 27 Wind Turbine Generators; -Secured DPWH Right-of-Way permit for overhead T/L; -Secured Contract to Lease/Sell from land owners; -Turnkey EPC Contract awarded to Kanetmatsu in Nov 2012; -Secured Clearance from DOE for the conduct of GIS on 9 January 2012 ;	February 2015

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Acquired the DOE Certificate of Confirmation of Commerciality on 16 May 2013; -Conducted Groundbreaking Ceremony on 30 June 2013; -On-going construction: - Installation of WInd Turbine Generator (WTG) sets: 20%; -Total project cost is US$140.9Million;	
	BIOMASS			**57.60**		
Committed	Consolacion Landfill Methane Recovery and Electricity Generation	Asian Energy System Corporation	Cebu	3.6	-Financial Arrangement Secured: Loan approval from Bank granted on 25 May 2011; -On-going construction; -Permits obtained ECC on February 2010; -LGU Endorsement, Land Use Permit, etc.) -Has EPC; -Project cost is Php199M	June 2015
Committed	20 MW SCBiopower Bagasse-Fired Power Generation Project	San Carlos Biopower Inc.	Negros Occidental	18.00	-Financial Arrangement Secured; -On-going construction; -Various permits permits obtained (ECC,LGU Endorsement, Land Use Perit, etc); -Has EPC; -SEC secured 29 July 2009; -ECC secured 28 June 2011; -Secured Clearance from DOE for the conduct of GIS on 22 June 2011; -GIS completed 4 June 2012; -EPC signed 10 Aug. 2012; -Commencement of construction on Dec. 2012; -Project cost is $3.5B	2014
Committed	8.0 MW HPCo Bagasse Cogeneration Plant	Hawaiian Philippines Company	Negros Occidental	3.00	-Financial Arrangement Secured; -Constructing sub-station and transmission line going to NGCP; -Secured Clearance from DOE for the conduct of GIS on 25 March 2013; -Will be exporting 3 MW to the grid	2014
Committed	46 MW Universal Robina Corporation Bagasse Cogeneration Facility	Universal Robina Corporation	Negros Occidental	31.00	-Financial Arrangement Secured; -On-going construction	September 2014
Committed	26 MW VMCI Bagasse-Fired Cogeneration Plant	Victorias Milling Company Inc.	Negros Occidental	2.00	-Financial Arrangement Secured; -Secured Clearance from DOE for the conduct of GIS on 29 May 2013; -Operating for Own-Use	--

Total CommittedRated Capacity: 541.60

Source: DOE

Annex 12.Private Sector Initiated Power Projects in Visayas (INDICATIVE) as of 28 February 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			**470.00**		
Indicative	1 X 20 MW FDC Danao CFB Coal Power Plant	FDC Utilities, Inc.	Danao City, Cebu	20	-Clearance to Underatake GIS from DOE issued on 17 October 2011; -Grid Impact Studies completed; -Technical and Financial Study completed; -Completed Lease Agreement with land owner signed;Signed supply contract with franchised electric cooperatives; -On-going securing of regulatory requirements and ECC; -Other required permits and endorsement to be secured upon completion of pre-con activities; -Other permits under process; EPC Contractor: Formosa Heavy Industrries (FHI); Coal Supply - Semirara & Indonesian Coal; -Ongoing financing arrangements;Selection of EPC Contractor Ongoing; Target Testing and Commissioning - 2016; -Project cost is Php1.512B	2016
Indicative	PEDC Expansion Project Former report (1x150 MW Circulating Fluidized Bed (CFB) Coal-Fired Power Plant)	Panay Energy Development Corporation (Global Business Power Corporation)	Brgy. Ingore, La Paz, Iloilo	150	-Estimated Net Capacity: 130MW, Estimated Household: 120MW; -The target date for the start of the expansion project will be on on October 2013 and is expected to be completed in thirty three (33) months.GBPC is currently in the process of securing the Environmental Compliance Certificate (ECC) which is expected to be released by the end of July 2013; -Notice to Proceed (NTP) for the construction will be issued to the contractor as soon as the ECC will be released; - Ongoing negotiation with probable customers in Panay; -Securing necessary permits; secured clearance from DOE for the conduct of GIS for 82MW on 3 March 2011; -Project cost is Php6.199B.	2015
Indicative	300 MW Therma Visayas Energy Project	Therma Visayas Inc.	Brgy. Bato, Toledo City, Cebu	300	-Site feasibility tests to be completed by September 2012; -Done with the arrangement for securing the required land except for the remaining 2% of project site; -On-going discussions with target off-takers; -On-going securing of permits and other regulatory requirements; - On-going processing of the Certificate of Non-Overlap (CP/CNO) from the National Commission on Indigenous Peoples -ECC issued last May 2013; -BOI registered and GIS study on going; Acquisition of the parcels of the land in the target plant site is on-going; -Self-funded with on-going negotiations with financing institutions; -Tendering of EPC on-going; -Clearance to Underatake GIS from DOE issued on 16 June 2012; -Site development works to start by 1st Quarter of 2014; -Target Testing and Commissioning - March 2017; -Target Commercial Operation - June 2017;	March 2017

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Project cost is Php23B	
	GEOTHERMAL			89.00		
Indicative	Dauin Geothermal Project	Energy Development Corporation	Dauin, Negros Oriental	40	-On-going feasibility studies; -On public land but portions of access road leading to Site sits on provate land; Land-use permits for areas on public land obtained; -Ongoing negotiations with lot owners for access road; DOE Service Contract Project Project within GRESC # 2009-10-002; -LGU endorsement obtained; SLUP Obtained; -TCP Obtained; RRW Obtained;Water rights obtained; DENR-ECC obtained; -Ongoing negotiations on the financing; -Commencement of Construction: 2016; -Target Commissioning December 2018; -Project cost is Php8.4B	December 2018
Indicative	Southern Leyte Geothermal Plant Geothermal Project (formerly known as Mt. Cabalian Geothermal)	Energy Development Corporation	Cabalian, Southern Leyte		-On-going commercial and technical studies -Radon gas survey in November 2013; -On public land; Land-Use permits obtained; -DOE Service Contract Mt. Cabalian GSC; Obtained DENR-ECC; Obtained LGU Endorsement; SLUP Obtained; TCP Obtained; RRW Obtained Water Rights for application; -On-going Negotiations with Financing Institutions; -Target Construction and Commissioning Date not yet finalized.	TBA
Indicative	49 MW Biliran Geothermal Plant Project	Biliran Geothermal Incorporated	Biliran, Biliran	49	-On-going feasibility studies; -F15On-going processing of requirements such as GIS, LGU endorsement, DENR-ECC.	December 2015
	HYDROPOWER			50.00		
Indicative	Timbaban Hydroelectric Power Project	Oriental Energy and Power Generation Corporation	Madalag, Aklan	18	-Issued Confirmation of Commerciality on 28 May 2013; -Submission of lacking requirements e.g. permits in progress	August 2017
Indicative	Igbulo (Bais) Hydroelectric Power Project	Century Peak Energy Corporation	Igbaras, Iloilo	5.1	-Issued Confirmation of Commerciality on 26 June 2013; -Clearance to Underatake GIS from DOE issued on 14 August 2013; -Submission of lacking requirements e.g. permits in progress.	January 2015
Indicative	Hilabangan (Upper Cascade)	Century Peak Energy Corporation	Kabankalan, Negros Occidental	4.8	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	August 2015
Indicative	Hilabangan (Lower Cascade)	Century Peak Energy Corporation	Kabankalan, Negros Occidental	3.0	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	August 2015
Indicative	Maninila (Lower Cascade)	Century Peak Energy Corporation	San Remigio, Antique	4.5	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	October 2016

