

Republic of the Philippines
ENERGY REGULATORY COMMISSION
 Exquadra Tower, Ortigas Center
 Pasig City

IN THE MATTER OF THE JOINT
 APPLICATION FOR APPROVAL
 OF THE EMERGENCY POWER
 SUPPLY AGREEMENT DATED 7
 AUGUST 2023 BETWEEN MANILA
 ELECTRIC COMPANY AND
 SOUTH PREMIERE POWER
 CORP., WITH MOTION FOR
 CONFIDENTIAL TREATMENT OF
 INFORMATION AND PRAYER
 FOR PROVISIONAL AUTHORITY
 OR INTERIM RELIEF,

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ERC
 DOCUMENT RECORDS

ERC CASE NO. 2023-105 RC

September 25, 2023

MANILA ELECTRIC COMPANY
 AND SOUTH PREMIERE POWER
 CORP.,

Applicants.

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JOINT APPLICATION FOR APPROVAL
OF EMERGENCY POWER SUPPLY AGREEMENT
DATED 7 AUGUST 2023
 (WITH MOTION FOR CONFIDENTIAL TREATMENT
 OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY
 OR INTERIM RELIEF))

Applicants **MANILA ELECTRIC COMPANY ("MERALCO")** and
SOUTH PREMIERE POWER CORP. ("SPPC"; together with
MERALCO, the "Applicants"), by undersigned counsels, and to this
 Honorable Commission, most respectfully state:

1. Applicant MERALCO is a private corporation existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated herein.

2. MERALCO has a legislative franchise to operate and maintain a distribution system in the cities/municipalities of Metro Manila, Bulacan, Cavite and Rizal and certain cities/municipalities/barangays in Batangas, Laguna, Quezon and Pampanga, pursuant to Republic Act No. 9209, and is authorized to charge all its customers for their electric consumption at the rates approved by the Honorable Commission.

3. Applicant SPPC is a private corporation duly organized and existing under the laws of the Philippines, with address at 5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City 1604 Metro Manila. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated herein.

4. SPPC owns and operates the 1,200 MW combined-cycle power generating facility located in Barangay Ilijan, Batangas on the island of Luzon.

I. STATEMENT OF FACTS

A. Termination of the MERALCO-SMEC/Sual 2019 PSA involving 330 MW contract capacity

5. MERALCO's bilateral power supply contracts portfolio **was reduced by 330 MW** starting 24 July 2023, due San Miguel Energy Corporation's (now known as Sual Power Inc., hence, hereinafter referred to as "**SMEC/Sual**") cessation of its obligations under the MERALCO and SMEC/Sual 330 MW power supply agreement (dated 13 September 2019; docketed as ERC Case No. 2019-083 RC) ("**MERALCO-SMEC/Sual 2019 PSA**"), as a result of the Court of Appeals' Decision dated 27 June 2023 (docketed as CA G.R. SP No. 176037), a copy of which was received by MERALCO on 14 July 2023.

5.1. On 17 July 2023, SMEC/Sual¹ formally notified MERALCO that it will cease the supply of, and acceptance of MERALCO's nominations relating to, the Contract Capacity and Associated Energy pursuant to the MERALCO-SMEC/Sual 2019 PSA effective immediately upon receipt of their notice, pursuant to the effectivity of its Notice of Termination on 4 October 2022, and as upheld by the Court of Appeals.

5.2. Recognizing the dire effects of its intended course of action, on the same day, 17 July 2023, MERALCO replied to SMEC/Sual's letter urging it to reconsider its intention to immediately cease its supply of Contract Capacity and Associated Energy under the MERALCO-SMEC/Sual 2019 PSA, or at the very

¹ Attached as ANNEX "C"

least, grant MERALCO a reasonable period until not earlier than 25 August 2023 to look for replacement emergency power supply in order to protect MERALCO customers from exposure to volatile prices at the WESM.² On even date, MERALCO proceeded to send out requests for proposals (“RFP”) to various power suppliers in order to address the capacity deficit from SMEC/Sual’s cessation of its 330 MW baseload supply of Contract Capacity and Associated Energy under the MERALCO-SMEC/Sual 2019 PSA. MERALCO’s RFPs indicated that offers should be submitted on or before 20 July 2023 considering the urgency of the situation due to the fact that SMEC/Sual had already relayed its intention to immediately cease its supply of Contract Capacity and Associated Energy under the MERALCO-SMEC/Sual 2019 PSA.

5.3. In response to MERALCO’s letter-reply, on 18 July 2023, SMEC/Sual agreed to provide MERALCO a reasonable period of five (5) days, or until 23 July 2023, to look for replacement emergency power supply.³

5.4. Meanwhile, on 19 July 19, 2023, the DOE’s new CSP policy issued under Department Circular No. DC2023-06-0021 (“**2023 CSP Circular**”) took effect.⁴

6. On 20 July 2023, the only offer received was from SPPC.

B. Exemption from the conduct of CSP and Nature of the Application

7. Pursuant to Section 2.3.5 of the 2023 CSP Circular, the conduct of CSP shall not be required in cases of negotiated EPSAs, viz:

SECTION 2. COVERAGE AND EXEMPTIONS

xxx xxx xxx

2.2.1 In the following instances, the conduct of CSP shall not be required:

xxx xxx xxx

2.3.5 Negotiated procurement of Emergency Power supply wherein the [EPSA] shall be filed with the ERC within thirty (30) calendar days after the occurrence of the Force Majeure/Fortuitous Events, without need of any prior clearance or certification from the DOE, and shall have a maximum and non-

² Attached as ANNEX “C-1”

³ Attached as ANNEX “C-2”

⁴ Series of 2023 entitled “Prescribing the Policy for the Mandatory Conduct of the Competitive Selection Process (CSP) by the Distribution Utilities for the Procurement of Power Supply for their Captive Market.”

extendible period of one (1) year from its execution. The EPSA shall be immediately implemented to address the emergency, xxx"

8. Likewise, the 2023 CSP Policy defines emergency power as follows:

"3.7 Emergency Power refers to the power required by the DU in the event that its actual power supply falls below its load demand due to Force Majeure or Fortuitous Events that are beyond the control of the DU, subject to the final determination by the ERC."

9. On 7 August 2023, MERALCO and SPPC executed an EPSA for the purchase of up to 330 MW capacity and energy from the Plant starting from Operations Effective Date until 25 March 2024 (interchangeably referred to as the "**MERALCO-SPPC August 2023 EPSA**" or the "**2nd SPPC EPSA**"), pursuant to Section 2.3.5 of the 2023 CSP Policy.

10. Pursuant to said provision, the parties intend to immediately implement the MERALCO-SPPC August 2023 EPSA beginning 12:01 a.m. of 26 August 2023 for the following reasons: (i) emergency nature of the unforeseen or unpredicted cessation by SMEC/Sual of its obligations under the MERALCO-SMEC/Sual 2019 PSA as a result of the Court of Appeals' Decision dated 27 June 2023; (ii) pursuant to Section 2.3.5 of the 2023 CSP Policy, "the EPSA shall be immediately implemented to address the emergency" and the Honorable Commission's posted Database of Generation Rates has no comparable or benchmark rate for LNG-fueled power plants like SPPC; (iii) the DOE, through its DOE Order No. DO2023-05-0015, has expressly welcomed and supports the importation of LNG "in view of the overarching policy of ensuring energy supply security and reasonably priced cost of electricity," and further declared that "it is recognized that LNG differs from indigenous natural gas, such as Malampaya, in terms of source and pricing and the manner/process of delivery to the power plant," thus, "all DOE units...shall provide all the necessary support for the smooth entry, operational viability, and timely commercial operation of the LNG-fueled power plants in the power system;" (iv) the DOE itself is pushing for (and welcomes) the reopening of SPPC's 1,200MW Ilijan power plant to stabilize the power supply in Luzon;⁵ and (v) most importantly, in the interest of providing least cost to MERALCO's customers, it is beneficial to its customers by averting their exposure to volatile prices at the WESM.

11. Under Section 45(b) of Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001 ("**EPIRA**"), it is provided that "*Distribution utilities [**DUs**] may enter into bilateral power supply contracts subject to review by the ERC xxx*".

