

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

**IN THE MATTER OF THE
JOINT APPLICATION FOR
APPROVAL OF THE BIOMASS
WASTE TO ENERGY (WTE)
POWER SUPPLY
AGREEMENT (PSA)
BETWEEN PAMPANGA II
ELECTRIC COOPERATIVE,
INC. (PELCO II) AND GREEN
ATOM RENEWABLE ENERGY
CORPORATION (GREEN
ATOM) WITH MOTIONS FOR
CONFIDENTIAL TREATMENT
OF INFORMATION, AND THE
ISSUANCE OF PROVISIONAL
AUTHORITY OR INTERIM
RELIEF**

ERC CASE NO. 2025-086 RC

**PAMPANGA II ELECTRIC
COOPERATIVE, INC. (PELCO
II) AND GREEN ATOM
RENEWABLE ENERGY
CORPORATION (GREEN
ATOM),**

Applicants.

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Promulgated:
April 21, 2025

ORDER

On 08 April 2025, the Pampanga II Electric Cooperative, Inc. (PELCO II) and Green Atom Renewable Energy Corporation (Green Atom) filed their *Joint Application* dated 28 November 2024, seeking the Commission’s approval of their Biomass Waste to Energy (WTE) Power Supply Agreement (PSA), with motions for confidential treatment of information and the issuance of provisional authority or interim relief.

The pertinent allegations in the said *Joint Application* are hereunder quoted, as follows:

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1. Applicant **PAMPANGA II ELECTRIC COOPERATIVE, INC. (PELCO II)**, an electric cooperative duly organized by virtue of Presidential Decree No. 269, as amended, and duly registered with the National Electrification Administration (NEA) under Certificate of Registration Number 111 with principal office address at PELCO II Main Office, San Roque, Guagua, Pampanga, Philippines, where it may be served with summons and other legal processes, represented herein by its General Manager, **AMADOR T. GUEVARRA**, and its Chief Management Advisor, **JOE-MEL S. ZAPORTEZA**, both of legal age, Filipino, and with office address also at PELCO II Main Office. Copies of PELCO II's (i) Certificate of Registration issued by NEA, (ii) Articles of Incorporation, (iii) Amended By-laws, (iv) List of PELCO II Board of Directors (BOD) and (v) Organizational Structure are hereto attached as **Annexes "A", "A-1", "A-2", "A-3" and "A-4"**, respectively and made integral parts hereof;

2. Applicant PELCO II is an exclusive holder of a Certificate of Franchise issued by the National Electrification Commission (NEC) of the National Electrification Administration (NEA) to operate and distribute electricity and power services in the i) City of Mabalacat and the Municipalities of ii) Guagua, iii) Bacolor, iv) Porac, v) Sasmuan, vi) Lubao, and, vii) Sta. Rita, all within the Province of Pampanga;

3. A copy of Applicant PELCO II's Certificate of Franchise is attached as **Annex "A-5"** and made an integral part hereof. Likewise, included in the areas being served by Applicant PELCO II pursuant to government interventions, are the following: i) The Palmayo Resettlement and the adjoining areas within its jurisdiction (both of which are part of the Porac franchise area); ii) Barangay Anon, Floridablanca, Pampanga and nearby barangays (both of which are part of the Lubao franchise area); and iii) Sta. Lucia Resettlement, Magalang, Pampanga (which is part of the Mabalacat City franchise area);

4. Applicant **GREEN ATOM RENEWABLE ENERGY CORPORATION (GREEN ATOM)**, a corporation duly organized and existing pursuant to and under the laws of the Republic of the Philippines, with principal office at 5th Floor, Rublou Business Center, Ortigas Avenue Extension, Cainta, Rizal represented herein by its Chairman and Chief Executive Officer (CEO), **MR. LEMUELLE LUIS A. TICMAN** and its President and Chief Operating Officer (COO), **MR. REX RECARRO**, both of Filipino legal age, with Office address also at the Main Office of GREEN ATOM. Copies of Applicant GREEN ATOM's (i) Secretary Certificate Notarized on March 20, 2024, (ii) Secretary Certificate Notarized on June 19, 2024, (iii) Securities and Exchange Commission (SEC) Certificate of Incorporation, (iv) Articles of Incorporation, (v) By- Laws (2019), Document showing information related to the Ultimate Parent Company, its Subsidiaries and all its affiliates shown in the (vi) General Information Sheet (GIS) for 2022 (Amended), (vii) GREEN ATOM's Board of Investment (BOI) Certificate of Registration with attached Terms and Conditions, and,

(viii) Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources (DENR) are herewith attached to form integral parts hereof as **Annexes "B", "B1", "B-2", "B-3", "B-4", "B-5", "B-6" and "B-7", respectively;**

5. Applicants PELCO II and GREEN ATOM may be served with this Honorable Commission's orders, notices, and other legal processes through the respective addresses of the undersigned counsels.

I

STATEMENT OF FACTS

6. Republic Act (R.A) No. 9136, otherwise known as the Electric Power Industry Reform Act (EPIRA), mandates that it is the policy of the State, among others, to ensure the quality, reliability, security and affordability of the supply of electric power, and to promote the utilization of indigenous, new, and renewable energy resource in power generation in order to reduce dependence on imported energy;

7. It is also a declared policy of the State under the EPIRA to enhance the inflow of private capital and broaden the ownership base of the power generation, transmission and distribution sectors;

8. Likewise, Republic Act (R.A.) No. 9513 or the Renewable Act of 2008 (RE Law) was enacted to accelerate the exploration and development of renewable energy resources where the Department of Energy (DOE) shall, wherever practicable, encourage the adoption of Waste-to-Energy (WTE) facilities and the involvement of the Distribution Utility (DU) in the renewable energy program of the National Government;

9. The DOE shall, in coordination with the Department of Environment and Natural Resources (DENR), ensure compliance with the provisions of R.A. No. 9513 for its successful implementation;

10. Section 2 of DENR Department Administrative Order (DAO) No. 2019-21 defines certain key parameters and characteristics attributed for Biomass Waste-to-Energy (WTE) providing guidelines and additional operational requirements on the treatment of Municipal Solid Waste;

11. Further, R.A. No. 9513 or the RE Law declared a policy of the State to: (i) accelerate the exploration and development of renewable energy resources such as, but not limited to biomass, solar, wind, hydro, geothermal and ocean energy sources, *including hybrid systems*, to achieve energy self-reliance through the adoption of sustainable energy development strategies to reduce the country's dependence on fossil fuels and thereby reduce the country's exposure to price fluctuations in the international markets, the effects of which spiral down to almost all sectors of the economy, (ii) increase the utilization of renewable energy by institutionalizing the development of national and local capabilities in the use of

renewable energy systems, and promoting its efficient and cost-effective commercial application by providing fiscal and non-fiscal incentives, and, (iii) encourage the development and utilization of renewable energy resources as tools to effectively prevent or reduce harmful emissions and thereby balance the growth of economic balance and development with the protection of health and environment, and, (iv) establish the necessary infrastructure and mechanisms to carry out the mandates specified in this Act and other existing laws;

12. Section 4, Rule 2, Part II of the Implementing Rules and Regulations of the Renewable Act of 2008 (R.A. No. 9513 IRR) provides that the Renewable Portfolio Standards (RPS), as a policy mechanism, shall oblige electric power industry participants such as Generation Companies, in so far as their directly-connected customers are concerned, Distribution Utilities (DUs) for their Captive Market, and Retail Electricity Suppliers (RES) for their Contestable Customers, to source or produce a fraction of their electricity requirements from Eligible RE resources;

13. Section 37 (p) of the EPIRA mandates the Department of Energy (DOE) to formulate rules and regulations as may be necessary to implement the objectives of the EPIRA. In view of such mandate, the DOE issued two (2) Department Circulars, namely, (i) Department Circular No. DOE DC2004-001 requiring the Distribution Utilities (DUs) in off-grid areas the conduct of a Competitive Selection Process (CSP), and, (ii) Department Circular No. DOE DC2015-06-0008 which also required all DUs to undergo CSP in the procurement of their Power Supply Agreements (PSAs) for their captive market;