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	Maninila (Upper Cascade)	Century Peak Energy Corporation	San Remigio, Antique	3.1	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	October 2016
Indicative	Sibalom (Upper Cascade)	Century Peak Energy Corporation	San Remigio, Antique	4.2	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	October 2016
Indicative	Sibalom (Middle Cascade)	Century Peak Energy Corporation	San Remigio, Antique	4.0	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	October 2016
Indicative	Sibalom (Lower Cascade)	Century Peak Energy Corporation	San Remigio, Antique	3.3	-Issued Confirmation of Commerciality on 02 October 2013; -Clearance to Underatake GIS from DOE issued on August 2013; -Submission of lacking requirements e.g. permits in progress.	October 2016
	SOLAR			**30.00**		
Indicative	Leyte Solar Photovoltaic Power Project	Phil. Solar Farm-Leyte, Inc.	Ormoc City, Leyte	30	'-Awarded with Solar Energy Service Contract (SESC No. 2012-08-019) on 19 Sept 2012; Conducted Third Party SIS, currently under review by NGCP; Acquired ECC from DENR, CNO from NCIP, Provincial, Municipal and Barangay Resolutions of Support, Lease Agreements with land owners, EPC Contract with DS Steel Com. Ltd., and proofs of negotiations/certifications with financial institutions for project financing; -Clearance to Underatake GIS from DOE issued on 12 October 2012; -On-going negotiations for Project Financing; -Total project cost is US$72.0Million; - Acquired the DOE Certificate of Confirmation of Commerciality on 31 May 2013;	January 2015
	WIND			**50.00**		
Indicative	Pulupandan Wind Power Project	First Maxpower International Corporation	Pulupandan, Negros Occidental	50	-Awarded with Wind Energy Service Contract (WESC No. 2010-02-037) on 1 Feb 2010; -Conducted detailed wind resource assessment; Completed feasibility study; Completed the conduct of GIS; -Secured various LGU permits and Resolutions of Support; Secured DENR ECC permit; Secured NCIP Certificate of Non-Overlap on 7 Jan 2013; -Secured clearances from MARINA, BFAR, Philippine Navy, and Philippine Coast Guard; Secured DPWH Road Right-of-Way for overhead T/L; -Conducted Third Party System Impact Study, currently under review by NGCP; -Secured proof of Consent from different Lot Owner; Conducted Public Consultation; -Project Cost: $124,475,000.00; -Acquired the DOE Certificate of Confirmation of Commerciality on 17 Sept 2013; -Clearance to Underatake GIS from DOE issued on19 March 2013;	November 2015

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Negotiation for financial closing with local financial institutions is ongoing and expected to be completed by February 2014 (70-30 debt equity ratio).	
	BIOMASS			46.00		
Indicative	46 MW Biomass-Fired Cogeneration Power Plant	Universal Robina Corporation	Kabankalan, Negros Occidental	46	-Preparation of Project Site: - Final site survey to set elevations and equipment locations necessary for installation works; Excavation and Backfilling at laydown area, grid substation swtchyard, cooling tower area an new powerhouse building; Excavate new route to replace existing open channel water canal with piped water input to Factory side pumphouse; Marketing of Capacities: - On-going Negotiations (Milling Season: Own-Use - 15MW/ Export to Grid - 22MW; Off-Milling Season: Own-Use - 5MW/Export to Grid - 38MW) ; - Permits and Other Regulatory Requirements: RE: Biomass RE Operating Contract (BREOC No. 2013-11-040) between DOE and URC notarized 12-05-2013; DOE Endorsement to NGCP to conduct Third Party System Impact Study was awarded to PSRC Group; Financing Arrangements: 100% Equity of Universal Robina Corporation (subject to the submission of required documents); Construction Contracts for Plant and Equipment;05 April 2013 - Project Engineering, awarded to SUTECH, Thailand - 30% completion; 25 April 2013 - Awarded 16MW TG to Shin Nippon Machinery, Japan; 12 Nov. 2013 - Received drawings of Power House Building, Turbo Generator from A.C. Arojado; 19 Dec 2013- Awarded construction of Power house building, Turbo Generator foundation to Dakay Construction (6 months completion starting Feb 2014) - 34& completion; 28 Nov 2013 - Construction of Sub-Station/Switchyard/Transmission - Awarded to Asiaphil; -Awarded various transformers to JC Electrofields (SHENDAI ELECTRIC) - 9% completion; -Target Testing & Commissioning: July 2014; -Target Commercial Operation: July 2014	July 2014
	BATTERY					
Indicative	40 MW Battery Storage Project	AES Philippines Power Partners Co., LTD.	Kabankalan, Negros Occidental	40	-On-going feasibility study; - Option to lease was secured on 18 September 2013; Lease Contract for finalization. Sanggunian Panlalawigan issued Resolution 98-2077 declaring the lot as industrial; -Conversion process on-going; - ECC scoping on-going.SIS from NGCP expected to be released on 30 October 2013; - Financing Arrangement: On-going negotiations with International/Local banks;	March 2015

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-Selection of Owner's Engineer On-going for the Construction Contracts for Plants and Equipment; -Clearance to Underatake GIS from DOE issued on 31 January 2013; -Target Commencement of Construction: May 2014; -Target Testing and Commissioning: March 2015	

Total IndicativeRated Capacity: 775.00

Source: DOE

Annex 13.Private Sector Initiated Power Projects in Mindanao (COMMITTED) as of 28 February 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			**905.00**		
Committed	2 X 150 MW Coal-Fired Therma South Energy Project	Therma South Inc.	Brgy. Binugao, Toril, Davao City and Brgy. Inawayan, Sta. Cruz, Davao Del Sur	300	-Financial Arrangement Secured: Self-funded with financing arrangements with warious Banks; -Secured Clearance from DOE for the conduct of GIS on 12 October 2011; -Off-taker: Power Sales Agreement for 164MW between Therma South, Inc. and Davao Light & Power Company is 100MW (DLPC), Cotabato Light & Power Company is 5MW (CLPC), Agusan del Sur is 10MW (ASELCO), Surigao del Sur II is 5MW (SURSECO II), Davao Oriental EC is 5MW (DORECO), Misamis Occidental I is 3MW (MOELCI I), Cotabato EC is 8MW (COTELCO), Sultan Kudarat EC is 8MW (SUKELCO), Zamboanga del Norte is 5MW (ZANECO), Bukidnon 2 EC is 2MW (BUSECO), Surigao del Sur I is 3MW (SURSECO I), Surigao del Norte is 5MW (SURNECO), and Zamboanga del Sur I is 5MW (ZAMSURECO); '-Project Status as of 13 February 201: 68% completed; -Target testing and commissioning is on November 2014; -Target commercial operation - Unit 1 - 31 March 2015 and Unit 2 - 30 June 2015; -Project cost is Php24B	Unit 1 - November 2014 Unit 2 -November 2014
Committed	3 X 135 MW FDC-Misamis Circulating Fluidized Bed (CFB) Coal-Fired Power Plant Project	FDC Utilities, Inc.	Phividec Industrial Estate, Villanueva, Misamis Oriental	405	-Financial Arrangement Secured on 27 December 2013 with various Banks; -Secured Clearance from DOE for the conduct of GIS on 12 September 2011; -Off-taker: on-going negotiations re: marketing of generating capacities with prospective offtakers; -Already concluded gorund breaking ceremony in Villanueva, Misamis Oriental on November 2013; -On-going selection of EPC Contractor; -Target testing and commissioning is on June 2016; -Target Commercial operation on September 2015; -Project cost PhP 30.019B;	June 2016

