

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, Pasig City

IN THE MATTER OF THE  
APPLICATION FOR  
AUTHORITY TO DEVELOP,  
OWN AND OPERATE  
DEDICATED POINT-TO-POINT  
LIMITED FACILITIES TO  
CONNECT TO THE  
TRANSMISSION SYSTEM OF  
THE NATIONAL GRID  
CORPORATION OF THE  
PHILIPPINES (NGCP) AND  
NATIONAL TRANSMISSION  
CORPORATION (TRANSCO),  
WITH PRAYER FOR THE  
ISSUANCE OF PROVISIONAL  
AUTHORITY

**ERC CASE NO. 2014-116 MC**

**ISABELA BIOMASS ENERGY  
CORPORATION (IBEC),**  
Applicant.

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DOCKETS  
Date: NOV 06 2015  
By: M

**NOTICE OF PUBLIC HEARING**

**TO ALL INTERESTED PARTIES:**

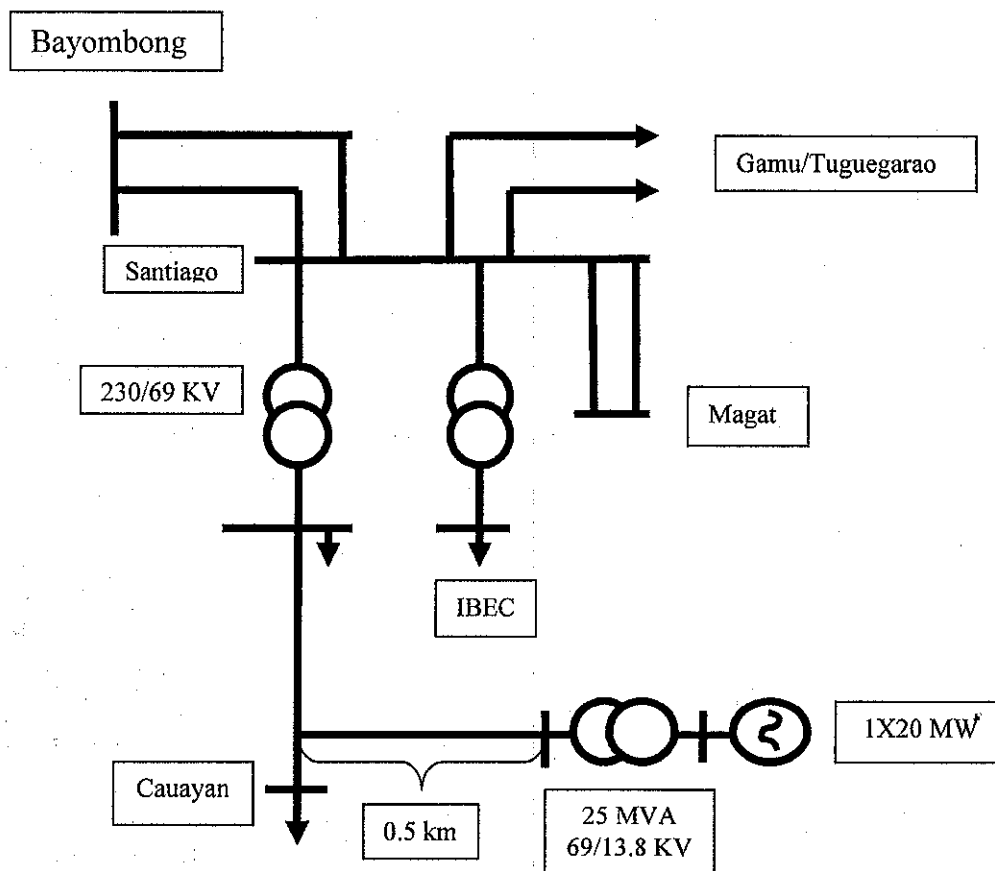
Notice is hereby given that on November 13, 2014, the Isabela Biomass Energy Corporation (IBEC) filed with the Commission an application for authority to develop, own and operate dedicated point-to-point limited facilities to connect to the transmission system of the National Grid Corporation of the Philippines (NGCP) and National Transmission Corporation (TRANSCO), with prayer for the issuance of provisional authority.