14. Also, the DOE's role to issue rules and regulations to implement the EPIRA pursuant to its mandate was reaffirmed by the Supreme Court in its Decision in *Alyansa Para sa Bagong Pilipinas v. Energy Regulatory Commission, et al.* (G.R. No. 227670, 3 May 2019);

15. Likewise, Sections 2.2, 2.2.1 and 2.2.1.3 of the DOE Department Circular No. DC2021-10-0030 entitled "Amending Certain Provisions of and Supplementing Department Circular No. DC 2018-02-0003 on the Competitive Selection Process (CSP) in the Procurement of the Distribution Utilities of Power Supply Agreement for the Captive Market" provides:

"Section 2.2. Exemption to CSP"

"*Section 2.2.1.* The following instances shall warrant a Certificate of Exemption from the conduct of Competitive Selection Process (COE-CSP) from the DOE:"

"*Section 2.2.1.3.* Any generating plant to be embedded in the DU, utilizing **indigenous energy resources** in the franchise area of the DU, subject to ownership and market-share limitations as provided under relevant laws and issuance, unless it intends to sell generated power outside of the embedded area, in which case, it shall undergo CSP with

respect to its excess power. The size of the generation plant shall have a maximum capacity of 10 MW per Luzon DU and 5 MW per Visayas and Mindanao DU.”

16. Meanwhile, Applicant PELCO II has submitted to the DOE its Power Supply Procurement Plan (“PSPP”) for 2021 and is looking for a power provider who can supply a 10 MW renewable energy in compliance with its Renewable Portfolio Standards (RPS) requirement for 2022 and the succeeding periods. A copy of the 2021 PSPP is attached as **Annex “C”** and made an integral part hereof;

17. Applicant PELCO II is now looking for a renewable energy generating plant which will be embedded in its franchise area utilizing indigenous energy resources;

18. Meanwhile, Republic Act (R.A.) No. 9003 or the “Ecological Solid Waste Management Act of 2000” was enacted to ensure, among others, the utilization of environmentally-sound methods that maximize the utilization of valuable resources and encourage resource conservation of the Local Government Units;

19. On the other hand, Chapter 2, Section 17 (2) (vi) of the Republic Act (R.A.) No. 7160, known as the Local Government Code of 1991, mandates the Local Government Units (LGUs) to provide Residual Waste Disposal System or environmental management system and services or facilities related to general hygiene and sanitation;

20. Cognizant thereto, the LGU of Mabalacat City, Province of Pampanga passed Resolution No. 436 Series of 2021 entitled “Resolution Endorsing the Promotion, Development, and Utilization of Renewable Energy (RE) Resources and the Waste to Energy Project in Barangay Sapang Balen, Mabalacat City, Pampanga, Thereby Creating and Institutionalizing the Necessary Mechanism and Successful Programs for Sustainable Ecological Solid Waste Management of the City of Mabalacat and the Adjacent Cities and Municipalities of the Province.” A copy of the LGU Resolution is hereto attached and made an integral part hereof as **Annex “D”**;

21. Thus, in partnership with Applicant PELCO II, it committed itself to support the establishment and construction of a Biomass Waste-to-Energy (WTE) Power Plant Facility to be located in Barangay Sapang Balen, Mabalacat City, Pampanga, to address the worsening and perennial issue of solid waste management and disposal of the city and the environmental and health issues brought by the said garbage;

22. It is noteworthy that the LGU of Mabalacat City had previously invited prospective solid waste renewable energy providers and requested Applicant PELCO II to work in partnership for this program. This partnership will primarily benefit the LGU of Mabalacat City and other cities and municipalities in the Province of Pampanga from the WTE project in terms of solid waste management and stable energy sources. Accordingly, the business relationship between Applicants PELCO II and GREEN ATOM

supports the call of the national government and the LGU of Mabalacat City through the taking of energy output of the WTE generating facility;

23. Likewise, with the strong entreat of the LGU of Mabalacat City, it recognized Applicant PELCO II as the DU in its franchise area thereby acknowledging its indirect role and contribution in the implementation of Solid Waste Management and the LGU's Disposal Program;

24. Pursuant to Section 2.2.1.3 of the Department of Energy (DOE) Circular No. DC2021-10-0030, Applicant PELCO II shall, in lieu of conducting a Competitive Selection Process (CSP), is required to secure a Certificate of Exemption from the Conduct of Competitive Selection Process (COE-CSP) from the DOE for any generating plant having a maximum capacity of ten (10) MW embedded within its franchise area utilizing indigenous energy resources;

25. On June 29, 2022, Applicant PELCO II wrote a letter to the DOE requesting for a Certificate of Exemption from the Conduct of CSP (COE-CSP) in favor of Applicant GREEN ATOM who had showed interest and manifested its intention to participate and to supply the former's renewable energy requirements utilizing indigenous resource. A copy of the letter is attached as **Annex "E"** and made an integral part hereof;

26. In response to Applicant PELCO II's June 29, 2022 letter request, the DOE in its letter dated September 2, 2022 approved and issued the Certificate of Exemption from the Conduct of CSP (COE-CSP). This exemption allowed Applicant PELCO II to enter into a contract with Applicant GREEN ATOM to proceed with the supply of its renewable energy requirements from a WTE plant. A copy of the letter is attached as **Annex "F"** and made an integral part hereof;

27. On November 22, 2022, the National Electrification Administration (NEA) in its letter acknowledged Applicant PELCO II's compliance to the Certificate of Exemption from the Conduct of CSP (COE-CSP) and Applicant GREEN ATOM's compliance with the Terms of Reference (TOR) to be observed by Applicant PELCO II in the procurement of its renewable power supply. A copy of the letter is attached as **Annex "G"** and made an integral part hereof;

28. Only Applicant GREEN ATOM manifested its interest to provide the renewable energy requirements of Applicant PELCO II and thus, committed itself on its own and operate a Biomass Waste to Energy (WTE) Power Plant Facility of a one (1) 12MW turbo-generator set with exportable power of 9.94MW at Barangay Sapang Balen, Mabalacat City, Pampanga;

29. The installation of the Biomass Waste to Energy (WTE) Power Plant Facility by Applicant GREEN ATOM will displaced about 100.2 Million Tons of Carbon Dioxide emissions (CO₂e) in twenty-five (25) years which will help mitigate the adverse effects of climate change. As aptly stated by the issued Resolution No. 436,

Series of 2021 of the LGU of Mabalacat City (**Annex “D”**), this generation facility will help mitigate the accumulation of carbon and toxic gases by immediately processing the waste collected into renewable energy instead of using electricity/energy generated with fossil fuel as energy resource therefore reducing carbon emissions;

30. Applicant GREEN ATOM was granted a Biomass Renewable Energy Operating Contract from the DOE to install, construct and operate a Waste to Energy (WTE) Biomass Power Plant at Mabalacat City, Pampanga. Copies of the Biomass Renewable Energy Operating Contract (BREOC) No. 2017-07-777 with Certificate of Registration (COR) No. RE-B2017-07-133 notarized on October 16, 2017 and Amended BREOC with Certificate of Registration (COR) No. RE-B2017-07-133a notarized on July 22, 2020 are attached and made integral parts hereof as **Annex “H” and Annex “H-1”**, respectively;

31. The 2021 Distribution Development Plan (“DDP”) of Applicant PELCO II shows that the demand and load forecasts in the forthcoming years is brought about by increase in number of consumers including the growth and development in its Franchised Area;

32. The Private Sector Assets and Liabilities and Management Corporation (PSALM), one of the DU-electric cooperative’s power providers, informed Applicant PELCO II in a negotiation meeting for a power supply contract that beginning the billing period of August 2022 (July 26, 2022 – August 25, 2022) it can only serve the peaking power supply requirements of the DU. A copy of the CSEE’s Annex I – Capacity Allocation for 2022 showing the available supply is attached as **Annex “I”** and made an integral part hereof;

33. This escalating demand resulting from the load growth and increased consumers is on top of the existing eighty-five megawatts (85 MW) contracted power supply with three (3) power suppliers. Currently, the 3 power suppliers of Applicant PELCO II are:

- 33.a. Bacman Geothermal, Inc. ("BGI") for thirty megawatts (30MW") under case docket ERC Case No. 2018-097 RC;
- 33.b. AP Renewables, Inc. ("APRI") for forty megawatts ("40 MW") under case docket ERC Case No. 2022-003 RC; and
- 33.c Power Sector Assets and Liabilities Management Corporation ("PSALM") for fifteen megawatts ("15MW") with Certificate of Exemption from the Conduct of CSP ("COE-CSP) approved by DOE and commenced effective March 26, 2022 which CSEE was applied for approval by PSALM and docketed as ERC Case No. 2022-072 RC and at present is for resolution of ERC. This was followed by extensions thru Letters of Amendment (LOAs) from (i) December 26, 2022 to

June 25, 2023, (ii) June 26, 2023 to December 25, 2023, and (iii) December 26, 2023 to June 25, 2024. Said LOAs are now under process of preparation of the technical and legal prefiling requirements for eventual filing to the ERC for approval.