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Committed	2 X 100 MW Southern Mindanao Coal Fired Power Station	Sarangani Energy Corporation	Brgy, Kamanga, Maasim, Sarangani	200	-Financial Arrangement Secured on 12 December 2012; -Project Status (Over-all) a sof 26 february 2014 - 27% completed; -On-going process in securing the regulatory requirements, permits, GIS, etc.; -Off-taker: Power Sales Agreement for 105MW between Sarangani Energy Corporation and South Cotabato II is 70MW (SOCOTECO II), Davao del Norte is 15MW (DANECO), Agusan del Norte is 10MW (ANECO), and Agusan del Sur is 10MW (ASELCO) was executed 2011-2012; Please note that except for SOCOTECO1, all these offtakers will be supplied by Phase 1 of the SEC project in Maasim, Sarangani. Hence, Phase 1 is already fully contracted. SOCOTECO II Power Sales Agreement already has ERC final approval while those of ASELCO and ANECO have provisional approvals. Still working on DANECO; SOCOTECO1 on the other hand will be supplied by Phase 2 of SEC; -EPC Contract between Owner and Daelim Philippines, Inc. executed on 30 March 2011; -Notice to Proceed to EPC Contractor issued on 28 December 2012; SEC has complete and full support of its subsidiary companies, Conal Holdings Corporaion (CHC) and Alsons Consolidated Resources(ACR); -On-going Civil Works; -Project cost $450M; -Target testing and commissioning is on February 2015 -Target Commercial operation on September 2015	February 2015
	OIL			**41.10**		
Committed	15 MW Diesel Power Plant	Mapalad Energy Generating Corporation	Mapalad, Dalipuga, Iligan City	15	-Financial Arrangement Secured from various banks; -On-going process in securing the regulatory requirements, permits, GIS, etc.; -SEC issued last 24 February 2011, ECC issued last 8 November 2011; -Off-taker: PSA with Iligan Light & Power, Inc. (ILPI) for a 15-year supply contract dated 9 May 2011; -Project cost Php379M; -Target Testing and Commissioning: March 2014; -Target Commercial Operation: March 2014	March 2014
Committed	3x6.97 MW Bunker-Fired Power Plant	Peak Power Soccsargen, Inc. (PSI)	National Highway, Brgy.Apopong, General Santos City	20.9	-Financial Arrangement Secured:The Project was financed by 30% equity and 70% debt via peso-denominated loan from a bank granted on 4 February 2014; -Leased Agreement with Offtaker (SOCOTECO II) signed on December 2013; -The technical review for the proposals is ongoing; -Environmental Impact Study was conducted on the area which was submitted to the DENR- EMB for the application of ECC. -The technical review for the proposals is ongoing; -Environmental Impact Study was conducted on the area which was submitted to the DENR- EMB for the application of ECC (ECC -R12-1306-0078) granted on 26 June 2013; amended ECC: R12-1310-0034 granted on 26 November 2013; Endorsement from LGU: Sangguniang Barangay	September 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					Resolution No. 2010-37 dated 16 August 2010 (Brgy. Apopong); Sangguniang Panlunsod Resolution No. 2013-21-dated 5 July 2013 (Brgy. San Isidro); Barangay Resolution No. 63 Series of 2014 dated 8 Janury 2014 (General Santos City); -GIS ongoing (started November 2013); -Bureau of Customs, Certi. of Accreditation: CAR No.102841031-13; Bureau of Customes, Cert. of Registration: CNN: IM0006357296; PSI will build the plants and connect directly to the substation of the Offtaker and the potential output of the plant will fed driectly to SOCOTECO 2 franchise area; -Clearance to Underatake GIS from DOE issued on 11 September 2013; -Commencement of Construction: December 2013; -Target Testing and Commissioning: Middle of 3rd Quarter of 2014; -Target Commercial Operation: End of 3rd Quarter of 2014; -Project cost is Php1,907.55M	
Committed	1x5.2 MW Bunker-Fired Power Plant	Peak Power San Francisco (PSFI)	ASELCO Compound, Brgy. San Isidro,San Francisco, Agusan del Sur	5.2	-Financial Arrangement Secured:The Project was financed by 30% equity and 70% debt via peso-denominated loan from a bank granted on 4 February 2014; -Clearance to Underatake GIS issued on 24 September 2013;Geotechnical Foundations and Geohazard Risk Investigation by Construction & Drilling Specialists, Inc. on October 2013; Geohazards Assessment by Construction & Drilling Specialists, Inc. on November 2013; -Leased Agreement with Offtaker (ASELCO) signed on 3 January 2014; -The technical review for the proposals is ongoing; -Environmental Impact Study was conducted on the area which was submitted to the DENR- EMB for the application of ECC (ECC -R13-1401-009) granted on 19 February 2014; -Endorsement from LGU: Sangguniang Barangay Resolution No. 2013-18 dated 15 July 2013 (Brgy. Karaos); Sangguninang Barangay Resolution No. 2013-21-dated 5 July 2013 (Brgy. San Isidro); Sangguniang Barangay Resolution No. 2014-01 dated 6 January 2014 (Brgy. San Isidro); 18th Sangguniang Bayan Resolution No.2014-24 dated 29 January 2014 (Municipality of San Francisco); Bureau of Customs, Certi. of Accreditation: CAR No.106851112-13; Bureau of Customes, Cert. of Registration: CNN: IM0006371299; -PSFI will build the plants and connect directly to the substation of the Offtaker and the potential output of the plant will fed driectly to ASELCO franchise area; -Engineering, Installation, Construction and Completion Contract with Power Manufacturing and Machine Works, Inc. dated 29 November 2013; -Clearance to Underatake GIS from DOE issued on 24 January 2014; -Commencement of Construction: January 2014; -Target Testing and Commissioning: Middle of 3rd Quarter of 2014; -Target Commercial Operation: End of 3rd Quarter of 2014; -Project cost is Php509.15M	September 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	HYDROPOWER			**77.60**		
Committed	Puyo Hydroelectric Power Project	First Gen Mindanao Hydropower Corp.	Jabonga, Agusan del Norte	30	-Financial Arrangement Secured; -Ground breaking held on 17 April 2013; -Issued Confirmation of Commercialityon 12 July 2013; -Already secured LGU Endorsements, DENR Certificate of Non-Coverage, NCIP Certificate and NWRB Permit; -Also submitted Feasibility Study and 5-Yr Work Plan.	July 2015
Committed	Limbatangon Hydroelectric Power Project	Turbines Resource & Development Corp.	Cagayan de Oro City, Misamis Oriental	9	-Financial Arrangement Secured; -On-going construction; - Issued Confirmation of Commerciality on 12 July 2013. Already secured LGU Endorsements, DENR ECC, and NCIP Certificate; -Also submitted Feasibility Study, Detailed Engineering Design, and 5-Yr Work Plan.	January 2017
Committed	Tudaya 1 Hydroelectric Power Project	Hedcor Sibulan, Inc.	Sta. Cruz, Davao del Sur	6.6	-Financial Arrangement Secured; -Project Status (Over-all) as of 13 February 2014 (94.49% completed); -On-going construction; - Issued Confirmation of Commerciality on 04 April 2013; -Already secured LGU Endorsements, DENR ECC, Certificate of Precondition, and Conditional Water Permit. Also submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work Plan; - Endorsed for Duty Free Importation; - Waived their application for FIT; -Testing and Commissioning started on 6 february 2014 (using Baroring Weir only); -Target Completion of Sibulan Weir and Desander is on 30 March 2014; -Target Commercial Operation: April 2015	March 2014
Committed	Tudaya 2 Hydroelectric Power Project	Hedcor Tudaya, Inc.	Sta. Cruz, Davao del Sur	7	-Financial Arrangement Secured; -Project Status (Over-all) as of 13 February 2014 (100% completed); -Issued Confirmation of Commerciality on 26 June 2013 - HCC#2013-05-010; -Already secured LGU Endorsements, DENR ECC, Certificate of Precondition, and Conditional Water Permit; -Also submitted Feasibility Study, Detailed Engineering Design and 5-Yr Work Plan Completely installed the remaining 18 m conveyance pipe connecting the desander and Sibulan B tailrace; -Testing and Commissioning - 17 February 2014; Endorsed for Duty Free Importation; -Target Testing and Commissioning: March 2015; Target Commercial Operation: April 2014	March 2014
Committed	Lake Mainit	Agusan Power Corporation	Jabonga, Agusan del Norte	25.0	-Financial Arrangement Secured; -Clearance to Underatake GIS from DOE issued on 7 October 2012; -On-going construction; - Submission of lacking requirements e.g. permits in progress.	March 2016