⁵ <https://news.abs-cbn.com/business/05/10/23/doe-says-ilijan-plant-to-stabilize-luzon-power-supply>; <https://businessmirror.com.ph/2023/06/02/ilijan-natgas-plant-reopens-starts-power-delivery-to-the-grid-doe/>

II. SALIENT FEATURES OF THE MERALCO-SPPC AUGUST 2023 EPSA

12. The MERALCO-SPPC August 2023 EPSA, a copy of which is attached as **ANNEX "D"** and made an integral part hereof, contains the following salient features:

1.1 Definitions

xxx

Contract Capacity or CC shall be set at 330 MW (net) sourced from the Plant, as may be adjusted from time to time in accordance with Article 8 and/or Section 19.1.

xxx

2.2. Term of Agreement

2.2.1. Subject to Article 3, this Agreement shall become effective on the Execution Date.

2.2.2. The term of this Agreement (the "**Term**") shall commence on the Execution Date, and shall expire on March 25, 2024, unless terminated earlier in accordance with the terms of this Agreement (the "**Term**").

xxx

3.2. Operations Effective Date

The obligations of Power Supplier with respect to the Contract Capacity and Associated Energy shall commence on August 26, 2023 (the "**Operations Effective Date**"); provided that, the conditions set out in Section 3.2.1 have been satisfied.

3.2.1 Conditions Precedent to Operations Effective Date

The relevant Operations Effective Date shall occur upon the satisfaction of the following conditions:

- (a) The conditions set out in Section 3.1.1 have been fulfilled;
- (b) Each Party has delivered to the other Party a certification dated no earlier than two (2) Days prior to the relevant Operations Effective Date to the effect that its representations and warranties contained herein shall be true and correct in all material respects on and as of the relevant Operations Effective Date; and
- (c) All Governmental Authorizations which are required to be obtained in connection with the execution, delivery and commencement of performance of this Agreement shall have

been obtained and be in full force and effect, including relevant permits and all other authorizations required pursuant to EPIRA, the Public Service Act, Energy Regulations No. 1-94 promulgated by the DOE pursuant to Executive Order No. 215, and all applicable Environmental Laws and regulations of the Department of Environment and Natural Resources of the Philippines.

Power Supplier shall deliver written notice to Meralco of the satisfaction of these conditions and Meralco shall confirm in writing the occurrence of the relevant Operations Effective Date; provided that, in order to address the emergency need for supply, this Agreement shall be immediately implemented pending ERC Approval pursuant to DOE Department Circular No. DC2023-06-0021 and subject to Section 12.2.3 and Section 12.3.3 of this Agreement.

xxx

Article 4. Sale and Purchase of Contract Capacity and Associated Energy

4.1. Supply of Power

Subject to the terms and conditions of this Agreement, from the relevant Operations Effective Date until the expiration of the Term or earlier termination of this Agreement, Power Supplier shall:

- (a) make Available to Meralco, and Meralco shall purchase from Power Supplier, at the Price determined in accordance with Appendix C, the Contract Capacity from the Plant. For this purpose, should Power Supplier fail to source from the Plant, Meralco shall pay the lower between WESM price and fuel fee, in accordance with Appendix C; and
- (b) deliver and sell to Meralco, and Meralco shall purchase from Power Supplier, at the Price determined in accordance with Appendix C, the Associated Energy (and Replacement Power), to the extent of Meralco's relevant day-ahead nominations.

For clarity, the Power Supplier shall declare to the WESM the corresponding Associated Energy (and Replacement Power) for Meralco at the Plant's Delivery Point only. Further, for avoidance of doubt, Meralco shall pay Capacity Payment even during Outage, unless the Plant is not available due to an Event of Force Majeure.

xxx

Article 7. Outages

- 7.1. Power Supplier shall not be entitled to any Outage during the Term of this Agreement. For clarity, this means that notwithstanding Outage of the Plant, Power Supplier shall, except as provided in Section 7.4 and subject to Article 15, make available the Contract Capacity and deliver the

Replacement Power to Meralco, which shall be paid at the lower between WESM price and fuel fee, as specified in Appendix C. For avoidance of doubt, Meralco shall pay Capacity Payment even during Outage, unless the Plant is not available due to an Event of Force Majeure.

- 7.2. The preceding Section notwithstanding, Power Supplier shall furnish Meralco its proposed Scheduled Outage, inclusive of the duration thereof and schedule of completion and start-up. From time to time, Power Supplier shall inform Meralco of any changes requested by Power Supplier from the System Operator in the schedule of its Scheduled Outage including possible delays in the shut-down and completion of schedules or early completion of Scheduled Outage.
- 7.3 In case of Outage and Power Supplier fails to provide Meralco Replacement Power due to inadequate supply, Power Supplier shall pay a fine equivalent to Nine Hundred Eight Philippine Peso (PhP908) multiplied by each affected MWh nomination by Meralco, which shall be used to reduce the generation charge to the consumers. For the avoidance of doubt, in case Power Supplier fails or refuses to supply Contract Capacity and Associated Energy despite availability thereof, then Section 16.4.1 shall apply.
- 7.4. On and after Operations Effective Date, during any period in which an Event of Force Majeure affects Power Supplier or Meralco, Meralco shall procure replacement energy from the WESM to the extent supply or offtake is so affected. For clarity, the cost of such replacement energy shall form part of the price that Meralco will charge to its customers.

xxx

11. **Charges Due to Material Adverse Government Action**

- 11.1. If as a result of Material Adverse Government Action, Meralco becomes liable to pay any new charges, fees, taxes, duties, assessments or other similar amounts (the “**New Charges**”), or any increase in existing charges, fees, taxes, duties, assessments or other similar amounts (the “**Increased Charges**”) becomes payable with respect to this Agreement, the New Charges or Increased Charges shall form part of the price that Meralco will charge to its customers.
- 11.2. If as a result of a Material Adverse Government Action affecting Power Supplier, Power Supplier becomes liable to pay any New Charges or any Increased Charges or a Material Adverse Government Action materially and adversely affects the ability of Power Supplier to perform or materially increases the operating costs or capital expenditures associated with the Plant or materially and adversely affects its performance of its obligations under this Agreement, adversely affects the sale by Power Supplier of Contract Capacity and Associated Energy in accordance with this Agreement, makes Power Supplier’s administration or operational aspects of such

performance materially more burdensome (whether made at the direction of any Governmental Instrumentality or otherwise) or causes serious damage to, or materially and adversely affects the financial condition of Power Supplier, Power Supplier shall send a notice to Meralco of the occurrence of such Material Adverse Government Action with sufficient explanation of the nature and corresponding proof of the Material Adverse Government Action being invoked, together with an analysis of the cost impact of such Material Adverse Government Action and the proposed recovery mechanism (the “**Notice of Material Adverse Government Action**”). xxx

xxx

12.2. ERC Approval

12.2.1. Upon receipt of the ERC Approval, Meralco shall provide a copy of such ERC Approval to Power Supplier. Power Supplier shall have ten (10) Days from its receipt from ERC or from Meralco of such ERC Approval, whichever is earlier, to notify Meralco in writing that: (i) it accepts such ERC Approval or (ii) it does not accept the ERC Approval, stating the grounds for non-acceptance; provided that, if the ERC Approval does not contain any adjustment or modification of this Agreement, (a) the ERC Approval shall be deemed accepted by Power Supplier and (b) this Agreement shall continue to be implemented by the Parties in accordance with such ERC Approval. For clarity, ERC Approval may be promulgated subsequent to the relevant Operations Effective Date.