34. With this development, the resultant increase in supply requirements is translated to increased capacity reflected in the 2021 PSPP (**Annex “C”**). A copy of Applicant PELCO II’s 2021 DDP load growth forecasts is attached as **Annex “J”** and made an integral part hereof;

35. The current power supply of Applicant PELCO II will be augmented upon the commencement of the supply of peaking requirements from power supplier, La Pampang Energy Corporation (LPEC) under a PSA with pending approval from ERC in ERC Case No. 2022-050 RC effective for fifteen (15) years from the commencement of delivery;

36. Therefore, in view of Applicant PELCO II's increasing franchise demand, there is an urgent need to secure additional supply in order to hedge against the volatility and sudden spikes of electricity prices in the Wholesale Electricity Spot Market ("WESM") and the increasing prices of oil and fuel in the international market brought about by the crisis in the supply such as coal and petroleum prices;

37. With the power supply from renewable energy, the member-consumers-owners (MCOs) will be protected from the exposure to fluctuations and upward trends of WESM prices. Moreover, to maintain an uninterruptible and reliable power supply of its existing demand during the affected period, Applicant PELCO II decided to source the needed power from Applicant GREEN ATOM at affordable and cheaper generation rates utilizing indigenous resources;

38. The table below summarizes Applicant PELCO II's current power suppliers:

Supply (MW)	Supplier	Covered Period
30 MW	BGI (ERC Case No. 2018-097RC)	December 26, 2017 to December 25, 2027
40 MW	APRI (ERC Case No. 2022-003 RC)	December 26, 2020 to December 25, 2030
15 MW	CSEE and three (3) extensions thru LOA	March 26, 2022 to December 25, 2022 to December 26, 2022 to June 25, 2024
In excess of 85 MW	WESM	

39. For the forthcoming period until the expiration of the PSAs with power suppliers, BGI, APRI and PSALM, and considering the upward trend in the power requirements of Applicant PELCO II starting 2021 and twenty (20) years thereafter as can be gleaned in the 2021 DDP, or until such time that the PSA becomes effective, a supply gap between the level of baseload and midmerit requirements power supply is inevitable if no pro-active measure is undertaken by Applicant PELCO II. Further, the WTE PSA will not only accommodate the RPS requirements of the DU-electric cooperative but will also address the solid waste management and disposal in the Province of Pampanga supporting the call of the national government. Furthermore, it will solidify its corporate social responsibility in support of clean energy. Thus, Applicant PELCO II, in partnership with the LGUs of the Province of Pampanga, decided to source supply requirements from renewable energy utilizing indigenous resources in its franchise area;

40. Consequently, Applicants PELCO II and GREEN ATOM then negotiated to expedite and facilitate the PSA for the supply of renewable energy for the former's franchise area from the renewable energy exported as an embedded baseload energy from the Biomass Waste to Energy (WTE) Power Plant Facility as urged by the strong entreat and petition from the LGU and the member-consumers-owners (MCOs) in the City of Mabalacat, Pampanga to support the said Waste to Energy project;

41. By and pursuant to Sections 25, 43 (u) and 45 (b) of the Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 or the EPIRA and its Implementing Rules and Regulations (IRR), Rule 20 (8.1) of the ERC Revised Rules of Practice and Procedure (ERC-RRPP), and other pertinent rules and regulations, this Joint Application is respectfully submitted to the Honorable Commission for its due consideration and approval of the Biomass Waste to Energy (WTE) Power Supply Agreement (PSA) executed by and between Applicants PELCO II and GREEN ATOM. A complete copy of the WTE PSA is attached as **Annex "K"** and made an integral part hereof;

42. Applicants PELCO II and GREEN ATOM's respective Board of Directors (BOD) and Management Committee through the issuance of PELCO II's Board Resolutions No. 139-22 and 140-22 and GREEN ATOM's Secretary's Certificate notarized on December 10, 2022 authorized the signing and execution of the WTE PSA. Copies of PELCO II's Board Resolutions and GREEN ATOM's Secretary's Certificate are hereto attached and made integral parts hereof as **Annex "L"**, **Annex "L-1"** and **Annex "M"**, respectively;

43. Based on the financial models prepared by Applicant GREEN ATOM, the tariff offering is determined to be PhP 10.55/kWh after considering the costs of funding like the operation and maintenance costs, other revenue and economic assumptions, and payback period. Copies of the (i) Financial Parameters and Analysis, (ii) Operating and Maintenance Costs, (iii) Other Revenue and Economic Assumptions, (iv) Developmental Project Costs, (v) WTE Plant Costs, and, (vi) Rates and Financial Results are attached

and made integral parts hereof as **Annexes “N”, “N-1”, “N-2”, “N-3”, “N-4”, and “N-5”,** respectively;

44. However, Applicant PELCO II requested Applicant GREEN ATOM to lower its tariff offering to PhP 9.85/kWh and provide incentives generated from the Tipping Fee and other sources in order to reduce the rate to its members-consumers-owners (MCOs). Therefore, Applicants PELCO II and GREEN ATOM agreed that the tariff offering to be reflected in the agreement is the contract price under Schedule 4 – Schedule of the PSA, subject to the final approval and determination of the Honorable Commission, to wit:

Contract Price	
Rate Component	RATE (PhP/kWh)
Capital Recovery Fee	6.24
Fixed O&M Fee	2.33
Variable Fee	1.28
Total Tariff	9.85
Where applicable, all local/or national taxes including Value Added Tax (VAT) shall be added to the Generation Fee Payment.	

45. The “Technical Offer for 12MWe WTE plant on EPC basis located at Mabalacat City, Pampanga, Philippines” shows the relevant technical and economic characteristics of the generation capacity, its design and process description and specifications. A Copy of the Technical Offer is attached and made an integral part hereof as **Annex “O”**;

46. Other documentation that may be needed by the Honorable Commission in the course of the evaluation of this Joint Application shall also be submitted by Applicants PELCO II and GREEN ATOM.

II

SALIENT FEATURES OF THE CONTRACT

47. ARTICLE 2: SCOPE OF AGREEMENT

2.1 General
SUPPLIER shall be responsible for *developing, financing, constructing, commissioning, operating and maintaining the Biomass Waste to Energy Power Plant Facility or Power Station and making available the Contract Capacity, which CUSTOMER may dispatch in accordance with this Agreement.* SUPPLIER shall be allowed to purchase and deliver to

CUSTOMER replacement power if the Power Station's availability falls below the guaranteed 8000 operating hours or exceeds the allowed 720 outage hours per Contract Year, at the same price as the total fee at the same Contract Year or the same price as the total fee at the time of buying whichever is lower.

CUSTOMER shall dispatch the Biomass Waste to Energy Power Station for its Power requirements and Voltage Control in accordance with the Nomination and Dispatch Protocols in Schedule 7 and pay the Fees in accordance with Article 9.1 of this Agreement. It is understood that, except as otherwise expressly provided in this Agreement, CUSTOMER shall pay the Capital Recovery Fee, the Fixed Operations and Maintenance Fee, Variable Operations and Maintenance Fee based on the actual energy delivered.