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	BIOMASS			**41.60**		
Committed	10 MW Kalilangan Bio-Energy Corporation Multi Feedstock Power Generating Facility	Kalilangan Bio-Energy Corporation	FIBECO, Anahawan, Maramag, Bukidnon	10	-Financial Arrangement Secured: -On-going construction; -On-going Processing of Requirements;Permits obtained LGU Endorsement, Land Use Permit, etc.); -Has EPC	December 2015
Committed	10 MW Don Carlos Bio-Energy Corporation Multi Feedstock Power Generating Facility	Don Carlos Bio-Energy Corporation	FIBECO, Anahawan, Maramag, Bukidnon	10	-Financial Arrangement Secured: -On-going construction; -On-going Processing of Requirements; -Permits obtained LGU Endorsement, Land Use Permit, etc.); -Has EPC	December 2015
Committed	10 MW Malaybalay Bio-Energy Corporation Multi Feedstock Power Generating Facility	Malaybalay Bioenergy Corporation	FIBECO, Anahawan, Maramag, Bukidnon	10	-Financial Arrangement Secured: -On-going construction; -On-going Processing of Requirements;Permits obtained LGU Endorsement, Land Use Permit, etc.) -Has EPC.	December 2015
Committed	15 MW LPC Biomass Power Plant Project	Lamsan Power Corporation	Maguindanao	10.00	-Financial Arrangement Secured: -On-going construction	2015
Committed	3 MW Biomass Cogeneration Facility	Philippine Trade Center, Inc.	Maguindanao	1.60	-Financial Arrangement Secured: -Operating for Own-Use	--

Total CommittedRated Capacity: 1,065.30

Source: DOE

Annex 14. Private Sector Initiated Power Projects in Mindanao (INDICATIVE) as of 28 February 2014

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
	COAL			**2,235.00**		
Indicative	ZAM 100 MW Circulating Fluidized Bed (CFB) Coal-Fired Power Station	San Ramon Power Inc.	Sitio San Ramon, Bgry. Talisayan, Zamboanga City	100	-On-going securing permits; -On-going negotiations with ZAMCELCO for baseload supply; Power Sales Agreement for ZAMCELCO is 85MW, and ZAMSURECO 1 is 10MW; -EPC Contract between Owner and Daelim Philippines, Inc. executed on 27 December 2012; -Land Lease Agreement with ZamboEcozone signed on 28 January 2013; DENR had issued ECC in April 2012; -On-going sourcing of financing the project; Ground breaking last 27 January 2013; -Notice to Proceed targeted on Q4 2013; -Commercial operation on June 2016; -Project cost is $292M	December 2015
Indicative	Davao del Norte 20 MW Circulating Fluidized Bed Biomass-Coal Fired Thermal Power Plant	FDC Utilities, Inc.	Maco, Davao del Norte	20	-Awaiting approval of sale from ERC on proposed plant connection at DANECO 69/13.2kV Canocotan Substation; -On-going of securing of permits; -Clearance to Underatake GIS from DOE issued on 7 June 2012; -Project cost is Php4.8B	March 2015
Indicative	300 MW SMC Davao Power Plant Project Phase I	San Miguel Consolidated Power Corporation	Brgy. Culaman, Malita, Davao del Sur	300	-Project Status (over-all) as of 7 February 2014 - 12%;Groundbreaking held last 15 July 2013.Land acquisition completed; -On-going securing of permits and other regulatory requirements; SEC issued last 26 August 2011; -On-going electric power supply contract negotiation with prospective off-takers; -On-going negotiations for financing arrangements; -Clearance to Underatake GIS from DOE issued on 29 August 2011; -On-going civil works construction/installation; Target Testing and Commissioning: 2016; -Target Commercial Operation: 2019; -Project cost is $630M / Php25.8B	December 2020
Indicative	Sibuguey Power Plant Project	Philippine National Oil Company (PNOC-EC)	Sibugay, Zamboanga	100	-Technical and economic feasibility study was completed in July 2011; -Eligible bidder for Transaction Advisor on 8 August 2012; -On-going bid processing for the EIS consultancy leading to ECC application and other permits; -Clearance to Underatake GIS from DOE issued on14 October	September 2016
Indicative	300 MW SMC Davao Power Plant Project Phase II	San Miguel Consolidated Power Corporation	Brgy. Culaman, Malita, Davao del Sur	300	-Land acquisition completed; -On-going securing of permits and other regulatory requirements; -On-going negotiations for financing arrangements	December 2018
Indicative	600 MW SMC Davao Power Plant Project Phase III	San Miguel Consolidated Power Corporation	Brgy. Culaman, Malita, Davao del Sur	600	-Land acquisition completed; Secured DENR ECC (ECC-CO-1304-0010) on 18 June 2013;	300 MW - Dec 2019 300 MW - Dec 2020

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
					-On-going securing of permits and other regulatory requirements; -On-going negotiations for financing arrangements	
Indicative	3x135 MW PsagCorp Coal-fired Power Plan	GN Power	Kauswagan, Lanao del Norte	405	-GIS issued by DOE on 20 November 2012. -Contracted by 20 Ecs of AMRECO Psag Corp.; -Granted LGU Endorsement; -On-going EIS for ECC application; -On-going securing water permits; -Clearance to Underatake GIS from DOE issued on 28 June 2013	December 2017
Indicative	2x55 MW Balingasag Thermal Power Plant (Circulating Fluidized Bed Combustion (CFBC) Coal-Fired Power Plant Plant)	Minergy Coal Corporation	Brgy. Mandangoa, Balingasag, Misamis Oriental	110	- SEC Registered on February 2013;Certificate of Endorsement (No. 2013-07-007) issued on 1 August 2013; -Site Evaluation completed on 14 August 2002; -On-going securing of permits and other regulatory requirements such as EIS/ECC; -Technical review on-going; Off-taker - CEPALCO (embedded via double ckt 138 kV line); -Main EPC Contractor: Mitsubishi Corporation; Main Sub-contractor: Toshiba Plants Systemes * Services Corp. (TPSC); -Total project cost - P14,553B	January 2017
	GEOTHERMAL			**50.00**		
Indicative	Mindanao 3 Geothermal	Energy Development Corporation	Kidapawan, North Cotabato	50	-Ongoing resource assessment; DENR ECC obtained; -Land use permits obtained; LGU Endorsement obtained; Water right secured; -Clearance to Underatake GIS from DOE issued on 7 June 2012; -Project cost $250M	December 2017
	HYDROPOWER			**90.80**		
Indicative	Tagoloan Hydropower	First Gen Mindanao Hydropower Corp.	Impasugong & Sumilao, Bukidnon	39	-Issued Confirmation of Commerciality on 02 July 2013; -Submission of lacking requirements e.g. permits in progress.	October 2015
Indicative	Bubunawan Hydroelectric Power Project	First Gen Mindanao Hydropower Corp.	Baungon and Libona, Bukidnon	23	-Issued Confirmation of Commerciality on 02 July 2013; - Already secured LGU Endorsements, DENR Environment Compliance Certificate , NCIP Certificate and NWRB Permit; -Also submitted Feasibility Study and 5-Yr Work Plan; -Clearance to Underatake GIS from DOE issued on 28 September 2012;	October 2015
Indicative	Cabadbaran Hydroelectric Power Project	First Gen Mindanao Hydropower Corp.	Cabadbaran, Agusan del Norte	9.75	-Issued Confirmation of Commerciality on 03 July 2013. -Already secured LGU Endorsements, DENR Certificate of Non-Coverage, NCIP Certificate and NWRB Permit; -Also submitted Feasibility Study and 5-Yr Work Plan; -Clearance to Underatake GIS from DOE issued on 28 September 2012	December 2015
Indicative	Tumalaong Hydroelectric Power Project	First Gen Mindanao Hydropower Corp.	Baungon, Bukidnon	9	-Issued Confirmation of Commerciality on 2 July 2013; - Already secured LGU Endorsements DENR Certificate of Non-Coverage, and Conditional Water Permit; - Also submitted Feasibility Study and 5-Yr Work Plan.	October 2015