12.2.2. In case of Power Supplier's non-acceptance, or ERC order of adjustment/disallowance in the Price and/or refund to customers, Power Supplier shall be free to file a motion for reconsideration or seek any other relief to question such ERC Approval or order; provided that in case of an ERC order of adjustment/disallowance in the Price and/or refund to customers, Power Supplier may likewise opt to suspend this Agreement and Meralco shall source its supply from WESM in the meantime. For all other instances of non-acceptance, and Power Supplier decides to file a motion for reconsideration, the Parties shall, pending resolution thereof by the ERC, continue to implement this Agreement in accordance with the ERC Approval, subject to any adjustment or amendment that the ERC may direct. Any order on a motion for reconsideration or on such other relief taken by Power Supplier shall be treated as an ERC Approval for purposes of the processes under this Section 12.2. If the ERC Approval requires any amendment to or modification of any provision of this Agreement that is not acceptable to either Party, acting reasonably, then the Parties shall cooperate in good faith to resolve the required amendment, including seeking a reconsideration by the ERC. If the Parties are unable to agree on the required amendment within thirty (30) Days from receipt of the ERC

Approval resolving the motion for reconsideration, or if the motion for reconsideration is not resolved by the ERC within sixty (60) days after its filing, or the amendment is disapproved by the ERC, or not acted upon by the ERC within sixty (60) days after its filing, or approved by the ERC but still contains any material term or condition that is not acceptable to either Party, acting reasonably, then either Party may terminate this Agreement. For clarity, if, following the ERC Approval, Power Supplier does not file a motion for reconsideration with the ERC and/or does not notify Meralco that it intends to terminate this Agreement, the ERC Approval shall be deemed accepted by Power Supplier and this Agreement shall continue to be implemented in accordance with the ERC Approval.

- 12.2.3. If the ERC Approval requires any portion of the sum that has been paid by Meralco to Power Supplier to be adjusted, Power Supplier shall make the necessary adjustments in accordance with the direction of the ERC. In the event of any disallowance in the Price, the same shall be for the account of Power Supplier. This shall be without prejudice to the exercise of Power Supplier's rights and remedies at law, under this Agreement, or in equity.

xxx

Appendix C

CALCULATION OF PAYMENT

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B. MONTHLY POWER BILL

The MPB shall consist of Capacity Payments and Energy Payments. Thus, the MPB for Contract Capacity, Associated Energy, and Replacement Power for each Billing Period shall be equal to:

$$\text{MPB} = \text{MCP} + \text{MEP}$$

The MPB is exclusive of the applicable Value Added Tax.

1. Monthly Capacity Payment (MCP)

The Monthly Capacity Payment for the Billing Period calculated as follows:

$$\text{MCP} = \text{CF}_{\text{base}} * \text{CC} * 1000 * (\text{BPD} - \text{FMT}) * 24$$

Where:

MCP = the Monthly Capacity Payment, in Php, for the Contract Capacity for the Billing Period

CF _{base}	= the Capacity Fee, in Php/kWh, as set forth in Schedule 1 of this Appendix C
CC	= the Contract Capacity, in MW, as set forth in Article 1 of this Agreement
BPD	= Billing Period Days, the number of Days in the relevant Billing Period
FMT	= the Full Load Equivalent Force Majeure Days Taken for the relevant Billing Period, as computed in Schedule 3 of this Appendix C

2. **Monthly Energy Payment (MEP)**

The Monthly Energy Payment for the Billing Period calculated as follows:

$$MEP = (AE * Fuel) + \sum_{j=1}^{BPD} \sum_{i=1}^{24} [RP_{ij} * \text{Min}(FEDP_{ij}, Fuel)]$$

Where:

MEP	= the Monthly Energy Payment, in Php, for the relevant Billing Period
AE	= the Associated Energy, in kWh, as previously defined in Article 1 of this Agreement
Fuel	= the effective Fuel Fee, in Php/kWh, computed based on the fuel used to produce the AE.

$$Fuel = Fuel_0 * \frac{JKM_m}{JKM_0} * \frac{FX_m}{FX_0}$$

Where:

Fuel₀ = the base Fuel Fee, in Php/kWh, as set forth in Schedule 1 of this Appendix C

JKM_m = the average Japan Korea Marker index, in USD/MMBtu, for the last three calendar months prior to the current Billing Period, as published in Platts LNG Daily by Platts, a division of S&P Global, on the website www.spglobal.com or its successor or, if Platts ceases to report the JKM index, an agreed upon replacement source that reports the JKM index shall be adopted by the Parties. LNG to be used in the August 2023 and September 2023 Billing Periods to generate capacity from the Ilijan Power Plant has been locked in and contracted based on the following fixed prices of \$15.20/MMBtu for the August 2023 Billing Period and \$14.24/MMBtu for the September Billing Period (the "Fixed LNG Price"). For avoidance of doubt, this

Fixed LNG Price should be the applicable JKM_m to be used in the computation hereunder in the August 2023 and September 2023 Billing Periods respectively.

JKM_0 = the base Japan Korea Marker index, in USD/MMBtu, as set forth in Schedule 1 of this Appendix C

FX_m = the closing rate for USD to Php as announced by the Bangko Sentral ng Pilipinas (http://bsp.gov.ph/statistics/external/day99_data.aspx), on the last Business of the current Billing Period

FX_0 = the base exchange rate, in Php/USD, as set forth in Schedule 1 of this Appendix Cas previously defined

RP_{ij} = is the Replacement Power, in kWh, as delivered by the Power Supplier for the Trading Interval i and Day j

$FEDP_{ij}$ = the hourly equivalent of the 5-min WESM prices Final Energy Dispatch Price, in Php/kWh, for the Trading Interval i and Day j.

SCHEDULE 1
TABLE 1. BASE RATES

Component	Variable	Unit	Value
Capacity Fee	CF_{base}	Php/kWh	1.75
Base Fuel Fee	$Fuel_0$	Php/kWh	6.75
Base Japan Korea Marker Index	JKM_0	USD/MMBtu	15.00
Base US-Php Exchange Rate	FX_0	Php/USD	55.00

III. GENERATION RATE IMPACT

13. Based on the foregoing, and given a certain set of assumptions, the effective rate under the MERALCO-SPPC August 2023 EPSA is **PhP 7.9703 per kWh (at plant gate, VAT exclusive)**, as shown in the **RATE IMPACT ANALYSIS** below:

Rate Impact of South Premiere Power Corp. (SPPC) EPSA at 100.00 % pcf					
BILLING COMPONENT	UNIT	BASE RATES ^(a)	Adjustment Factor ^(b)	BILLING DETERMINANT ^(c)	AMOUNT (PHP)
A.) Monthly Capacity Payment	(Php/kWh)	1.7500	-	1,686,960,000 (kWh)	2,952,180,000.00
B.) Monthly Energy Payment	(Php/kWh)	6.7500	0.9215	1,686,960,000 (kWh)	10,493,338,485.39
Total Payment (VAT Exclusive)	(Php)				13,445,518,485.39
Plant Gate Rate (VAT Exclusive)	(Php/kWh)				7.9703
WESM Line Rental Rate ^(d)	(Php/kWh)				0.1013
Delivered Rate (VAT Exclusive) ^(e)	(Php/kWh)				8.0716
Effective Cost if sourced from WESM ^(f)	(Php/kWh)				8.4655
Increase / (Decrease) over WESM	(Php/kWh)				(0.3939)
Meralco Captive Energy Demand ^(g)	(kWh)				20,276,987,887
Increase / (Decrease) in Generation Charge ^(e)	(Php)				(664,496,973)
Increase / (Decrease) in Generation Charge ^(e)	(Php/kWh)				(0.0328)
Assumptions: ^(a) Base Rates as indicated in Schedule 1 of Appendix C of the EPSA. ^(b) Adjustment factor calculated in accordance with formula indicated in Appendix C of the EPSA and assumes forecasted values for the JKM indices for the duration of the EPSA. ^(c) Energy billing determinant for the duration of the EPSA based on 100.00% pcf with respect to the Contract Capacity. ^(d) Line Rental is a pass-through cost. Assumed line rental rate is based on average actual line rental of Ilijan. ^(e) Delivered Rate and its impact to Generation Charge is computed over the Term of the EPSA (213 days). ^(f) Cost if equivalent volume was sourced from WESM. ^(g) Forecasted Meralco Captive Energy for August 26, 2023 to March 25, 2024 based on the latest Power Supply Procurement Plan as submitted to the DOE.					