- 2.2 No. 7.7 of Schedule 7 Allowed Downtime/Preventive Maintenance Schedule of Nomination and Dispatch Protocol of the Contract Energy of the WTE PSA states the following:

SUPPLIER shall be entitled to 720 hours of Outage Allowance for the Power Station for both scheduled and un-scheduled outages. By not later than thirty (30) days prior to the COD and at the first day of each Contract Year thereafter, the Parties shall agree on the schedule of Allowable Downtime applicable to such Contract Year.

The Outage Allowance shall be applied on a per contract capacity per year basis. Formula in computing the Outage is as follows:

Outage Hours = (kW in Outage Contract Capacity) x No. of Hours in Outage

- 2.3 No. 7.8 of Schedule 7 Replacement Power of Nomination and Dispatch Protocol of the Contract Energy of the WTE PSA states the following:

Replacement Power is defined as power that should have been made available by the Power Station which it guaranteed to deliver to the Customer under normal conditions. If the Power Station's availability falls below the guaranteed 8000 operating hours or exceeds the allowed 720 outage hours per Contract Year, at the same price as the total fee at the same

Contract Year or the same price as the total fee at the time of buying plus other incidental fee associated with the procurement of such replacement power whichever is lower in accordance with Section 2.1 of this Agreement.

Copy of Nos. 7.7 and 7.8 of Schedule 7 – Nomination and Dispatch Protocol of the Contract Energy - of the WTE PSA are hereto attached and made integral parts hereof as **Annexes “P”, “P-1”, “P-2” and “P-3”**.

48. ARTICLE 3: CONTRACT PERIOD

3.1 The Agreement shall take effect immediately from Effective date until the end of the contract period specified in this Agreement, provided, that obligations of the party arising prior to the date of expiration, or termination or to those which, by their nature are to be performed after expiration or termination of the agreement or which are expressed herein to survived the expiration of the Contract Period or the termination hereof shall survive any such expiration or termination.

3.2 Term. The respective rights and obligations to make available and pay for Contract Capacity, dispatchable reserve and fast start capability shall for a period of Twenty (20) years (the "Term") from COD, unless extended in accordance with applicable laws, rules and regulations, or earlier terminated in accordance with this Agreement.

3.2.1 "Contract Year" means:

3.2.1.1 For the First Contract year, the period consisting of twelve (12) consecutive Billing Months commencing on the first Billing period.

3.2.1.2 Thereafter, each successive period consisting of twelve (12) Billing Periods, commencing on the day after the end of the previous contract year, provided that the final contract year shall end at the last day of the Contract period.

3.2.2 "Contract Capacity" means contracted capacity of 9.94MW from the Power Station. Contract Capacity is not a guaranteed figure available for dispatch by the CUSTOMER 24/7, and becomes

committed only after issuance of the Day Ahead Capability and Availability Declaration declaring such capacity is available for dispatch.

3.2.3 “Commercial Operation Date (COD)” - shall mean the start of the operation of the power station and the delivery of the Contract Capacity confirmed by the Day Ahead Capability and Availability Notification on specific dates as provided in this Agreement subject to the fulfillment of all the condition precedents as provided for Article 5 in this agreement.

3.2.4 “Commercial Operations Period” or “COP” shall mean the period from COD until the end of the Term.

3.2.5 Schedule 6 of the WTE PSA defines the Delivery Schedule as follows:

Billing Years	Billing Months	Min. Contract Energy per Billing Period (kWh)	Min. Contract Energy per Interval (kW)	Max. Contract Energy per Interval (kW)
Year 1	Month 1 – Month 12	0	0	9,940
Year 2	Month 13 – Month 24	0	0	9,940
Year 3	Month 25 – Month 36	0	0	9,940
Year 4	Month 37 – Month 48	0	0	9,940
Year 5	Month 49 – Month 60	0	0	9,940
Year 6	Month 61 – Month 72	0	0	9,940
Year 7	Month 73 – Month 84	0	0	9,940
Year 8	Month 85 – Month 96	0	0	9,940
Year 9	Month 97 – Month 108	0	0	9,940
Year 10	Month 109 – Month 120	0	0	9,940
Year 11	Month 121 – Month 132	0	0	9,940

Year 12	Month 133 – Month 144	0	0	9,940
Year 13	Month 145 – Month 156	0	0	9,940
Year 14	Month 157 – Month 168	0	0	9,940
Year 15	Month 169 – Month 180	0	0	9,940
Year 16	Month 181 – Month 192	0	0	9,940
Year 17	Month 193 – Month 204	0	0	9,940
Year 18	Month 205– Month 216	0	0	9,940
Year 19	Month 217 – Month 228	0	0	9,940
Year 20	Month 219 – Month 240	0	0	9,940

- 3.3 Notwithstanding the execution of this Agreement and occurrence of the Effective date, the obligation of the SUPPLIER to make available the Contract Capacity, and deliver the Contract Energy shall be subject to the satisfaction, by the Closing date, of the following condition precedents:
- (a) receipt by the SUPPLIER of a Certificate, in form or substance satisfactory to SUPPLIER, executed by the corporate secretary or a majority of the Board of Directors of Customer attesting that the Board of directors of the customer has adopted resolutions (i) authorizing Customer to execute and to enter into deliver this agreement and perform all its obligation hereunder, and (ii) designating the person authorized to executive this Agreement in behalf of the Customer;
 - (b) the joint filing of an application by the Customer and Supplier with the ERC for the approval of this Agreement; and
 - (c) the approval of the ERC of all the terms and conditions of this agreement

X X X

- 3.4 Without limiting the provisions of ARTICLE 3.2 or ARTICLE 3.3 of this Agreement, if customer requests for a grace period for the satisfaction of the condition in ARTICLE 3.2 (c) and requires the immediate Delivery of Contract Capacity and Contract Energy by SUPPLIER notwithstanding the ERC and other pertinent government agencies (where applicable)

have not yet approved this agreement (whether approval is provisional or otherwise)...,

3.5 *CUSTOMER shall be charged the NPC TOU Rate until a provisional or interim rate will be allowed by the ERC or the rates specified in the Rate Schedule whichever is lower, provided that the SUPPLIER shall not be liable to provide supply during any outage of the Power Plant or event of Force Majeure...;*

3.6 In the event that the final approval by the ERC and other pertinent government agencies (where applicable) shall have the effect of impairing the terms and conditions of this Agreement in any respect; the Parties shall enter into good faith negotiations to agree on a satisfactory allocation between SUPPLIER and Customer of the difference between the Rates specified in the Schedule of Rates and the rates approved by the ERC. Such allocation of the difference should allow both Parties to maintain the commercial viability contemplated by the parties in executing this Agreement.”

49. **ARTICLE 4: GOVERNMENT APPROVAL**

4.1 **Government Consents**

Each Party has obtained the appropriate Government Consents, as applicable (unless the Party is exempted from obtaining said consent), and has furnished the other Party with certified true copies of such consent, permit, approval or license. For the avoidance of doubt, Government Consents required from SUPPLIER shall include all Government Consents required to operate the Power Station, and to supply power to CUSTOMER beginning COD, DENR Environmental Compliance Certificate and ERC Certificate of Compliance for the Power Station.

4.2 The parties shall be jointly responsible for the preparation and filing of the application with the ERC and other pertinent government agencies (where applicable) for the approval of the application, without any modification of this Agreement. All filing fees, costs of publication, legal fees and similar costs arising from the filing of the application (the “Application Cost”) shall be for the account of the SUPPLIER.

50. **ARTICLE 5: COMMERCIAL OPERATION OF THE POWER PLANT**

5.1 The Parties agree to work together to achieve the COD within Twenty-Four (24) months from the

issuance of the Notice to Proceed ("Target COD"), by achieving all conditions precedent under this ARTICLE.

5.2 Conditions Precedent to COD

5.2.1 Testing Prior to COD

CUSTOMER and SUPPLIER shall develop the test procedures ("Test Protocols") during the start-up and commissioning of the Power Station and the initial synchronization with CUSTOMER's distribution system. The agreed Test Protocols shall form part of this Agreement as Attachment.