Committed / Indicative	Name of the Project	Project Proponent	Location	Rated Capacity (MW)	Project Status	Target Commissioning
Indicative	Culaman Hydroelectric Power Project	Oriental Energy and Power Generation Corporation	Manolo Fortich, Bukidnon	10	-Issued Confirmation of Commerciality on 03 June 2013; -Clearance to Underatake GIS from DOE issued on 5 October 2012; - Submission of lacking requirements e.g. permits in progress.	June 2018
Indicative	Pasonanca	Philcarbon, Inc.	Zamboanga City	0.1	-Issued Confirmation of Commerciality on 09 January 2014; -Submission of lacking requirements e.g. permits in progress.	March 2017
	SOLAR			**45.50**		
Indicative	Darong Solar Photovoltaic Power Project	PhilNew Energy Inc.	Sta. Cruz, Davao del Sur	35	-Awarded with the Solar Energy Service Contract (SESC No. 2011-12-007) on 16 December 2011; -Submitted the Declaration of Commerciality (DOC) on September 2011; -Clearance to Underatake GIS from DOE issued on 25 March 2011;	September 2015 (Subject to FIT)
Indicative	Digos Solar Photovoltaic Power Project	Enfinity Philippines Renewable Resources, Inc.	Digos City, Davao del Sur	10	-Awarded with the Solar Energy Service Contract (SESC No. 2012-09-033) on 12 October 2014; -Acquired ECC from DENR; -Acquired the DOE Certificate of Confirmation of Commerciality subject to execution of Amendment Contract on 11 March 2014; -Clearance to Underatake GIS from DOE issued on 7 August 2013;	October 2014
	BIOMASS			**10.80**		
Indicative	12 MW Biomass Power Plant Project	Misamis Oriental Bio-Energy Corporations	Misamis Oriental	10.80		2015

Total IndicativeRated Capacity: 2,431.60

Source: DOE

Annex 15. ERC Approved Capital Expenditure Projects as of 31 March 2014

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
Central Negros Electric Cooperative, Inc. (CENECO)	CENECO sought the Commission's approval of its emergency capital expenditure project involving the construction of a new 5 MVA Substation at Hacienda Panaogao, Silay City	Construction of a new 5MVA Substation that will address the overloading/critical condition of CENECO's existing 5MVA substation at Hacienda Maquina, Brgy. Rizal, Silay City	CENECO categorized said project as an "Emergency Capital Project" due to the overloading condition of the said substation which requires the urgent augmentation of its capacity to negate any effect concerning the reliability of power supply to the consuming public.	14,831,150.00	May 16, 2011 / November 4, 2013
Province of Siquijor Electric Cooperative, Inc. (PROSIELCO)	Primary Distribution Development Projects	Replacement/rehabilitation of its rotten and burned poles and deteriorated and damaged assembly units and cross-arms	Its distribution network assets namely, its conductors; poles; assemblies and transformers, are rotten, damaged or deteriorated. The replacement of these facilities is necessary for the safety and reliability of its distribution system	2,539,656.76	July 11, 2011 / November 4, 2013
		Replacement of deteriorated conductor of 3-phase backbone line		750,103.20	
		Replacement of deteriorated/damaged transformers, reclosers and cut-outs		1,627,753.36	
		Installation of timer switch at its capacitor banks intended for Feeders 1 and 2	The project is intended to correct the power factor deficiency of its system during off-peak hours.	577,728.00	
		Installation of a 3 pole transfer switch at the load end of both Feeders 1 and 2 circuit	The project aims to comply with the safety standard provided in the Philippine Electrical Code (PEC) in terms of proper distribution connection procedures.	93,220.00	
		Procurement of Current Limiter Fuse	The acquisition of the equipment will provide protection to its installed distribution transformers.	289,100.00	
	Other Network Development Projects	Distribution Transformers Expansion	The acquisition of the equipment will provide protection to its installed capacity to meet its customer additional demand.	3,583,405.00	
		New Customer Accessories and kWh meters	The project aims to comply with its mandate of providing electric service to all of its customers, since additional customers are expected to apply for new connection. The project also includes the acquisition of wires for service drops, metering facilities and equipment.	12,250,621.44	

<table>
<tr><th>APPLICANT</th><th>PROJECT</th><th>DESCRIPTION</th><th>RATIONALE</th><th>PROJECT COST (PHP)</th><th>DATE FILED/ APPROVED</th></tr>
<tr><td rowspan="3"></td><td rowspan="3">Non-network Development Projects</td><td>Repair of its Office Building</td><td>The repair of its existing office is intended to provide a comfortable working place for its personnel and payment center for its customers.</td><td>730,713.20</td><td rowspan="3"></td></tr>
<tr><td>Procurement of Linemen Tools and Equipment</td><td>The project will enhance its operation and maintenance services.</td><td>500,287.04</td></tr>
<tr><td>Procurement of Mini-Utility Service and Mini-boom Truck</td><td>Its personnel will be equipped with the proper equipment to efficiently attend to the needs of its consumers in the best possible way.</td><td>1,188,000.00</td></tr>
<tr><td>Pampanga 1 Electric Cooperative, Inc. (PELCO)</td><td>Emergency capital expenditure project</td><td>The repair of its defective 10/12.5 MVA Hanyang Power Transformer at the Arayat Substation</td><td>The said Hanyang Power Transformer with body Serial No. 33300 was isolated from service since August 23, 2012 due to localized fault inside its body. The test results revealed that its suffered serious internal windings and insulation damages. The repair of the said defective power transformer is necessary to ensure its operational safety and reliability.</td><td>3,568,511.07</td><td>February 4, 2013 / November 4, 2013</td></tr>
<tr><td>Surigao del Sur I Electric Cooperative, Inc. (SURSECO I)</td><td>Force Majeure Capital Expenditure (CAPEX) project for the repair and restoration of distribution lines and facilities damaged by Typhoon Pablo</td><td colspan="3">
<table>
<tr><th>PARTICULARS</th><th>QTY.</th><th>UNIT COST</th><th>TOTAL COST</th></tr>
<tr><td>A. Poles</td><td></td><td></td><td></td></tr>
<tr><td>Steel, 25’</td><td>12</td><td>7,063.25</td><td>84,759.00</td></tr>
<tr><td>Steel, 30’</td><td>63</td><td>10,204.05</td><td>642,855.15</td></tr>
<tr><td>Steel, 35’</td><td>121</td><td>12,716.92</td><td>1,538,747.32</td></tr>
<tr><td>Steel, 40’</td><td>17</td><td>17,395.25</td><td>295,719.25</td></tr>
<tr><td>Steel, 45’</td><td>4</td><td>22,831.37</td><td>91,325.48</td></tr>
<tr><td>Total</td><td>217</td><td></td><td>2,653,406.20</td></tr>
<tr><td>B. Distribution Transformers</td><td></td><td></td><td></td></tr>
<tr><td>Conventional, 10kVA</td><td>9</td><td>48,430.00</td><td>435,870.00</td></tr>
<tr><td>Conventional, 15kVA</td><td>3</td><td>59,638.33</td><td>178,914.99</td></tr>
<tr><td>Conventional, 25kVA</td><td>7</td><td>77,380.00</td><td>541,660.00</td></tr>
<tr><td>Conventional, 50kVA</td><td>1</td><td>110,435.00</td><td>110,435.00</td></tr>
<tr><td>Conventional, 100kVA</td><td>1</td><td>156,236.34</td><td>156,236.34</td></tr>
<tr><td>Total</td><td>21</td><td></td><td>1,423,116.33</td></tr>
<tr><td>C. Conductors</td><td></td><td></td><td></td></tr>
<tr><td>ACSR #2, Bare AWG 6/1 (mtr)</td><td>9,515</td><td>21.32</td><td>202,854.04</td></tr>
<tr><td>ACSR #1/0, Bare AWG 6/1 (mtr)</td><td>2,148</td><td>30.14</td><td>64,738.69</td></tr>
<tr><td>ACSR #2/0, Bare AWG 6/1 (mtr)</td><td>2,284</td><td>38.68</td><td>88,345.12</td></tr>
<tr><td>ACSR #3/0, Bare AWG 6/1 (mtr)</td><td>2,872</td><td>41.83</td><td>120,135.76</td></tr>
<tr><td>Duplex, #6 AWG (mtr)</td><td>14,284</td><td>20.77</td><td>296,679.94</td></tr>
<tr><td>Total</td><td></td><td></td><td>772,753.55</td></tr>
</table>
</td><td>April 16, 2013 / November 4, 2013</td></tr>
</table>