14. The Applicants note that the delivered rate of **PhP 8.0716 per kWh (VAT exclusive and line rental inclusive)** is **lower** by about PhP 0.3939 per kWh than the effective cost of PhP 8.4655 per kWh, if the equivalent capacity under the MERALCO-SPPC August 2023 EPSA is to be sourced from the WESM. In fact, by sourcing the capacity through the MERALCO-SPPC August 2023 EPSA, MERALCO’s average blended generation rate will be reduced by about PhP 0.0328 per kWh (as seen in the **RATE IMPACT ANALYSIS** above), resulting in savings to consumers of about PhP 664 million.

IV. COMPLIANCE WITH DOCUMENTARY REQUIREMENTS

15. In support of this Joint Application with Motion for Confidential Treatment of Information, the Judicial Affidavit of **ENGR. DAVIDJOHN A. ZUÑIGA**, Officer of MERALCO’s Energy Resource Planning - Energy Sourcing Office, is attached as **ANNEX “E”** and made an integral part hereof.

16. Likewise, in support of the instant Joint Application, the Applicants provide the following documents, which underwent the pre-filing conference and pre-filing marking of annexes with the Honorable Commission:

Description of Document	Annex
MERALCO’s Secretary’s Certificate	“A” and “A-1”
SPPC’s Secretary Certificates	“B” and “B-1”
SMEC/Sual’s Letter to Meralco dated 17 July 2023	“C”

MERALCO's Reply Letter to SMEC/Sual dated 17 July 2023	"C-1"
SMEC/Sual's Letter to Meralco dated 18 July 2023	"C-2"
Write-Up on Non-Applicability of DOE's COE-CSP	"C-3"
MERALCO-SPPC EPSA	"D"
Judicial Affidavit of Engr. Davidjohn A. Zuñiga	"E"
MERALCO's Articles of Incorporation and By-Laws	"F"
MERALCO's Latest General Information Sheet ("GIS") Verified Certification of True Copies of MERALCO's Articles of Incorporation, By-Laws, and	"G"
GIS and of MERALCO's Ultimate Parent Company, all of its subsidiaries and affiliates	"G-1"
MERALCO's WESM Membership certifications	"G-2" and series
MERALCO's Demand Side Management Program	"H"
Write-up on the non-applicability of National Power Corporation Certification regarding whether or not Transition Supply Contract capacity and energy is expected to be available during the contractual period	"I"
Excerpt of MERALCO's Distribution Development Plan – Power Supply Procurement Plan (Supply and Demand Scenario);	"J"
<ul style="list-style-type: none"> Average Daily Load Curve scenarios Details of Existing Suppliers Details of Power Supply Contract Utilization Details of SAIDI and SAIFI Estimation of the potential for a reduction in load supplied by MERALCO due to RCOA Write-up of no inconsistencies/differences from documents presented 	"J-1" "J-2" "J-3" "J-4" "J-5" "J-6"
SEC Certificate of Registration including the Articles of Incorporation and By-Laws of SPPC	"L"
Verified Certification of the list of Board Directors and members of the Ultimate Parent Company, subsidiaries and all affiliates of SPPC	"M"
Write up on the Non-Applicability of a Shareholders' Agreement for SPPC	"N"
The Corporate Structure showing the Ultimate Parent Company, Subsidiaries, and all Affiliates of SPPC	"O"
General Information Sheet of SPPC	"P"
Write up on the Non-Applicability of a Board of Investments ("BOI") Certificate of Registration for SPPC	"Q"
Environmental Compliance Certificate ("ECC") issued by the Department of Environment and Natural Resources ("DENR") of KEPCO Ilijan Power Corporation (KIPC)/National Power Corporation (NPC)	"R"
Certification from the ERC on the status of the COC of SPPC	"S"
Write up on the Non-Applicability of a Certificate of Endorsement ("COE") from the Department of Energy ("DOE") regarding the Philippine Development Plan ("PDP") for SPPC	"T"

Write up on the Non-Applicability of Renewable Energy Service/Operating Contract and Certificate of Registration or Certification of Commerciality by an RE Developer and After Due Confirmation by the DOE	“U” and Series
Executive Summary of the EPSA	“V”
Transmission Service Agreement of NGCP and SPPC	“W”
Single-line Diagram Connection	“W-1”
Sources of Funds/Financial Plans; Generation Rate and Derivation (Confidential)* Financial model in soft copy containing derivation of rates (Confidential)* Cost Analysis (Confidential)*	“X” and Series *
Explanation on the Fuel Procurement Process of SPPC (Confidential)*	“Y and Series”*
Technical and Economic Characteristics of the Ilijan Plant including historical outages in the last 5 years Certificate on the readiness of the power plant to deliver power as contemplated in the EPSA	“Z and Series”
Certification regarding the net heat rate of SPPC*	“Z-1”
Write up on the Simulation of the number of operating units necessary to meet the minimum energy off-take (“MEOT”) and/or additional energy/demand requirements of MERALCO and the Write up on the Potential Cost of Ancillary Service as and when the IPP or the DU is connected to the main grid*	“Z-2” and Series
Latest Audited Financial Statements of SPPC Write up on the Non-Applicability of the Distribution Wheeling Service Agreement to SPPC Write up on the Non-Applicability of a Water Permit from the National Water Resources Board (“NWRB”) Explanation on the Potential Cost of Ancillary Service WESM Registration Certificate of SPPC Metering Service Agreement between NGCP and SPPC Verified Certification that the rates being charged are no more than the latest rate approved by the Commission for the same or relevant technology in the area	“AA” and Series

**Subject of the Motion for Confidential Treatment of Information*

ALLEGATIONS IN SUPPORT OF THE MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

17. SPPC respectfully highlights that its own documentary evidence, **Annexes “X” and series and “Y” and Series** contain numbers, methodology, and calculations such as debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost that provide valuable information and insight on how SPPC arrives at its power generation rate and/or on SPPC’s trading in the WESM.

18. SPPC therefore respectfully submits that **Annexes “X” and series and “Y” and Series** fall within the bounds of proprietary “trade secrets”, which are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.

19. Under Rule 4 of the Revised ERC Rules of Practice and Procedure (the "Revised ERC Rules"), the Honorable Commission may, upon request of a party and determination of the existence of conditions, which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such provision, SPPC respectfully prays for the issuance of a protective order declaring **Annexes "X" and series and "Y" and Series** as confidential information, since SPPC intends to present them as evidence in the instant Application.

20. The data contained in **Annexes "X" and series and "Y" and Series** constitutes "trade secrets" of SPPC; thus, SPPC has actual and valuable proprietary interest to protect with respect to such information. If the information contained in these documents is unduly disclosed, it will seriously prejudice the competitiveness of SPPC.

21. The Supreme Court, in the case of *Air Philippines Corporation vs. Pennswell, Inc.* (540 SCRA 215 [2007]), had the opportunity to discuss the definition of "trade secrets" and the great extent to which the same are protected under our laws. In other instances, the Supreme Court has held that the confidential nature of trade secrets protects such from disclosure even in the face of the right of inspection given to stockholders or the constitutional right to information. (*Philpotts vs. Philippine Manufacturing Company*, 40 Phil. 471 [1919]; *Garcia vs. Board of Investments*, G.R. 88637 [1989]).

22. In the *Decision* in ERC Case No. 2015-111 RC dated 30 May 2017 entitled *In the Matter of the Application for Approval of the Power Supply Agreement Between Nueva Ecija II Electric Cooperative, Inc.- Area 2 (NEECO II – Area 2) and PNOC Renewables Corporation (PNOC RC)*, the Honorable Commission categorically stated that formulas and pricing structures of a generation company must be treated as confidential and may not be publicly disclosed, to wit:

In the case of PNOC RC, the documents sought to be protected from disclosure contains formula and pricing structures used in arriving at their proposed tariff. In fact, all three (3) documents were used by the Commission in evaluating the reasonableness of the proposed rate. **In the electric power industry w(h)ere prices is[sic] a major consideration in selecting one's supplier, it is apparent that the assumptions used in arriving at one's proposed tariff is considered a competitive leverage by one player against its competitors.**

Thus, the Commission resolves to treat the said documents confidential and may not be publicly disclosed. [Emphasis supplied].