X X X

5.3 Testing and Commissioning

Power produced and delivered to CUSTOMER during testing and commissioning shall be paid at pre-COD rates, provided such power is metered properly.

5.5 ERC Approval

For purposes of securing ERC approval, CUSTOMER and SUPPLIER shall jointly file with the ERC the application for approval of this Agreement and the Total Fee, within sixty (60) days from the signing of this Agreement, with the view of securing at least a provisional approval not later than seventy-five (75) days from filing of the application. The period for filing shall be automatically extended corresponding to any period of delay that is not attributable to the CUSTOMER or SUPPLIER.

5.5.1 ERC Consideration.

Should the failure to achieve COD be due to failure to comply with this ARTICLE 5.5 (ERC Approval) through no fault of either Party, the following conditions shall apply, and in each case, there shall be no penalty imposed on either Party:

- (a) Should ERC fail to issue a decision within the period provided in the ERC Rules of Practice and Procedure or any applicable ERC Resolution, the period for achieving COD shall be automatically extended until the ERC issues a

provisional authority, interim relief or a final decision.

- (b) Should the ERC completely disapprove this Agreement including but not limited to the Total Fee or other material terms and conditions hereunder, the Parties shall (a) file a Motion for Reconsideration of the decision or order disapproving the Agreement with the prescriptive period, or (b) renegotiate the terms of this Agreement to best address or comply with the findings of the ERC in its decision or order. If the Parties agree on a renegotiation Agreement, the Parties shall apply for approval of the same.
- (c) If the ERC denies the Motion for Reconsideration or the renegotiation Agreement, as the case may be, the Parties shall agree on the next viable course of action, which shall include but not limited to a further renegotiation of the disapproved renegotiated contract.

5.6 Failure to Achieve Target COD

In the event that the conditions in ARTICLE 5.2 (Conditions Precedent to COD) are not satisfied on the Target COD, the following provisions shall apply:

- 5.6.1 Automatic Extension. If delay shall be due to an Event of Force Majeure not exceeding one hundred eighty (180) days, then the Target COD shall be adjusted, without need of further agreement or consent, by a period equal to the period of delay, subject to compliance of the procedure set out in SCHEDULE 10.5 (Procedure to Claim Force Majeure) by the Party invoking Force Majeure.

5.7 Early COD

Nothing in this Agreement shall preclude the Parties from achieving the COD at a date earlier than the Target COD, provided that all the conditions in ARTICLE 5.2 (Conditions Precedent to COD) have been satisfied.

51. **ARTICLE 6: SUPPLY OF CONTRACT CAPACITY
AND CONTRACT ENERGY**

6.2 Customer shall furnish SUPPLIER with its hourly nomination of demand on a daily, weekly, and monthly basis in accordance with the procedure set out in the Nomination Procedure...

6.4 During the Contract Period, Customer shall (a) pay Electricity Fees, (b) post and maintain the Security Deposit in accordance with ARTICLE 9.5, and (c) enter into any and all contracts with NGCP as may be necessary for the transmission of electricity and the consummation of the transactions contemplated under this Agreement.

6.7 The reduction in the Contract Capacity shall be to the extent that the need for such reduction is the result of the transfer of Customer's contestable market customers, provided that the reduction shall be pro-rated among the Customer's SUPPLIERS.

52. **ARTICLE 7: NOMINATION AND DISPATCH
OF THE CONTRACT ENERGY**

7.1 Dispatch.

For the power supply requirements of the CUSTOMER under this agreement, the dispatch of the Power Station up to the Contract Capacity shall be in accordance with the Nomination and Dispatch Protocol under Schedule 7, subject only to technical or transmission constraints.

7.2 Dispatch of the Contract Capacity.

SUPPLIER shall make available for dispatch the Contracted Capacity, except during events of Force Majeure and Allowed Downtime in accordance with the attached Schedule 7 of this Agreement.

Copy of No. 7.2 of Schedule 7 – Nomination and Dispatch Protocol of the Contract Energy - of the WTE PSA is hereto attached and made an integral part hereof as **Annex “P-1”**.

53. **ARTICLE 9: PAYMENT OF FEES & SECURITY
DEPOSIT**

9.1 Payment of Fees

- 9.1.1 SUPPLIER shall deliver to Customer a Billing Statement setting out the Electricity Fees due on account of Contract Capacity and all Energy Delivered during each Billing Period on or before the seventh (7th) day of the Payment Month.

The hourly energy levels that will be used for purposes of the Billing Statement will be based on the amount of Energy nominated by Customer pursuant to Schedule 5 - Nomination Procedure of the PSA.

- 9.1.2 Customer shall pay all Electricity Fees, including all applicable taxes thereon, without need of any demand on or before the Payment Date by remittance of funds to the account or accounts identified in the Billing Statement. All payments shall be made available as cleared funds not later than 12:00 noon of the Payment Date. In case Customer claims that certain taxes on the Electricity Fees are not yet due and payable pursuant to applicable rules and regulations of the Bureau of Internal Revenue and other relevant government agencies, Customer shall, within five (5) days from its receipt of the Billing Statement, submit the necessary documents to support such claim in accordance with such rules and regulations; otherwise, Customer shall pay all applicable taxes on the Electricity Fees on or before the Payment Date.

- 9.1.3 All payments shall be made in lawful currency of the Philippines. For the avoidance of doubt, any payments made by Customer shall be applied first against interest, penalties and other charges imposed under this Agreement, if any; then against Electricity Fees then due and payable.

9.2 Billing to CUSTOMER

Within seven (7) Business Days from the end of each Billing Month, SUPPLIER shall deliver to CUSTOMER the SUPPLIER Invoice setting forth the amount out of the Total Fee that is due from CUSTOMER for the preceding Billing Month and the corresponding Value-Added Tax thereon.

9.3 Payments

Each SUPPLIER Invoice shall be due and payable no later than twenty-five (25) calendar days from receipt of SUPPLIER Invoice by CUSTOMER ("Payment Period"). If the last day of the Payment Period falls on a Saturday, Sunday or a non-working holiday in the location of the principal office of the CUSTOMER, then payment shall be made on the immediately succeeding Business Day.

9.3.1 Manner of Payment. All sums indicated in the SUPPLIER Invoice shall be paid by CUSTOMER in Philippine Pesos through check.

9.3.2 Early or Prompt Payment Discount.

- a) CUSTOMER shall be entitled to a discount at the rate of three percent (3%) applicable to the Total Fee, if the SUPPLIER Invoice is paid within ten (10) calendar days from receipt thereof, provided that CUSTOMER does not have any overdue payment of CUSTOMER Fees...
- b) Early or Prompt Payment Discount shall also be credited and released in favor of the CUSTOMER in the implementation of the rate whether in the Pre-commercial (Testing and Commissioning) or in the Commercial Stage whether NPC TOU or PSA approved rate.

X X X

9.4 TOTAL FEE

9.4.1 Total Fee
For the supply of electricity from the Power Station during a Billing Month, SUPPLIER is entitled to receive a payment of the Total Fee calculated using the Formula in Schedule 4 of the WTE PSA.

RATE SCHEDULE

A. CONTRACT PRICE

Rate Component	RATE (PhP/kWh)
Capital Recovery Fee	6.24
Fixed O&M Fee	2.33
Variable Fee	1.28
Total Tariff	9.85

Where applicable, all local and / or national taxes including Value Added Tax (VAT) shall be added to the Generation Fee Payment.

MONTHLY ADJUSTMENT FORMULA

For electricity generated and delivered by Power Supplier, Buyer shall pay a monthly Generation Fee Payment (GFP) based on the following formula:

$$GFP = (CRF_c + FOM_c + VOM_c) \times ED$$

CRF_c = Capital Recovery Fee applicable for the current billing period expressed in PhP/kWh.

FOM_c =Fixed Operating and Maintenance Fee applicable for the current billing period expressed in PhP/kWh.

VOM_c = Variable Operating and Maintenance Fee applicable for the current billing period expressed in PhP/kWh.

ED = Energy delivered at the delivery point by Supplier to Buyer as indicated in the Billing Meters for each Billing Period expressed in kWh.