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED

D. kWh Meters	2,010	1,220.00	2,452,200.00
E. Pole Assembly of Various Type with Standard Accessories	2,010	1,106,910.43	1,106,910.43
		TOTAL COST (PHP)	**8,408.386.51**

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
Southern Leyte Electric Cooperative, Inc. (SOLECO)	Uprating and Relocation of Bontoc Substation due to unexpected significant new load, with prayer for authority to secure loan	SOLECO proposed to construct a new 10 MVA substation to augment and replace the existing 5MVA Bontoc Substation due to capacity problem.	Based on the projected demand forecast, there is a need to augment the capacity at the Bontoc Substation.	41,964,860.53	August 19, 2011 / November 11, 2013
Tarlac Electric Incorporated (TEI)	Transfer of 15/20 MVA Off Load Transformer with its AVR and PCB from San Rafael to LIP Substation to complement the existing 25/30MVA transformer	The transfer of the transformer from San Rafael SS to LIP Substation is necessary to serve the loads of the damaged 30 MVA transformer of LIPS, particularly the industrial area.		3,060,000.00	January 20, 2012 / November 18, 2013
	Retrofitting of the two 15kV Feeder Breakers at Maliwalo Substation	TEI's Maliwalo Substation has two (2) sets of 15kV Feeder Breakers which were commissioned since 1979 by the National Power Corporation (NPC). These breakers are in service for almost 32 years and underwent several repairs. Considering that these equipments have already reached their economic operational life, the Commission finds their replacement necessary.		3,092,315.00	
	Pole Relocation along Mc Arthur High way, Tarlac City	The relocation of poles is in compliance with the non-going road widening program of the government through the Department of Public Works and Highways (DPWH)		10,639,796.32	
	Replacement of SCADA Metering Equipment at LIP Substation	The SCADA Metering Equipment is essential in monitoring TEI's substation operation, particularly the diagnosis of any abnormalities in its distribution sustem and to monitor the power quality parameter of the system.		4,553,115.84	
	Upgrading of Facilities Management System (Mapping)	The project is necessary to achieve the full integration of its system.		1,856,398.00	
	Development of Project Controller System	The Project Controller System is a useful tool in the monitoring of TEI's on-going projects and served as a guide in planning its future projects.		2,017,030.00	
	Development of Asset Registry System	The comprehensive integration of its asset registry system is intended to avoid unnecessary double entry of information and to promote efficiency and integrity in the preparation of data.		653,312.50	
	Enhancement of Integrated Customer Service System (ICSS)	The Billing, Collection and Customer Service Modules of the Integrated Customer Service System (ICSS) are already in place. The project will cover the costs to maintain enhance and/or effect any necessary changes on these Modules, as well as the costs to upgrade the computer hardware.		9,403,003.75	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
	Redundant Back-up System	The back-up system of its entire data is intended for disaster recovery system.		7,126,500.00	
	Development of Budget Management Facility	This system is a fully integrated module which provides an accounting system.		629,731.25	
Aklan Electric Cooperative, Inc. (AKELCO)	Contingency Capital Expenditure Project regarding Relocation of Distribution Lines to give way to Government Road Widening projects	Relocation of pole and 3-phase primary line section from Andagao, Kalibo with the retirement of the existing facilities	The affected distribution line has a length of 0.24km, 3-phase, 13.2kV primary line with four (4) poles to be relocated to at least ten (10) meters setback from the roads center-line.	225,367.44	March 21, 2013 / November 18, 2013
		Relocation of pole and double circuit line section from Andagao Brgy. Pook, Kalibo with the retirement of the existing facilities	The affected distribution line has a length of 1.22 km, 3-phase, 13.2kV primary line with seventeen (17) poles to be relocated to at least ten (10) meters setback from the roads center-line.	983,834.84	
		Relocation of 3-phase primary line section from Ceres Terminal to NVC, Osmena Ave. Poblcaion, Kalibo with the retirement of the existing facilities.	The affected distribution line has a length of 0.42km, 3-phase, 13.2 kV primary line with seven (7) poles to be relocated to at least ten (10) meters setback from the roads center-line.	932,780.75	
		Relocation of the 3-phase primary line section located within Brgy. Dumaguit, New Washington, Aklan with the retirement of the existing facilities	The affected distribution line has a length of 0.30km, 3-phase, 13.2 kV primary line with five (5) poles to be relocated to at least ten (10) meters setback from the roads center line.	222,271.83	
		Relocation of 3-phase primary line section from Brgy. Bulwang to Brgy. Laguinbanua, East, Numancia Aklan with the retirement of the existing facilities	The affected distribution line has a length of 3.6km, 3-phase,13.2kV primary line with sixty (60) poles to be relocated to at least ten (10) meters setback the roads center line.	5,138,387.64	
			The affected distribution line has a length of 0.30km, 1-phase, 13.2	523,661.93	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
		Relocation of V-phase and Single-phase line sections from Brgy. Alegria, Buruanga to Brgy. Tigum Buruanga with the retirement of the existing facilities	kV primary line with five (5) poles to be relocated to at least ten (10) meters setback from the roads center-line.		
		Relocation of Single-phase primary line section from Brgy. Lupo to Brgy. Tibiao, Altavas with the retirement of the existing facilities	The affected distribution line has a length of 1.32km, 1-phase, 13.2kV primary line with twenty two (22) poles to be relocated to at least ten (10) meters setback from the roads center-line.	638,756.57	
Negros Oriental II Electric Cooperative, Inc. (NORECO II)	Repair and restoration of distribution lines and facilities and replacement of kWh meters damaged by typhoon Sendong	The project covers the procurement of steel poles and conductors, and construction and installation of various components of distribution lines. The project also includes the replacement of damaged kilowatt hour (kWh) meters.	The project consists of the rehabilitation and restoration of damaged distribution line facilities including poles, conductors, fixtures, pole line hardware and household meter services.	3,507,596.00	June 25, 2012 / December 2, 2013
Agusan del Sur Electric Cooperative, Inc. (ASELCO)	Procurement of Automatic Reclosers for Talacogon and Trento Substations	This project is for acquisition of five (5) units of automatic circuit reclosers with the following specifications: Novai Brand equipped with micro-processor controller – KYLE Form 6 by Copper Power System; assembled in China with a maximum design voltage of 15.5 kV; nominal operating voltage of 14.4 kV, 60hz and with interrupting rating of 12.5 – 16kA.	The three (3) units will be installed at the Talacogon Substation to replace the three (3) defective units previously purchased by ASELCO in the year 2011 while the other two (2) units will be installed at the Trento Substation.	3,460,000.00	August 1, 2012 / December 2, 2013
	Rehabilitation of Damaged Distribution Lines and Equipment due to Typhoon Sendong	The project is for the rehabilitation and immediate replacement of materials, poles, hardware, meters and distribution transformers damaged during the onslaught of typhoon Sendong in December 2011.	The toppled poles and distribution transformers caused power interruptions and brownouts to several areas in its franchise area.	10,405,641.00	
	Rehabilitation of Distribution Lines and Dilapidated Wood Poles	The project is for the replacement of Rotten Poles from Wood to Steel	ASELCO's dilapidated distribution facilities such as lines and poles as a great danger to its technical personnel and most of all to the public	13,572,517.00	
	Replacement of Overloaded Distribution Transformers	The project is intended to address the load growth and reliability of ASELCO's distribution system.	Without an effective transformer management system, the reliability of ASELCO's distribution system is at risk. In addition, the distribution system will continue to incur additional losses due to increasing line and	23,626,135.00	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
			core losses of its inefficient and old transformers.		
	Procurement of Infrared Thermal Scanner	The project involves the acquisition of an infrared thermal scanner for ASELCO's distribution line and substation.	This type of equipment detects hotspots in all types of electrical equipment such as distribution transformers and transmission line conductors.	943,200.00	
	Installation / Replacement of kWh Meters and Service Drop Wires	Tests results on ASELCO's aging kWh meters suggest that significant amount of energy is not reflected in its energy sales due to inefficient performance of the meters and that it is way below the two percent (2%) tolerance of meter accuracy.	The implementation of the project will result to a recovery of substantial amount of energy which will result to the substantial reduction in its overall systems loss.	14,738,864.00	
	Procurement of Billing Software, Hardware and Windows Program	The project will provide ASELCO a tool for enhancing its billing and collection efficiency.		3,860,550.00	
Manila Electric Company (MERALCO)	Construction of Mahabang Parang-Batangas City 69kV Lines	This project involves the construction of 69kV lines using 1-795 MCM ACSR per phase on steel poles with an approximately total length of 14.6 kilometers. The new 69kV lines will provide an alternate feed to Batangas Coty Substation (12.6 km circuit length) and MERALCO-Bolboc Substation (2.0 km circuit length). The project also includes the installation of necessary line terminations and associated protection equipment at the NGCP-Mahabang Parang substation and the Batangas City substation and the acquisition of right-of-way for the 69kV lines.	This Subtransmission line project is a substitute project for the ERC-approved Capital Expenditure Project (CAPEX) of MERALCO in the Second Regulatory Period with project name "Development of Sta Rita 230 kV-69 kV Delivery Point Substation".	263,185,540	April 24, 2013 / December 2, 2013
	Construction of FCIE – Rosario 115kV line	This project involves the construction of new 115kV line along the road using 2-795MCM ACSR per phase on steel poles from FCIE 115kV – 34.5kV substation to Rosario 115kV-34.5kV substation with an approximately length of 15.5 kilometers and uprating of 0.5 kilometers of 115kV line from 1-795 MCM ACSR per phase to 2-795 MCM ACSR per phase on steel poles. It also includes the installation of associated protection equipment at FCIE and Rosario substations.	The construction of the FCIE – Rosario 115kV line project is a substitute project for the "Construction of Imus-Rosario 115kV line" since the latter is no longer a viable option due to transformer capacity constraint and ROW problems along its route.	284,963,699	
	Finance and Logistics Systems Migration Project	The proposed project is for the migration of MERALCO's current Finance Management System (FMS) and Materials Management System (MMS) to Systems Applications and Products (SAP) Finance and Logistics Systems.	The migration of SAP Finance and Logistics Systems will fully support the enhanced distribution asset management and customer	364,107,678.00	September 3, 2013 / December 16, 2013