23. Thus, the Honorable Commission has recognized the importance of maintaining pricing structures as confidential in order to ensure the competitiveness of the generation sector. Information, which falls within the definition of a trade secret as defined by jurisprudence, is clearly information that merits the confidential treatment provided for under Rule 4 of the Revised ERC Rules. **Annexes “X” and series and “Y” and Series** should therefore be entitled to the protection of confidential information provided under Rule 4 of the Revised ERC Rules.

24. Accordingly, one (1) copy of each of the foregoing confidential documents is placed in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential."

ALLEGATIONS IN SUPPORT OF THE PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF

25. Under Rule 14 of the ERC Revised Rules of Practice and Procedure, the Honorable Commission is authorized to issue provisional authority or interim relief prior to a final decision, provided the facts and circumstances alleged warrant such remedy.

26. As earlier stated, the parties were compelled to immediately implement the MERALCO-SPPC August 2023 EPSA beginning 12:01 a.m. of 26 August 2023 for the following reasons: (i) emergency nature of the unforeseen or unpredicted cessation by SMEC/Sual of its obligations under the MERALCO-SMEC/Sual 2019 PSA as a result of the Court of Appeals' Decision dated 27 June 2023; (ii) pursuant to Section 2.3.5 of the 2023 CSP Policy, "the EPSA shall be immediately implemented to address the emergency" and the Honorable Commission's posted Database of Generation Rates has no comparable or benchmark rate for LNG-fueled power plants like SPPC; (iii) the DOE, through its DOE Order No. DO2023-05-0015, has expressly welcomed and supports the importation of LNG "in view of the overarching policy of ensuring energy supply security and reasonably priced cost of electricity," and further declared that "it is recognized that LNG differs from indigenous natural gas, such as Malampaya, in terms of source and pricing and the manner/process of delivery to the power plant," thus, "all DOE units...shall provide all the necessary support for the smooth entry, operational viability, and timely commercial operation of the LNG-fueled power plants in the power system;" (iv) the DOE itself is pushing for (and welcomes) the reopening of SPPC's 1,200MW Ilijan power plant to stabilize the power supply in Luzon;⁶ and (v) most importantly, in the interest of providing least cost to MERALCO's customers, it is beneficial to its customers by averting their exposure to the volatile prices of the WESM.

⁶ <https://news.abs-cbn.com/business/05/10/23/doe-says-ilijan-plant-to-stabilize-luzon-power-supply>; <https://businessmirror.com.ph/2023/06/02/ilijan-natgas-plant-reopens-starts-power-delivery-to-the-grid-doe/>

27. As shown from the rate impact analysis, the MERALCO-SPPC August 2023 EPSA reflects the most beneficial generation charges with a resultant estimated generation rate reduction of Php 0.0328 per kWh.

28. The implementation of the MERALCO-SPPC August 2023 EPSA will afford MERALCO's end-users with a reliable supply of electricity at reasonable rates.

29. The foregoing notwithstanding, the grant of provisional authority and/or interim relief shall confirm the proper implementation of the MERALCO-SPPC August 2023 EPSA which ultimately redounds to the benefit of MERALCO's customers who stand to be exposed to volatile prices at the WESM.

30. Pursuant to the ERC Revised Rules of Practice and Procedure, this Honorable Commission may exercise its discretion by granting provisional authority and/or interim relief prior to a final decision.

31. Therefore, MERALCO and SPPC request for a provisional authority or interim relief confirming the authority of MERALCO and SPPC to implement the MERALCO-SPPC August 2023 EPSA, including the rates and tariff structure thereof, from the start of the supply by SPPC to MERALCO under the subject EPSA.

32. This confirmation by the ERC will allow MERALCO and SPPC to continuously implement the MERALCO-SPPC August 2023 EPSA based on the rates indicated therein, and MERALCO to have a steady, continuous, guaranteed, and reliable source of electricity, which redounds to the benefit of MERALCO's end-users in terms of providing a more reasonable rate. To support the Motion for Provisional Authority and/or Interim Relief, the Judicial Affidavit of **ENGR. DAVIDJOHN A. ZUÑIGA**, Officer of MERALCO's Energy Resource Planning - Energy Sourcing Office, is attached herein as ANNEX "E."

PRAYER

WHEREFORE, premises considered, it is respectfully prayed that the Honorable Commission:

a) Issue an Order **TREATING Annexes "X" and series and "Y" and Series** and all other information contained therein as **CONFIDENTIAL**, directing their non-disclosure to persons other than officers and staff of this Honorable Commission, continuously protecting the said information from public disclosure by maintaining the same separate and apart from the records of the case, and

ensuring that these are not divulged to unauthorized persons, and that the same will be returned to Applicant SPPC, as applicable, pursuant to Rule 4 of the Revised ERC Rules; and

b) Issue an Order granting **PROVISIONAL AUTHORITY and/or INTERIM RELIEF** confirming the authority of MERALCO and SPPC to implement the MERALCO-SPPC August 2023 EPSA, including the rates and tariff structure thereof, from the start of the supply by SPPC to MERALCO under the subject EPSA;

c) After hearing on the merits, render a Decision **APPROVING** the MERALCO-SPPC August 2023 EPSA and the terms and conditions thereunder, including the price.

Other reliefs, just and equitable under the circumstances, are likewise prayed for.

Pasig City, 10 August 2023.

[signature page follows]

MANILA ELECTRIC COMPANY

Co-Applicant

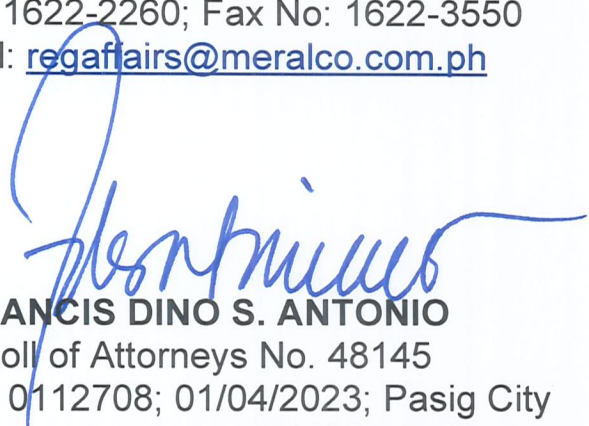
Lopez Building,

Ortigas Avenue, Barangay Ugong, Pasig City

Tel no. 1622-2260; Fax No: 1622-3550

Email: regaffairs@meralco.com.ph

By:



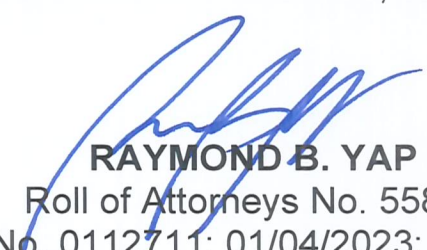
FRANCIS DINO S. ANTONIO

Roll of Attorneys No. 48145

PTR No. 0112708; 01/04/2023; Pasig City

IBP No. 260490; 01/05/2023; RSM

MCLE Compliance No. VII-0001788; 02 December 2019



RAYMOND B. YAP

Roll of Attorneys No. 55889

PTR No. 0112711; 01/04/2023; Pasig City

IBP No. 260486; 01/05/2023; Capiz

MCLE Compliance No. VII-0003278; Valid until 14 April 2025

rbyap@meralco.com.ph



ISAGANI C. CORUÑA II

Roll of Attorneys No. 63123

PTR No. 0112714; 01/04/2023; Pasig City

IBP No. 260484; 01/05/2023; RSM

MCLE Compliance No. VII-0003269; Valid until 14 April 2025

iccorunaii@meralco.com.ph



EDGAR MICHAEL C. ROBLES

Roll of Attorneys No. 62413

PTR No. 0112715; 01/04/2023; Pasig City

IBP Lifetime No. 011798

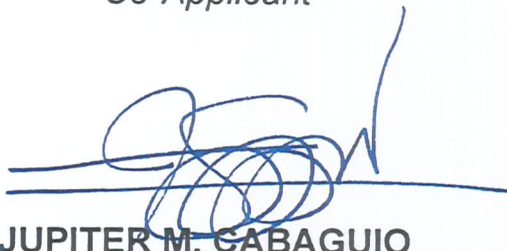
MCLE Compliance No. VII-0001112; 17 October 2019

emcrobles@meralco.com.ph

SOUTH PREMIERE POWER CORP.