I. Capital Recovery Charge Fee

CRC = Capital Recovery Fee applicable for the current Billing Period expressed in PhP/kWh as provided in Schedule 4. CRF shall be fixed and not subject to price adjustment during the term of the contract.

II. Fixed O&M Fee

$$FOM_c = FOM_B \times \frac{PCPI_c}{PCPI_B}$$

Where:
FOM_B = Base Fixed O&M Fee as provided in Schedule 4 expressed in PhP/kWh.

FOM_C = Fixed O&M Fee applicable for the current billing expressed in PhP/kWh.

PCPI_C = Philippine Consumer Price Index (Philippine Index for All Items) for the month immediately preceding each current Billing Period as published by the National Statistics Office through their website.

PCPI_B = Base Philippine Consumer Price Index (Philippine Index for All Items) at the date of signing of this Agreement.

III. Variable O&M Fee

$$VOM_C = VOM_B \times \frac{PCPI_C}{PCPI_B}$$

Where:
VOM_B = Base Variable O&M fee as provided in Schedule 4.

VOM_F_C = Variable O&M Fee applicable for the current billing period expressed in PhP/kWh.

PCPI_C = Philippine Consumer Price Index (Philippine Index for All Items) for the month immediately preceding each current Billing Period as published by the National Statistics Office through their website.

PCPI_B = Base Philippine Consumer Price Index (Philippine index for All Items) at the date of signing of this Agreement.

- B. RATE REDUCTION THROUGH THE APPLICATION OF SOLID WASTE COLLECTION FEE AND WASTE MANAGEMENT PROGRAM.**
1. THE SOLID WASTE COLLECTION OR TIPPING FEE SHALL BE USED TO REDUCE THE BASIC ENERGY CHARGE THROUGH THE APPLICATION OF THE FOLLOWING:

- a) The SWPA Rate shall be subject to the following conditions:
 - a.1 Each total quarterly collection from tipping fees, after deducting the share of the LGU, shall be used to reduce the tariff /generation fee of PELCO under the following scheme:
 - a.1.1 The Tipping Fee by the LGU arising from the collection of MSW shall be used for the Municipal Solid Waste By-Product Treatment and Environment and Health Sanitation Program of the GREEN ATOM.
 - a.1.2 An initial of PhP1500/tons of MSW shall be used to effectively reduce the total generation fee of PELCO II to P9.85/kwh
 - a.1.3 Thereafter, any excess from the PhP1500/ton Tipping Fee shall be shared by PELCO II and GREEN ATOM under the following scheme:
 - i. 60% shall be for PELCO II to be used for additional reduction of the approved Tariff Generation Fee;
 - ii. 40% shall be retained by GREEN ATOM for the Treatment, Environmental Safety, Health Sanitation Program, LGU and Community Monitoring of the Waste Disposal Program, and general activities on improvement of the project's sustainability and viability.

a.1.4 60% of the Collections of Tipping Fee permonth in excess of the PhP1500/ton shall be automatically applied to the generation rate of GAREC to PELCO II as a downward adjustment to the Billing Statement of PELCO II effective the first month of the next quarter. For the avoidance of doubt the first months of the quarters that shall be subject to adjustment in the Billing Statement are the months of January, April, July and October every year.

2. The GREEN ATOM BIOMASS WASTE TO ENERGY together with the LGUs shall consider PELCO II as partner in the Waste Monitoring Program and Implementation of the Waste to Energy Project of the province. GREEN ATOM BIOMASS WASTE TO ENERGY undertakes to provide PELCO II the Solid Waste Management Agreement it entered into with the LGU for the proper implementation of the Rate Reduction and Program Monitoring and Implementation.

9.5 SECURITY DEPOSIT

- 9.5.1 In the event that Customer fails to pay the Electricity Fees or any other amounts payable by it under this Agreement in full on the due date, SUPPLIER shall have the right to require Customer to post a Security Deposit, whereupon, Customer shall establish, not later than fifteen (15) business days from receipt of SUPPLIER's notice to this effect, the Security Deposit which shall be valid for at least twelve (12) Billing Periods, and with a face value computed in accordance with the formula set forth below. The CUSTOMER shall post a Security Deposit in the form of a Standby Letter of Credit (SBLC) or any other financial instrument acceptable to SUPPLIER. The Security Deposit amount is equivalent to the one hundred percent (100%) of the CUSTOMER's estimated monthly power bill during the first

contract year and shall be updated annually using the one hundred percent (100%) of the CUSTOMER's previous year actual average monthly power bill using the formula below.

$$SD_n = \frac{\sum DecJan(MPB_{n-1})}{12} \times 100\%$$

where:
SD_n — Current year's Security Deposit
MPB_{n-1}— Previous year's Monthly Power bill.

The Security Deposit shall be irrevocable and valid for the duration of the Contract Term. If the Security Deposit is in the form of a SBLC, it shall be initially effective for a period of one year from the date of issue and must replace or renewed in full by a replacement SBLC which shall be delivered to the SUPPLIER no later than five (5) days prior to each expiration... S

x x x

- 9.5.2 In the event that SUPPLIER draws against the Security Deposit, Customer shall replenish the Security Deposit to restore the value thereof to its original amount...;
- 9.5.3 In the event that Customer does not post or replenish its Security Deposit in full, the SUPPLIER shall have the right to unilaterally (a) draw the entire face value of the Security Deposit, if posted in the form of a SBLC..., Together with such termination, SUPPLIER shall have the right to unilaterally draw on the balance of the Security Deposit, and apply the proceeds thereof towards payment of the Termination Fee in accordance with this Agreement.
- 9.5.5 The payment of the Charge Premium, as provided in this Agreement is not a substitute for the Security Deposit, *but is a penalty premium that SUPPLIER may assess against Customer during the period when Customer has failed to post the Security Deposit as provided in ARTICLE 9.5, or has failed to maintain*

*the Security Deposit in accordance with
ARTICLE 9.5...*

54. ARTICLE 10: BILLING DISPUTE

10.1 If Customer disputes any Billing Statement, Customer must notify SUPPLIER in writing by the twenty fifth (25th) day of the Payment Month, specifying in said notice the items that are disputed in the Billing Statement...,

10.2 If the Parties resolve the dispute in favor of Customer in accordance with ARTICLE 21, or if the Dispute on the Billing Statement is determined adversely to SUPPLIER, the latter shall allow Customer a credit on the next Billing Statement in an amount equivalent to that which Customer is resolved or determined to be entitled to (without any interest or penalty thereon whatsoever).

X X X

55. ARTICLE 12: TAXES, FEES AND COSTS

12.1 Customer shall be liable for and pay: (i) any and all taxes (including value-added tax, if any), fees, charges, levies and imposts imposed or assessed by any Governmental Authority on or in connection with the purchase and sale of electricity and/or payments due to SUPPLIER hereunder, and (ii) any new taxes, fees, charges, levies and imposts (including any increase in the rate or amount thereof after the date hereof but excluding income taxes imposed on SUPPLIER and fines and penalties directly attributed to SUPPLIER's gross negligence) after the date hereof in connection with the performance by SUPPLIER of its obligations pursuant to this Agreement....,

12.2 The Electricity Fee is exclusive of VAT, which shall be for the account of Customer. In case of a VAT-zero rated entity or a VAT-exempt entity, Customer shall, within five (5) days from execution of this Agreement, submit copies of the following documentary requirements...:

XXX

56. ARTICLE 14: FORCE MAJEURE

14.1 **Events of Force Majeure**
Events of Force Majeure shall mean any circumstance not within the reasonable control of the Party affected, but only if and to the extent

that such circumstance, despite the exercise of reasonable diligence, cannot be or caused to be prevented, avoided or removed by such Party and is not attributable to the negligence or willful misconduct or the failure of such Party to perform any of its obligations. Events of Force Majeure shall include:

- 14.1.1 Acts of God or other natural calamities, i.e., earthquakes, floods, tidal waves, volcanic eruptions, meteorological disasters, or accidents, explosions or fires caused by any of the above and/or by a third party beyond the control of the Parties, including strikes or lockouts or other industrial action by workers or employees of a Party, or any epidemic, pandemic, outbreak or restrictions declared or issued by the government, and which are unforeseeable or which, though foreseen, are inevitable; or
- 14.1.2 The following political or governmental occurrences (Political Force Majeure):
 - (1) acts of war, whether declared or not, embargoes;
 - (2) acts of terrorists, public disorders, insurrection, rebellion, sabotage, riots or violent demonstrations; and
 - (3) any action or failure to act by any Government Authority, including without limitation, expropriation, compulsory acquisition, the denial of or delay in the granting of any Government Consent which the Parties have agreed to waive for an agreed time period past the Target COD, the failure of any such Government Consent once granted to remain in full force and effect or to be renewed on substantially similar terms, and any delay in the importation of equipment or supplies into the Philippines resulting from any action or failure to act by Governmental Authority of the Republic of the Philippines, provided that in any of these cases, the affected Party complied with the timely and full submission of requirements

published by the Government Authority.