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
			service processes of MERALCO as well as integrate EAM with the supply chain and finance processes. If the project will not be implemented, the settlement of project costs to assets will continue to be manually performed, which makes project accounting tedious and exposed to human error.		
Iloilo II Electric Cooperative, Inc. (ILECO II)	Unplanned Capital Expenditures Projects	Power Transformer Upgrading from 10MVA to 15MVA and 69kV Current Transformer at Dumangas Substation	The approval of ILECO II's unplanned CAPEX projects is in accordance with the provisions of Republic Act No. 9136 and "Resolution Amending the Rules for Approval of Regulated Entities' Capital Expenditure Projects" which will redound to the benefit of its consumers in terms of continuous, reliable and efficient power supply as mandated by Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 (Section 2. Declaration of Policy - (b) "to ensure the quality, reliability, security and affordability of the supply of electric power").	17,000,000.00	February 27, 2013/ December 9, 2013
City of Olongapo	Emergency Capital Projects, Namely: 1. Construction Of 13.8 kV Tie-Line Between CMBU And Mercurio Substations; 2. Rehabilitation Of Mercurio Substation; 3. Development Of Customer Information Management System And Bill On-Site	Construction of New 336.4 MCM ACSR 3-Phase 13.8 kV Tie-Line between CBMU and Mercurio Substations		3,695,508.96	
		Replacement of 69 kV Circuit Breaker, Rehabilitation of MV Underground Cables and Disconnect Switches and Transformer Oil Filtering of 10/12/15 MVA 69/13.8 kV Power Transformer in Mercurio Substation		11,033,440.00	
		Development of CIMS and Bill On-Site System		24,023,536.69	

APPLICANT	PROJECT	DESCRIPTION	RATIONALE	PROJECT COST (PHP)	DATE FILED/ APPROVED
	System; And 4) Rehabilitation Of 69 kV Line For Olongapo City's Electric Distribution System	Rehabilitation of 69 kV Lines		2,810,478.00	
Misamis Oriental II Rural Electric Service Cooperative, Inc. (MORESCO II)	Force Majeure Capital Expenditure Project (Repairs and Reconstruction of Distribution Facilities Damaged by Typhoon Pablo	The project is for the damaged facilties which were mostly wooden poles, cross-arms, line hardware, conductors and distribution transformers which were toppled and destroyed due to strong winds, heavy rains and massive flooding.	The subject capital expenditure project is necessary and was undertaken by MORESCO II for the immediate repair and restoration of its distribution facilities after sustaining considerable damage due to the onslaught of Typhoon Pablo. The restoration works also prevented further outages in MORESCO II's network and has reduced power interruption in the typhoon-affected areas.	11 ,265,606.00	March 26, 2013/ March 3, 2014