Co-Applicant

By:



JUPITER M. CABAGUIO

Roll of Attorneys No. 47112

PTR No. 0112546 / 04 January 2023 / Pasig City

IBP No. 06372 / Lifetime / Makati City

MCLE Compliance No. VII – 0021509 / 17 June 2022

5th Floor, 100 Eulogio Rodriguez, Jr. Avenue,

C5 Road (North Bound), Pasig City

Telephone No. (02) 5317 1000 / jcabaguio@smcgph.sanmiguel.com.ph



AVELINO G. CEDO III

Roll of Attorneys No. 54500

PTR No. 0112544 / 04 January 2023 / Pasig City

IBP No. 010380 / Lifetime / PPLM

MCLE Compliance No. VII - 0020279 / 02 June 2022

5th Floor, 100 Eulogio Rodriguez, Jr. Avenue,

C5 Road (North Bound), Pasig City

Telephone No. (02) 5317 1000 / acedoiii@smcgph.sanmiguel.com.ph

VERIFICATION
and
CERTIFICATION AGAINST FORUM SHOPPING

I, **JOSE RONALD V. VALLES**, Filipino, of legal age, married and with office address at the Lopez Building, MERALCO Center, Ortigas Avenue, Pasig City, after being sworn to in accordance with law, hereby depose and say, that:

1. I am the First Vice President and Head, Regulatory Affairs and DU Regulatory Management, of Manila Electric Company (MERALCO). In such capacity, I have caused the preparation of the foregoing Joint Application. A copy of the Secretary's Certificate authorizing me to cause the preparation of the Joint Application and sign this Verification is attached hereto as **Annex "A"**; and

2. I have read and understood the foregoing Joint Application, the allegations of which are true and correct based on my own personal knowledge and/or on authentic records;

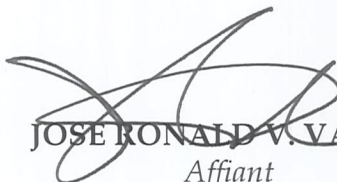
3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

4. The factual allegations in the foregoing Joint Application have evidentiary support, or if specifically so identified, will likewise have evidentiary support;

5. I certify that I have not commenced any other action involving the same issues in this case with this Honorable Commission, or any tribunal or quasi-judicial agency and to the best of my knowledge, no such action or proceeding is pending in this Honorable Court or any tribunal or quasi-judicial agency.

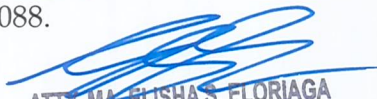
6. Should I hereafter learn that a similar action or proceeding has been filed or is pending before this Honorable Commission or any tribunal or quasi-judicial agency, I undertake to promptly inform this Honorable Commission and other tribunal or agency thereof within five (5) calendar days therefrom.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 14 AUG 2023 at Pasig City, Philippines.


JOSE RONALD V. VALLES
Affiant

SUBSCRIBED and SWORN to before me this 14 AUG 2023 affiant exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 485
Page No. 98
Book No. VI
Series of 2023.


ATTY. MA. ELISHA S. ELORIAGA
NOTARY PUBLIC
Appointment No. 147 (2023-2024)
Pasig, San Juan, and Pateros
Roll No. 73497 IBP No. 260481; 01/05/2023; Quezon City
PTR No. 0112717; 01/04/2023; Pasig City
MCLE Compliance No. VII-0019346, valid until 14 April 2025
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City

**VERIFICATION AND
CERTIFICATION OF NON-FORUM SHOPPING**

I, **ELENITA D. GO**, Filipino, of legal age, and with office address at the 5th Floor, 100 Eulogio Rodriguez Jr. Avenue C5 Road (North Bound) Pasig City, after having been duly sworn to in accordance with law, hereby depose and state, that:

1. By virtue of a board resolution as reflected in the Secretary's Certificate dated 07 August 2023 hereto attached as **Annex "A"**, I am the authorized representative of South Premiere Power Corp. ("SPPC") a co-applicant in the Joint Application for Approval of the Emergency Power Supply Agreement between Manila Electric Company ("MERALCO") and South Premiere Power Corp., (the "Joint Application");
2. I have caused the preparation and filing of the Joint Application and that I have read the contents thereof and aver that all the factual/legal allegations contained therein are true and correct based on my personal knowledge and/or on authentic documents/official records;
3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation and that the factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery; and,
4. I hereby certify that SPPC has not filed/commenced any action or proceeding arising from the same issues raised in the Joint Application before the Supreme Court, Court of Appeals, or any other courts or tribunals or quasi-judicial bodies/agencies and to the best of my knowledge, no such other similar action or claim is pending therein. If ever there is a case pending before the said courts or tribunals involving the same issues, I undertake to inform the Honorable Energy Regulatory Commission of such fact within five (5) calendar days from knowledge thereof.

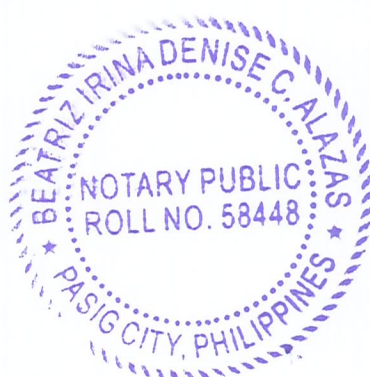
I am executing this undertaking in support of the Joint Application and the veracity of the allegations therein as well as for any other legal purpose this may serve.

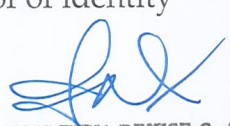
IN WITNESS WHEREOF, I have hereunto set my hand this AUG 14 2023 August 2023 at Pasig City.


ELENITA D. GO
Affiant

SUBSCRIBED AND SWORN to before me this AUG 14 2023 August 2023 in Pasig City. Affiant personally appeared and exhibited to me her Philippine Passport No. P1876103B issued on June 7, 2019 at the DFA NCR East as her competent proof of identity

Doc. No.: 96;
Page No.: 21;
Book No.: 11;
Series of 2023.




BEATRIZ IRINA DENISE C. ALAZAS
Appointment No. 169 (2022-2023)
Notary Public for Pasig City
Until December 31, 2023
5th Floor, 100 Eulogio Rodriguez Jr. Avenue,
C5 Road (North Bound), Pasig City 1604
Roll No. 58448
PTR No. 0112547 / 01-04-2023 / Pasig City
IBP OR No. 270458 / 01-05-2023 / IBP-Makati Chapter
MCLE Compliance No. VII - 0019554; 05-30-2022; Pasig City

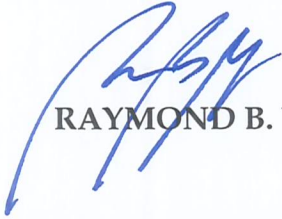
VERIFIED DECLARATION

I, **RAYMOND B. YAP**, of legal age, Filipino, with office address at the Lopez Building, Ortigas Avenue, Pasig City, after having duly sworn in accordance with law, hereby depose and state:

1. I am one of the duly authorized representatives to undertake the pre-filing process with respect to the application to be pre-filed by MERALCO and **SOUTH PREMIERE POWER CORP. ("SPPC")** for the **Approval of the Emergency Power Supply Agreement between MERALCO and SPPC dated 7 August 2023.**

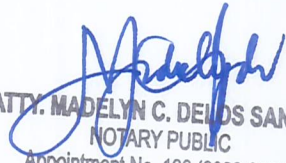
2. I hereby declare that, in compliance with ERC Resolution No. 9, Series of 2020, the documents submitted by MERALCO electronically as part of the virtual pre-filing process are complete and true copies of the original documents.

IN WITNESS WHEREOF, I hereby affix my signature this day of **5 September 2023.**


RAYMOND B. YAP

SUBSCRIBED AND SWORN to before me this **5 September 2023** at Pasig City, affiant exhibiting to me his Drivers License No. F04-99-042540, with expiry date at 25 March 2032.

Doc. No. 1569
Page No. 33
Book No. VIII;
Series of 2023.