In the said application, IBEC alleged, among others, the following:

1. IBEC is a domestic corporation organized and existing under the Philippine Laws, with principal office address at Maharlika Highway, Purok 6, Burgos, Alicia, Province of Isabela.
2. IBEC is engaged in the business of generating, selling and supplying electricity through the exploration, development and utilization of alternative and/or renewable sources of energy and technologies. IBEC has successfully operated two (2) x 2 MW of similar power plants located in Isabela Province owned by two of its incorporators and officers, for the use of rice mill operations – the Golden Season Power Plant in Luna, and the Family Choice Power Plant in Cabatuan. Both power plants embraced the global paradigm shift towards the development and use of clean, cost effective production of electricity, through the utilization of renewable energy resources. Copies of the Articles of Incorporation, By-Laws and Certificate of Incorporation are attached to the application as Annexes “A”, “B” and “C”, respectively;
3. IBEC is constructing a 20 MW rice-husk-fired power plant in Alicia, Isabela (the IBEC Power Plant). It will be the largest rice husk fired-power plant in Luzon which will be operational by 2015. The IBEC Power Plant will run on 100% rice husk as operating fuel. It will be constructed in an 11.94 hectare property acquired by IBEC along the Maharlika Highway, Brgy. Burgos Alicia, Isabela;
4. The electricity to be produced by the IBEC Power Plant is intended to be sold under the Renewable Energy Payment (REPA) and Biomass Feed-In-Tariff (FIT) consistent with the pertinent provisions of Republic Act No. 9513 (R.A. 9513) or the “Renewable Energy Act of 2008”;
5. IBEC intends to connect the IBEC Power Plant to the Santiago-Cauayan 69 kV transmission line of the NGCP through its dedicated point-to-point 500 meters 69 kV single circuit from the power plant site to the end of

Santiago-Cauayan 69 kV transmission line (herein referred to as the Connection Assets);

6. The proposed interconnection of the IBEC Power Plant is as follows:



7. The filing of the application is anchored on Section 9 (f) of R.A. 9136, and Section 5, Rule 5 of its Implementing Rules and Regulations (IRR):

A. R.A. 9136

“Section 9. Functions and Responsibilities. x x x

(f) x x x

A generation company may develop and own or operate dedicated point-to-point limited transmission line facilities that are consistent with the TDP: *Provided*, That such facilities are required only for the purpose of connecting to the transmission system, and are used solely by

the generating facilities, subject to prior authorization by the ERC. x x x”

B. IRR of R.A. 9136

“Section 5. Dedicated Point-to-Point Limited Transmission Facility of a Generation Company.

(a) Subject to prior authorization from ERC, TRANSCO or its Buyer of Concessionaire may allow a Generation Company to develop, own and/or operate dedicated point-to-point limited transmission facilities: *Provided, That:*

- (i) Such dedicated point-to-point limited transmission facilities are required only for the purpose of connecting to the Grid which will be used solely by the Generation Facility, and are not used to serve End-users of Suppliers directly;
- (ii) The facilities are included and consistent with the TDP as certified by TRANSCO or its Buyer or Concessionaire; and
- (iii) Any other documents that may be required by the ERC;”

- 8. The IBEC Power Plant has already complied with the local and international environmental standards. It has secured the necessary Environmental Compliance Certificate (ECC) from the Department of Environment and Natural Resources (DENR) for its IBEC Power Plant, attesting to its compliance with the Environmental Impact Assessment (EIA) requirements as prescribed in accordance with the Presidential Decree No. 1586;
- 9. The IBEC Power Plant is expected to provide significant development, socio-economic and environmental impact not only to the host barangay but also to the Municipality of Alicia as well as the entire Province of Isabela. The project will generate new employment opportunities to the people of Isabela. It would be able to contribute to the socio-economic development of the Municipality of Alicia, particularly the upliftment of the standard of living of the

Filipino farmers through the provision of additional income to their families as an offshoot of the provision and purchase of biomass feedstock to the power plant. Thus, its proposed project was endorsed by the Sangguniang Bayan of Alicia and the Barangay Council of Burgos in support of the project;

10. On February 3, 2014, NGCP evaluated and issued the Third (3<sup>rd</sup>) Party Review Report of System Impact Study (SIS) for the IBEC Power Plant's proposed connection point. Under the SIS, it was established that the proposed IBEC Power Plant is technically feasible to connect to the Luzon transmission grid through the Santiago-Cauayan 69 kV transmission line. A copy of the SIS and the letter dated February 3, 2014 of NGCP with the subject "Review Report of the Third Party SIS for the 20 MW Biomass Power Project" are attached to the application as Annex "D" and "E", respectively;
11. IBEC has already filed with the Commission an application for the issuance of a Certificate of Compliance (COC) for the IBEC Power Plant;
12. The total estimated cost of the Connection Assets is PhP2,000,000.00 which shall be funded by IBEC. It has been formed to own and operate the 20 MW rice husk-fired power plant in the Province of Isabela. IBEC was incorporated in August 2012 by the province's major rice millers as stockholders and officers. It has a capitalization of Five Million Pesos (PhP5,000,000.00). Its Company Profile is attached to the application as Annex "F";
13. IBEC will avail of the Feed-in-Tariff (FIT) mechanism for the renewable energy developers. It is in the process of completing all the documentary requirements of the DOE for the Declaration of Commerciality (DOC). Its qualification under the FIT system and the issuance of appropriate Certificate of Compliance (COC) by the Commission shall be determined upon successful commissioning and commercial operation of the IBEC Power Plant;