Source: ERC website

Annex 16. NPC-incurred amount on grant of Mandatory Rate Reduction

Billing Month	MERALCO	REST OF LUZON	TOTAL LUZON	VISAYAS	MINDANAO	TOTAL
2001						1,682,000,000.00
2002						3,051,860,000.00
2003						3,223,300,000.00
2004						3,467,100,000.00
2005						3,267,100,000.00
2006						2,624,120,000.00
2007						2,679,840,000.00
2008	786,079,461.86	832,317,675.85	1,618,397,137.71	561,119,367.51	635,133,615.12	2,814,650,120.34
January-09	47,806,643.10	62,542,055.24	110,348,698.34	47,015,229.93	55,007,710.33	212,371,638.60
February-09	42,273,187.20	64,217,843.86	106,491,031.06	50,088,622.44	58,532,264.35	215,111,917.85
March-09	44,040,781.71	72,167,723.34	16,208,505.05	40,353,083.65	45,253,008.77	201,814,597.47
April-09	53,118,020.70	72,821,969.18	125,939,989.88	54,326,480.12	59,947,414.10	240,213,884.10
May-09	64,030,998.00	98,241,624.26	162,272,622.26	51,704,193.10	59,122,138.86	273,098,954.22
June-09	68,204,346.90	56,650,477.52	124,854,824.42	51,278,066.68	58,609,301.03	234,742,192.13
July-09	63,628,967.70	65,161,685.28	128,790,652.98	48,742,591.72	54,649,917.21	232,183,161.91
August-09	58,986,725.10	61,356,596.29	120,343,321.39	48,943,598.40	57,173,785.23	226,460,705.02
September-09	50,732,551.80	69,253,355.08	119,985,906.88	49,727,759.66	61,284,765.87	230,998,432.41
October-09	38,966,161.50	55,868,121.86	94,834,283.36	50,266,616.81	58,345,501.27	203,446,401.44
November-09	31,832,086.00	19,908,900.00	51,740,986.00	37,384,175.00	60,168,998.00	149,294,159.00
December-09	24,530,890.00	7,880,404.00	32,411,294.00	37,104,752.00	61,082,278.00	130,598,323.00
January-10	23,572,436.00	5,680,029.00	29,252,465.00	35,947,500.00	61,143,896.00	126,343,861.00
February-10	16,988,494.00	7,383,173.00	24,371,667.00	35,584,880.00	57,003,485.00	116,960,032.00
March-11	30,078,723.00	7,188,075.00	37,266,798.00	32,586,053.00	44,935,288.00	114,788,139.00
April-10	27,989,214.10	6,994,305.08	34,983,519.18	33,097,892.60	55,781,074.41	123,862,486.19
May-10	26,945,954.12	8,335,549.24	35,281,503.36	46,852,306.73	58,602,559.43	140,736,369.52
June-10	25,829,411.99	7,667,101.81	33,496,513.80	38,496,958.90	66,213,086.12	138,206,558.82
July-10	7,577,968.93	9,467,995.19	17,045,964.12	37,035,208.59	56,583,928.26	110,665,100.97
August-10	8,449,485.54	8,726,414.90	17,175,900.44	33,892,800.66	57,451,146.62	108,519,847.72
September-10	8,625,603.24	6,891,672.75	15,517,275.99	35,104,382.96	57,349,652.55	107,971,311.50
October-10	9,210,107.25	6,795,056.53	16,005,163.78	33,663,960.20	58,237,764.61	107,906,888.59
November-10	8,996,042.05	6,614,179.19	15,610,221.24	32,882,418.91	62,022,299.56	110,454,939.71
December-10	7,929,051.20	1,951,050.19	9,880,101.39	32,407,720.28	78,841,735.75	121,129,557.42
January-11	12,866,368.66	4,279,707.63	17,146,076.29	30,440,344.80	65,272,213.70	112,858,634.79
February-11	11,901,724.80	4,185,132.98	16,086,857.78	26,155,577.14	57,774,813.96	100,017,248.88
March-11	9,768,215.70	3,969,708.66	13,737,924.36	23,742,284.14	51,874,251.31	89,354,459.81
April-11	5,172,690.30	4,263,910.08	9,436,600.38	20,084,581.86	58,855,190.04	88,376,372.28
May-11	8,387,174.86	4,784,938.17	13,172,113.03	20,529,433.51	68,402,330.52	102,103,877.06
June-11	11,310,086.13	4,973,382.86	16,283,468.99	22,250,391.59	62,851,407.75	101,385,268.33
July-11	10,547,112.05	4,653,784.10	15,200,896.15	22,352,448.64	60,225,893.67	97,809,238.46
August-11	9,207,207.46	4,691,365.50	13,898,572.96	20,978,035.54	62,271,564.88	97,148,173.38
September-11	7,076,107.39	4,610,040.19	11,686,147.58	20,868,424.70	62,829,132.99	95,383,705.27
October-11	5,551,114.71	4,515,770.27	10,066,884.98	21,339,283.45	62,856,303.08	94,262,471.51
November-11	3,969,132.06	4,583,955.34	9,126,664.00	20,614,468.60	64,639,733.34	94,380,865.94
December-11	5,463,569.37	4,143,157.34	9,606,726.71	19,708,235.60	64,896,365.46	94,211,327.77
January-12	934,471.58	1,868,028.00	2,802,499.58	18,851,497.97	64,076,315.36	85,730,312.91
February-12	1,311,195.54	1,839,662.40	3,150,857.94	19,181,446.72	60,517,280.85	82,849,585.51
March-12	1,392,820.86	1,853,163.30	3,245,984.16	18,412,336.44	54,976,695.50	76,635,016.10
April-12	1,555,958.33	2,111,709.30	3,667,667.63	17,061,517.71	57,238,872.87	77,968,058.21
May-12	1,554,330.71	2,111,281.50	3,665,612.21	18,500,897.45	61,089,720.41	83,256,230.07
June-12	1,615,760.64	1,958,480.10	3,574,240.74	20,209,017.40	65,117,974.74	88,901,232.88
July-12	1,496,653.14	1,913,728.50	3,410,381.64	19,926,688.18	56,887,839.01	80,224,908.83
August-12	1,527,035.72	1,707,646.50	3,234,682.22	18,564,718.00	60,684,395.62	82,483,795.84
September-12	1,475,938.50	1,784,565.90	3,260,504.40	18,843,080.75	60,119,644.27	82,223,229.42
October-12	1,445,567.31	-	1,445,567.31	19,489,295.83	57,886,442.12	78,821,305.26
November-12	1,532,946.47	-	1,532,946.47	18,408,963.30	57,957,528.10	77,899,437.87
December-12	1,246,604.82	-	1,246,604.82	18,870,037.99	57,979,575.82	78,096,218.63
January-13	1,007,519.67	-	1,007,519.67	19,039,165.16	62,591,536.19	82,638,221.02
February-13	881,888.40	-	881,888.40	19,295,027.19	61,232,145.13	81,409,060.72
March-13	1,098,789.00		1,098,789.00	18,295,974.54	45,672,696.54	65,067,460.08
April-13	1,343,510.00	-	1,343,510.00	16,843,335.83	64,181,388.54	82,368,234.37
May-13	1,377,485.01	-	1,377,485.01	19,753,397.40	62,236,657.34	83,367,539.75
June-13	-	-	-	20,699,689.30	62,463,877.66	83,163,566.96
July-13	-	-	-	19,681,740.89	59,494,873.07	79,176,613.96
August-13	-	-	-	18,639,343.98	54,104,257.05	72,743,601.03
September-13	-	-	-	18,137,267.00	52,477,631.87	70,614,898.87
October-13	-	-	-	18,065,812.58	56,117,216.45	74,183,029.03
November-13	-	-	-	15,699,537.12	60,366,832.88	76,066,370.00
December-13	-	-	-	8,865,660.13	58,993,632.09	67,859,292.22
January-14	-	-	-	10,328,236.47	58,427,707.49	68,755,943.96
TOTAL	**1,700,442,292.18**	**1,692,886,152.26**	**3,293,902,021.04**	**2,274,333,814.75**	**4,254,118,552.12**	**29,917,644,386.91**

Source: NPC