ATTY. MADELYN C. DELOS SANTOS
NOTARY PUBLIC
Appointment No. 138 (2023-2024)
Pasig, San Juan and Pateros
Roll No. 64977 IBP No. 260482; 01/05/2023; RSM Chapter
PTR No. 0112716; 01/04/2023; Pasig City
MCLE Compliance No. VII-0001999; 05 December 2019
7th Floor, Lopez Bldg., Ortigas Ave., Pasig City



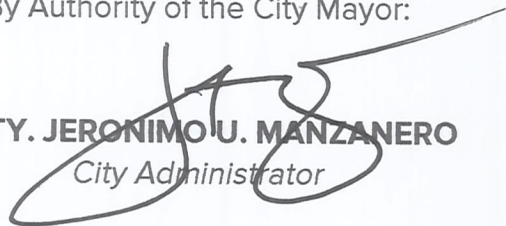
ACKNOWLEDGMENT

This is to acknowledge the receipt of a copy of the Joint Application dated 10 August 2023 entitled **"IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT DATED 07 AUGUST 2023 BETWEEN MANILA ELECTRIC COMPANY AND SOUTH PREMIERE POWER CORP., WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF"** and its annexes prior to its filing with the Energy Regulatory Commission (ERC).

This acknowledgment is issued upon the request of Manila Electric Company for whatever legal intent and purpose it may serve.

Issued this 11th day of September 2023, at Pasig City.

By Authority of the City Mayor:


ATTY. JERONIMO U. MANZANERO
City Administrator

NOT VALID
W/OUT
OFFICIAL
DRY SEAL



Caruncho Avenue, Barangay San Nicolas, Pasig City 1600 Metro Manila



ACKNOWLEDGMENT

To Whom It May Concern:

This is to certify that on September 11, 2023, a copy of verified Application entitled: **"IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT DATED 7 AUGUST 2023 BETWEEN MANILA ELECTRIC COMPANY AND SOUTH PREMIERE POWER CORP., WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF,"** dated 10 August 2023 with attached Annexes, prior to its filing with the Energy Regulatory Commission (ERC).

This Acknowledgment is issued upon request of MERALCO for whatever legal intents and purposes it may serve.

Issued this 11th day of **September 2023** at **Pasig City**.

ATTY. NICOLO JOEL B. GUTIERREZ
Acting City Council Secretary

Republic of the Philippines)
Pasig City) S.S.

AFFIDAVIT OF PROOF OF SERVICE

I, **Cyrus T. Saquilon, Jr.**, Filipino, of Legal age and with office address at 7th Floor, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, after having been duly sworn to in accordance with law, hereby depose and sat that:

- 1. I am an employee of the MIESCOR Logistics, Inc., assigned at Regulatory Legal Office of the Manila Electric Company (MERALCO).
- 2. I serve a copy of the verified Joint Petition, entitled: **“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT DATED 7 AUGUST 2023 BETWEEN MANILA ELECTRIC COMPANY AND SOUTH PREMIERE POWER CORP., WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF”**,” before filing to the Energy Regulatory Commission (ERC) to:

By Personal Service:

Office of the Sangguniang Panlungsod City Government of Pasig	Office of the City Mayor City Government of Pasig
---	---

- 3. That I served a copy of the verified Application with attached Annexes, upon the above-written addresses on 8 September 2023, by personal service. Attached herewith, is a copy of the Request Letter and showing proof of receipt by the Sangguniang Panlungsod and Office of the City Mayor.

IN WITNESS WHEREOF, I have hereunto signed this Affidavit on this SEP 11 2023 at Pasig City.


Cyrus T. Saquilon, Jr.
Affiant

SUBSCRIBED AND SWORN to before me this SEP 11 2023, affiant exhibiting to me his Driver’s License ID with No. N23-22-002177, as his competent proof of identity.

Doc. No. 358 ;
Page No. 93 ;
Book No. I ;
Series of 2023


ATTY. DAVID T. TOLENTINO
Notary Public
Pasig, San Juan and Pateros
Issued on May 15, 2023 at Pasig city
Appointment No. 254 (2023-2024)
Roll No. 78611/BP No. 293588/1/10/2023 RSM Chapter
PTR No. 0174321 01/16/2023 Pasig city
MCLE VIII-BEP002676-04/14/2028
8th floor Lopez Bldg. Ortigas Avenue, Pasig City

September 8, 2023

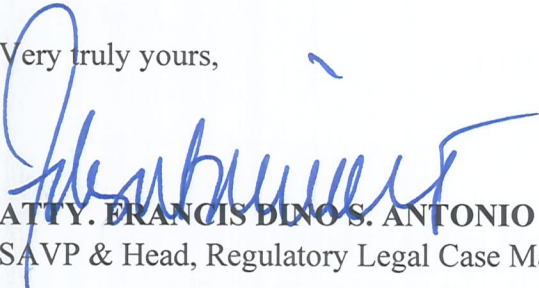
Office of the Sangguniang Panlungsod
City of Pasig

Gentlemen:

Attached is a copy of a verified Application entitled, **"IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT DATED 7 AUGUST 2023 BETWEEN MANILA ELECTRIC COMPANY AND SOUTH PREMIERE POWER CORP., WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF,"** with attached Annexes, being served to your office, prior to its filing with the Energy Regulatory Commission (ERC).

Please acknowledge receipt thereof in the suggested for attached.

Very truly yours,


ATTY. FRANCIS DINO S. ANTONIO
SAVP & Head, Regulatory Legal Case Management Office

RECEIVED
SECRETARIAT
PASIG CITY COUNCIL

BY: Agnes
DATE: 9/8/2023 TIME: 3:09 pm



customer@meralco.com.ph



www.meralco.com.ph



Home: +63(2) 16211
Businesses: +63(2) 16210



Meralco Operating Center,
Ortigas Avenue, Pasig City
1600 Philippines



through its counsel at the address indicated herein.

SECRETARY'S CERTIFICATE

I, **IRENE M. CIPRIANO**, of legal age, married, Filipino, with office address at No. 40 San Miguel Avenue, Mandaluyong City, Metro Manila, Philippines, after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the Assistant Corporate Secretary of **SOUTH PREMIERE POWER CORP.** (the “Corporation”), a corporation duly organized and registered in accordance with the laws of the Republic of the Philippines.

2. As Assistant Corporate Secretary of said Corporation, I have under my supervision and control the Minutes Book wherein all the minutes of the meetings of the Board of Directors are recorded.

3. At the Organizational Meeting of the Board of Directors held on **15 March 2023**, at which meeting a quorum was present and acting throughout for the valid transaction of business, the Board unanimously passed and approved the following resolutions:

“xxx

IX. AUTHORITY TO APPOINT AND DESIGNATE REPRESENTATIVE TO PROSECUTE, DEFEND, ARBITRATE, SETTLE AND/OR COLLECT

“RESOLVED, that any one Group A, B, C or F signatory be, as they hereby are, authorized and empowered to represent, act, negotiate, sign, conclude and deliver for and in the name of the Corporation for the application, prosecution, defense, arbitration, conciliation, execution, collection, compromise or settlement of:

- a) Any and all claims or suits for or against the Corporation, including, but without in any manner restricting or limiting to, the acceptance of pledges, real estate or chattel mortgages, bonds or any forms of undertaking as collateral security for the payment of obligations to the Corporation, extension of credit; or any and all claims or suits for or against the Corporation arising from, or in connection with, any disputes involving any and all contracts, deeds or acts of whatever kind and nature where the Corporation is a party directly or indirectly and all disputes involving all acts and products of the Corporation;

xxx

“RESOLVED, FURTHER, that any one Group A, B, C or F signatory be, as they are hereby, authorized to do and perform on behalf of the Corporation, whatever act such signatory may deem necessary, including, but not limited to, causing the preparation and filing of pleadings, such as, but not limited to, complaints, petitions, appeals, motions and other papers, verifying the same and the allegations therein, executing affidavits or sworn statements, giving testimonies, and making certifications against forum shopping in the cases (a), (b), (c), (d) and (e) mentioned above;