14. IBEC has the technical and financial capability to develop, construct, operate, and maintain the transmission line. The proposed Connection Asset will be exclusively used by IBEC for the operations of its power plant and will be constructed by JC Electrofields Power System Inc., a corporation engaged in engineering, design and construction services;
15. The IBEC Facility Study was approved by NGCP on July 11, 2014 (Net Access-KAP-RRA-2014-07-174);
16. The design and technical specifications of the proposed Connection Assets are consistent with the standards set forth by the Philippine Grid Code (PGC) of the Philippines;

**ALLEGATIONS IN SUPPORT OF THE MOTION FOR PROVISIONAL AUTHORITY**

17. Rule 14 of the Commission's Rules of Practice and Procedure authorizes the issuance of a provisional authority or an interim relief prior to a final resolution, provided that the facts and circumstances of the case warrant the Commission's exercise of discretion to issue a provisional authority;
18. It is a declared Policy of the State to encourage the development and utilization of renewable energy resources as tools to effectively prevent, or reduce, harmful emissions and thereby balance the goals of economic growth and development with the protection of health and the environment (Section 2, Republic Act No. 9513). As an answer to the call of the national government to encourage investment, IBEC is already undertaking construction of its power plant which is expected to be completed in the year 2015 and will generate 20 MW of clean and renewable energy sources;
19. On January 13, 2014, the DOE has issued the "Confirmation of Commerciality" to the IBEC Power Plant project affirming IBEC to develop and operate a biomass energy system consistent with R.A. 9513. A copy of the Confirmation of Commerciality is attached to the application as Annex "G";

20. With the issuance of the Confirmation of Commerciality, IBEC needs to construct the Connection Assets subject of the application to connect to the Santiago-Cauayan 69 kV transmission line. As such, the Connection Assets should be constructed at the soonest possible time since they will be necessary to the test, commission and dispatch the power generated by the IBEC Power Plant. Hence, there is a need for the issuance of a provisional authority allowing IBEC to connect its power plant to the Santiago-Cauayan 69 kV transmission line;
21. IBEC undertakes to submit additional documents as may be required by the Commission in the course of the evaluation and proceedings of this case; and
22. IBEC prays that the Commission provisionally approves the application authorizing it to develop, own and operate a dedicated point-to-point limited transmission line facilities to connect its Power Plant to the Santiago-Cauayan 69 kV Transmission Line of NGCP.

IBEC further prays that after hearing on the merits, the Commission issue a Decision declaring the provisional authority issued as permanent.


The Commission has set the application for initial hearing, expository presentation, pre-trial conference and evidentiary hearing on **December 2, 2015 (Wednesday) at ten o'clock in the morning (10:00 A.M.) at the ERC Hearing Room, 15<sup>th</sup> Floor, Pacific Center Building, San Miguel Avenue, Pasig City.**

All persons who have an interest in the subject matter of the proceeding may become a party by filing, at least five (5) days prior to the initial hearing and subject to the requirements in the ERC's Rules of Practice and Procedure, a verified petition with the Commission giving the docket number and title of the proceeding and stating: (1) the petitioner's name and address; (2) the nature of petitioner's interest in the subject matter of the proceeding, and the way and manner in which such interest is affected by the issues involved in the proceeding; and (3) a statement of the relief desired.

All other persons who may want their views known to the Commission with respect to the subject matter of the proceeding may file their opposition to the application or comment thereon at any stage of the proceeding before the applicant concludes the presentation of its evidence. No particular form of opposition or comment is required, but the document, letter or writing should contain the name and address of such person and a concise statement of the opposition or comment and the grounds relied upon.

All such persons who wish to have a copy of the application may request from the applicant that they be furnished with a copy of the same, prior to the date of the initial hearing. The applicant is hereby directed to furnish all those making such request with copies of the application and its attachments, subject to the reimbursement of reasonable photocopying costs. Likewise, any such person may examine the application and other pertinent records filed with the Commission during the usual office hours.

**WITNESS**, the Honorable Chairman, **JOSE VICENTE B. SALAZAR**, and the Honorable Commissioners, **ALFREDO J. NON**, **GLORIA VICTORIA C. YAP-TARUC**, **JOSEFINA PATRICIA A. MAGPALE-ASIRIT**, and **GERONIMO D. STA. ANA**, Energy Regulatory Commission, this 28<sup>th</sup> day of October, 2015 at Pasig City.

  
**ATTY. NATHAN J. MARASIGAN**  
*Chief of Staff*  
Office of the Chairman and CEO