For avoidance of doubt, Government Consent shall not include ERC approval of the Agreement, the delay or denial of which is specifically addressed in a separate provision.

14.1.3 Any constraint on the 69 kV line of CUSTOMER that prevents SUPPLIER from delivering the Contracted Capacity or CUSTOMER from receiving power from SUPPLIER shall be considered an Event of Force Majeure.

14.1.4 Other analogous or similar circumstances

14.2 Temporary Force Majeure

Both Parties shall be excused from performing their respective obligations under this Agreement upon the occurrence of an Event of Force Majeure for a period not exceeding sixty (60) days during the Term ("Temporary Force Majeure Period"). During a Temporary Force Majeure Period, SUPPLIER shall not require CUSTOMER to make payments for Capacity Fee and Fixed Operations and Maintenance Fee in respect of: (i) any Contract Capacity that is unavailable or (ii) any Contract Capacity that CUSTOMER cannot accept.

x x x

14.4 Extended Force Majeure

Events of Force Majeure subsisting longer than a Temporary Force Majeure shall be considered Extended Force Majeure and the Parties shall follow the procedure in Schedule 10 of this Agreement (Procedure to Claim Force Majeure).

x x x

57. **ARTICLE 15: INSURANCE**

15.1 Upon COD, the Parties shall obtain and maintain, or cause to obtain and maintain through its contractor/s, the insurance policies required by Applicable Law and such other insurance covers under commercially reasonable terms. In case of an insurable event

affecting or causing damage to the Power Station, all proceeds of insurance policies received by SUPPLIER shall be used to reinstate the Power Station. In case of an insurable event affecting or causing damage to CUSTOMER's system, all proceeds of insurance policies received by CUSTOMER shall be used to reinstate CUSTOMER's system, unless SUPPLIER or CUSTOMER confirms in writing that the Power Station/CUSTOMER's system, respectively, cannot be restored or reinstated to its operational condition.

58. ARTICLE 18: CONFIDENTIALITY

- 18.1 Each Party shall ensure that no Confidential Information of the other Party (the "Disclosing Party") is disclosed to third parties unless consented to in writing by the Disclosing Party; Provided that, this limitation shall not apply to any disclosure required by law, regulation, legal process or other statutory or regulatory requirements in any relevant jurisdiction, which shall include the disclosure requirements of the Securities and Exchange Commission and the behalf of the other Party unless it is necessary and acquired pursuant to a written agreement with that other Party..
- 18.2 A Party shall not use Confidential Information except in the performance of its obligations under this Agreement. It shall not reproduce or otherwise copy any Confidential Information without the express prior written consent of the Disclosing Party...

X X X

- 18.5 The provisions contained in this Agreement shall be in force from the Effective Date and shall survive the termination or expiration of this Agreement.

X X X

59. ARTICLE 21: DISPUTE RESOLUTION

- 21.1 The Parties shall refer any dispute, controversy, claim or difference between them arising out of or relating to this Agreement, or the breach thereof, or in the interpretation of any of the provisions hereof (each, a "Dispute"), to their respective representatives who shall seek to amicably resolve such Dispute in accordance with the procedure set out in this Agreement.

- 21.2 The Party alleging a Dispute shall give written notice thereof to the other Party within thirty (30) calendar days from the occurrence thereof, which notice shall contain a description of the Dispute.
- 21.3 Promptly upon receipt by the other Party of notice of a Dispute, the Parties' respective representatives shall meet and discuss in good faith to resolve the Dispute within thirty (30) days from receipt of the notice, or within such longer period as the Parties may mutually agree.
- 21.4 With respect to a Dispute between the parties, if the Parties fail to reach a mutually satisfactory resolution within thirty (30) calendar days from issuance of the ERC final approval, the Agreement may be (a) immediately suspended by the adversely affected Party, and/or (b) terminated in accordance with the terms of this Agreement.

X X X

60. ARTICLE 22: COVENANTS

22.1 Cooperation

CUSTOMER agrees to extend full cooperation to SUPPLIER in the performance by it of its respective obligations under this Agreement....

X X X

22.3 Compliance with Applicable Law

In the performance of their obligations, the Parties shall comply with Applicable Law. SUPPLIER shall control, operate and maintain the Power Station in accordance with ERC issuances, codes, rules and regulations applicable to the operation of a Power Station, and the engineering standards and practices as generally acceptable in the Philippines...

22.4 No Implied Renewal

This Agreement shall not be renewed unless otherwise agreed to by the Parties in writing on mutually acceptable terms and conditions.

22.5 Change of Technical Partner

If SUPPLIER submitted its bid and was selected as a consortium, SUPPLIER shall not replace the member of the consortium which complied with the technical requirements in the

Competitive Selection Process ("Technical Partner"), except with the prior written consent of CUSTOMER, or if the replacement for the Technical Partner meets the technical requirements of the Competitive Selection Process.

X X X

61. ARTICLE 23: JURISDICTION & COURT LITIGATION

23.1 Any Dispute that is not resolved between the Parties in accordance with the provisions of ARTICLE 21 shall, unless the Dispute falls within the original and exclusive jurisdiction of the ERC, be submitted to the jurisdiction of the proper court specified, to the exclusion of all other courts elsewhere situated, and the Parties agree that such court is an appropriate forum for the settlement of Disputes and waive any claim or assertion that such courts are an inconvenient forum.

23.2 If a Party to this Agreement shall have instituted an action on a Dispute to enforce this Agreement or as a result of an alleged breach of this Agreement by the other Party, the Party who was adjudged to have breached this Agreement shall also be liable to pay the other Party an amount equivalent to twenty percent (20%) of the value of any award made in favor of the other Party to cover attorney's fees and other expenses of dispute resolution or litigation.

62. ARTICLE 24: GOVERNING LAW

24.1 This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines. The Parties shall perform all their obligations under this Agreement in accordance with Applicable Law. In case of any amendment, modification or change in Applicable Law, the Parties shall continue to perform their obligations under this Agreement unless made expressly unlawful or impossible by such amendment, modification or change.

X X X

63. ARTICLE 26: ASSIGNMENT OR TRANSFER

26.1 This Agreement will inure to the benefit of, and be binding upon, the parties hereto and their respective executors and permissible assigns.

26.2 Neither Party shall assign or transfer all or any part of its rights, benefits or obligations hereunder without the prior written consent of the other Party, except that SUPPLIER may assign all or any part of its rights, benefits or obligations hereunder to: (a) its holding companies, subsidiaries, or affiliates, (b) its existing or potential creditors, when assignment by way of security, or a pledge or mortgage, is required for project or balance sheet financing, in each case without need for notice to or consent of Customer.

Except for assignments made by SUPPLIER to creditors in item (b) above, no assignment or transfer shall be valid unless the assignee or transferee shall issue a formal written assumption of liability of all the obligations of its assignor or transferor under this Agreement.”