“RESOLVED, FURTHER, that any one Group A, B, C or F signatory be, as they are hereby, authorized and empowered to engage the services of, and designate and appoint as representatives, agents, or attorneys-in-fact of the Corporation, any individual, party, entity or firm for the application, prosecution, defense, arbitration, conciliation, execution, collection, compromise or settlement of (a), (b), (c), (d) and (e) mentioned above;

“RESOLVED, FINALLY, that in connection with the foregoing powers and authority, the aforementioned authorized signatories of the Corporation be, as they are hereby, authorized to assign the enforcement of any of the causes of action or defense of the Corporation in favor of a trustee or plaintiff for collection or defense, and to designate, in writing, such lawyers or law firms to appear, act for, or otherwise represent the Corporation in all judicial, quasi-judicial, administrative or arbitration board hearings, incidents and other proceedings, including, but without in any manner restricting or limiting to, all pre-trial conferences and to do any and all of the following acts and deeds:

- a) To negotiate, conclude, enter into and execute a compromise or amicable settlement of the case or dispute;
- b) To agree on the simplification of the issues;
- c) To amend the pleadings;
- d) To agree to stipulations or obtain admissions of facts and of documents to avoid unnecessary proofs;
- e) To limit the number of witnesses;
- f) To undertake a preliminary reference of issues to a commissioner;
- g) To explore and/or consider alternatives modes of dispute resolution, such as but not limited to mediation proceedings; and
- h) To do and agree on such other matters as may aid the prompt disposition of the case or dispute.”

xxx

**XXIII. DESIGNATION OF OFFICERS AND
PERSONS WITH SIGNING AUTHORITIES**

“RESOLVED, that for purposes of the implementation of the foregoing resolutions, the following officers and persons are hereby appointed as signatories under the Group appearing before their names:

<u>GROUP</u>	<u>NAME</u>
A	xxx Ferdinand K. Constantino xxx Elenita D. Go xxx
B	xxx Paul Bernard D. Causon xxx
C	Ramon U. Agay xxx
xxx	xxx
F	xxx Avelino G. Cedo III Jupiter M. Cabaguio xxx
xxx	xxx

"**RESOLVED, FINALLY**, that these resolutions cancel and supersede, as they hereby cancel and supersede, all previous resolutions."

4. The foregoing resolutions have not been revoked, amended, or in any manner modified. Accordingly, the same may be relied upon until written notice to the contrary is issued by the Corporation.

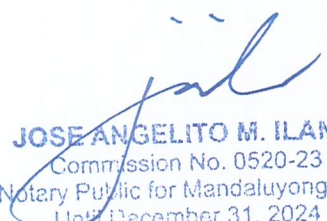
5. The foregoing matters are in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto signed these presents on 07 August 2023 at Mandaluyong City.


IRENE M. CIPRIANO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me on 07 August 2023 at Mandaluyong City, affiant exhibiting to me her Philippine Passport with No. P0811773B issued on 24 February 2019 in DFA NCR East.

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JOSE ANGELITO M. ILANO
Commission No. 0520-23
Notary Public for Mandaluyong City
Until December 31, 2024
SMC, 40 San Miguel Ave., Mandaluyong City
Roll of Attorneys No. 62172
PTR No. 5111178; 01/05/23; Mandaluyong City
IBP Lifetime Member No. 018308; 12/14/17; Quezon City
MCLE Compliance No. VII-0016522; 04/28/22; Pasig City



SECRETARY'S CERTIFICATE

I, **IRENE M. CIPRIANO**, of legal age, married, Filipino, with office address at No. 40 San Miguel Avenue, Mandaluyong City, Metro Manila, Philippines, after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the Assistant Corporate Secretary of **SOUTH PREMIERE POWER CORP.** (the “Corporation”), a corporation duly organized and registered in accordance with the laws of the Republic of the Philippines.

2. As Assistant Corporate Secretary of said Corporation, I have under my supervision and control the Minutes Book wherein all the minutes of the meetings of the Board of Directors are recorded.

3. At the Organizational Meeting of the Board of Directors held on **15 March 2023**, at which meeting a quorum was present and acting throughout for the valid transaction of business, the Board unanimously passed and approved the following resolutions:

“xxx

**XIV. AUTHORITY TO SIGN AND DELIVER
CONTRACTS, AGREEMENTS, INSTRUMENTS,
DOCUMENTS AND/OR SECURITIES**

“**RESOLVED**, that any of the following signatories:

<u>AMOUNT</u>	<u>SIGNING AUTHORITY</u>
Without limit in Pesos or any foreign currency	Any two Group A signatories
xxx	xxx

be, as they are hereby, authorized to negotiate, sign, conclude, execute and deliver, in the ordinary course of business, contracts, documents and agreements related to, necessary, and/or incidental to the pursuit of the business of the Corporation, including, but not limited to, its participation in any selection process for the supply by the Corporation of energy, energy supply contracts, non-disclosure agreements, confidentiality agreements, licensing agreements, and trust agreements, letters of awareness, comfort letters, and confirmatory agreements;

xxx

**XXIII. DESIGNATION OF OFFICERS AND
PERSONS WITH SIGNING AUTHORITIES**

“**RESOLVED**, that for purposes of the implementation of the foregoing resolutions, the following officers and persons are hereby appointed as signatories under the Group appearing before their names:

<u>GROUP</u>	<u>NAME</u>
A	xxx Ferdinand K. Constantino xxx Elenita D. Go xxx
xxx	xxx

"RESOLVED, FINALLY, that these resolutions cancel and supersede, as they hereby cancel and supersede, all previous resolutions."

4. By virtue of the delegation letter hereto attached as Annex "A", Mr. Ferdinand K. Constantino and Ms. Elenita D. Go, both Group A signatories of the Corporation, designated and authorized Mr. Jose Ferlino P. Raymundo to be the authorized representative of the Corporation to sign as witness to the execution of the Power Supply Agreement between the Corporation and the Manila Electric Company ("MERALCO") for 330MW Contract Capacity, covering the emergency baseload requirements of MERALCO (the "Agreement"), and for Mr. Raymundo and Ms. Marilen S. Vizco-Adriano to sign and affix their initials on each and every page of the Agreement.

5. The foregoing resolutions have not been revoked, amended or in any manner modified. Accordingly, the same may be relied upon until written notice to the contrary is issued by the Corporation.

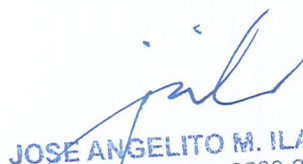
6. The foregoing matters are in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have hereunto signed these presents on 07 August 2023 at Mandaluyong City.


IRENE M. CIPRIANO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me on 07 August 2023 at Mandaluyong City, affiant exhibiting to me her Philippine Passport with No. P0811773B issued on 24 February 2019 in DFA NCR East.

Doc. No.: 105 ;
Page No.: 22 ;
Book No.: IV ;
Series of 2023.


JOSE ANGELITO M. ILANO
Commission No. 0520-23
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**San Miguel
Global Power**
Giving You the Power to Celebrate Life

ANNEX “

A”

**South Premiere
Power Corp.**



5th Floor C5 Office Bldg. Complex, 100 E. Rodriguez Jr. Ave., C5 Road, Ugong, Pasig City, 1604



(02) 5317 1000

07 August 2023

MR. JOSE FERLINO P. RAYMUNDO
MS. MARILEN S. VIZCO-ADRIANO
South Premiere Power Corp.

Gentlemen:

Pursuant to the Board Resolutions passed and approved by the Board of Directors of **South Premiere Power Corp.** (the “Corporation”) during its Organizational Meeting held on **15 March 2023**, we hereby designate, appoint and authorize Mr. Jose Ferlino P. Raymundo to be the authorized representative of the Corporation to sign as a witness to the execution of the Power Supply Agreement between the Corporation and the Manila Electric Company (“MERALCO”) for 330MW Contract Capacity, covering the emergency baseload requirements of MERALCO (the “Agreement”), and any one (1) of you, Mr. Raymundo or Ms. Marilen S. Vizco-Adriano, to sign and affix your initials on each and every page of the Agreement.

Please be reminded that the Corporation’s policy on prior clearance and approval of transactions should be duly complied with.

Very truly yours,


FERDINAND K. CONSTANTINO
Authorized Signatory


ELENITA D. GO
Authorized Signatory