III
DOCUMENTARY SUPPORT

64. In further support of the instant Joint Application, Applicants PELCO II and GREEN ATOM most respectfully submit to the Honorable Commission the following documents in compliance with the Guidelines for the Recovery of Costs for the Generation Component of the Distribution Utilities’ Rates (ERC Resolution No. 19, Series of 2009);

No.	Name of Document	Annexes
1	PELCO II’s NEA Certificate of Registration	“A”
2	PELCO II’s Articles of Incorporation	“A-1”
3	PELCO II’s Amended By Laws	“A-2”
4	PELCO II’s Board of Directors Profile	“A-3”
5	PELCO II’s Existing Organizational Structure	“A-4”
6	PELCO II’s Certificate of Franchise	“A-5”
7	GREEN ATOM’s Secretary’s Certificate Notarized on March 20, 2024 Authorizing the Chairman and President of GREEN ATOM Renewable Energy Corporation as the Representatives to ERC, DOE and NEA for the Execution of the WTE PSA	“B”
8	GREEN ATOM’s Secretary’s Certificate Notarized on June 19, 2024 Authorizing the Chairman and President of GREEN ATOM Renewable Energy Corporation as the Signatories to the WTE PSA	“B-1”

9	GREEN ATOM’s Securities and Exchange Commission (SEC) Certificate of Incorporation	“B-2”
10	GREEN ATOM’s Articles of Incorporation	“B-3”
11	GREEN ATOM’s By Laws	“B-4”
12	GREEN ATOM’s latest SEC General Information Sheet (GIS) Showing the List of Shareholders	“B-5”
13	GREEN ATOM’s Board of Investment (BOI) Certificate of Registration No. 2023-102 with attached Terms and Conditions	“B-6”
14	GREEN ATOM’s Environmental Compliance Certificate (ECC-OL-RO3-2018-0299) issued by the Department of Environment and Natural Resources (DENR)	“B-7”
15	PELCO II’s 2021 Power Supply Procurement Plan (2021 “PSPP”)	“C”
16	GREEN ATOM’s Copy of LGU of Mabalacat City, Pampanga Resolution No. 436, Series of 2021, entitled “Resolution endorsing the promotion, development, and utilization of Renewable Energy (RE) resources and the Waste to Energy Project in Brgy. Sapang Balen, Mabalacat City Pampanga, thereby creating and institutionalizing the necessary mechanism and successful programs for sustainable ecological solid waste management of the City of Mabalacat and the adjacent cities and municipalities of the Province”	“D”
17	PELCO II’s Letter dated June 29, 2022 requesting DOE for a Certificate of Exemption from the conduct of CSP (COE-CSP) or Certificate of Endorsement (COE), PELCO II’s request for Certificate of Exemption to Conduct CSP and Details in the procurement process of PELCO II leading to the selection of the GREEN ATOM as its renewable energy provider utilizing indigenous resources in its franchise are in compliance with Section 2.2.1.3 Department Circular No.2021-09-0030 “Amending Certain Provisions of and Supplementing Department Circular No. DC 2018-02-0030 on the Competitive Selection Process in the Procurement of the Distribution Utilities of Power Supply Agreement for the Captive Market”	“E”
18	PELCO II’s Receipt of Letter Response dated September 2, 2022 sent to PELCO II from DOE approving and issuing a Certificate of Exemption from the Conduct of a Competitive Selection Process (COE-CSP)	“F”

19	PELCO II's Receipt of Letter dated November 22, 2022 from the National Electrification Administration (NEA) Acknowledging Compliance to the Certificate of Exemption from the Conduct of a Competitive Selection Process (COE-CSP) and GREEN ATOM's compliance with the Terms of Reference (TOR) to be observed by PELCO II in the procurement of its power supply	G"
20	GREEN ATOM's Biomass Renewable Energy Operating Contract (BREOC) No. 2017-07-777 with Certificate of Registration (COR) No. RE-B2017-07-133 issued by the Department of Energy (DOE)	"H"
21	GREEN ATOM's Amendment to BREOC No. 2017-07-777 with Certificate of Registration (COR) No. RE-B2017-07-133a issued by the Department of Energy (DOE)	"H-1"
22	PELCO II's Copy of Annex "I" of the Contract for the Supply of Electric Energy (CSEE) with PSALM Covering the Period, March 26, 2022 to December 25, 2022	"I"
23	PELCO II's Copy of 2021 Distribution Development Plan ("DDP") Detailing the Load Forecast Projections	"J"
24	PELCO II and GAREC's Power Supply Agreement ("PSA")	"K"
25	PELCO II's Board Resolution No. 139-22 Authorizing the General Manager and Chief Management Advisor to Execute and Enter Into and Deliver the Power Supply Agreement ("PSA") Signed By and Between PELCO II and GREEN ATOM	"L"
26	PELCO II's Board Resolution No. 140-22 Authorizing the General Manager and Chief Management Advisor to Execute the Power Supply Agreement ("PSA") Signed By and Between PELCO II and GREEN ATOM	"L-1"
27	GREEN ATOM's Secretary Certificate notarized on December 10, 2022 Authorizing the Corporation's Chairman and President to Represent, Negotiate and Sign Power Supply Agreement ("PSA") Signed By and Between PELCO II and GREEN ATOM and Perform All Acts Required and Necessary to Carry Into Effect Such Authority	"M"
28	GREEN ATOM's Financial Models Showing Sources of Funds/ Financial Plans such as: Debt/Equity Ratio, Project Cost, Computation of Return on Investment/WACC <i>With Motion for Confidential Treatment of Information</i>	"N"

29	GREEN ATOM’s Project List of Operating and Maintenance Expenses <i>With Motion for Confidential Treatment of Information</i>	“N-1”
30	GREEN ATOM’s Project Details of Other Revenue and Economic Assumptions <i>With Motion for Confidential Treatment of Information</i>	“N-2”
31	GREEN ATOM’s Computation of Levelized Cost showing the following: Schedule of Original Loan (Principal amount, interest payable, term of the loan), Updated Balances (Principal amount, interest payable, and penalties (if any), remaining term of the loan/ Cash Flow specifying the Initial Costs and Breakdown of Operating and Maintenance Expenses <i>With Motion for Confidential Treatment of Information</i>	“N-3”
32	GREEN ATOM’s Certification from the Bank/Lending Institution and/or Funding Agreement specifying the principal amortization, term and interest during the cooperation period of the loan agreement <i>With Motion for Confidential Treatment of Information</i>	“N-4”
33	GREEN ATOM’s Generation Rate and Derivation based on the Financial Models showing the following: 1. Financial model containing the derivation of rates in excel file confidential; Breakdown of the base prices; Capital Recovery Fee, Fixed and Variable O&M, and Fuel Fee Breakdown of Project Cost and Operations and Maintenance (O&M) Cost including the description and justification/supporting of each component. 2. Sample Computation of Power Rates with the supporting documents on the assumptions taken. 3. Basis/rationale of indexation including the sources, reference date and weight of indexation 4. Basis/rationale/derivation of Other Charges such as replacement, start-up, pre- commercial, and ancillary costs 5. Equivalent PhP/kWh with assumptions for foreign denominated rates <i>With Motion for Confidential Treatment of Information</i>	“N-5”

34	GREEN ATOM’s Technical Offer for 12MWe WTE plant on EPC basis located at Mabalacat City, Pampanga, Philippines <i>With Motion for Confidential Treatment of Information</i>	“O”
35	PELCO II and GREEN ATOM’s Copy of Article 7 of the PSA (Nomination and Dispatch of the Contract Capacity)	“P”
36	PELCO II and GREEN ATOM’s Copy of No. 7.2 - Dispatch of Contract Capacity - of Article 7 of the PSA (Nomination and Dispatch of the Contract Capacity)	“P-1”
37	PELCO II and GREEN ATOM’s Copy of No. 7.7 - Allowed Downtime/Preventive Maintenance Schedule - of Article 7 of the PSA (Nomination and Dispatch of the Contract Capacity)	“P-2”
38	PELCO II and GREEN ATOM’s Copy of No. 7.8 - Replacement Power - of Article 7 of the PSA (Nomination and Dispatch of the Contract Capacity)	“P-3”
39	PELCO II’s Rate Impact Analysis	“Q”
40	PELCO II ‘s Excel Computation of Simulations for Rate Impact Analysis <i>With Motion for Confidential Treatment of Information</i>	“Q-1”
41	PELCO II’s Copy of 2024 Distribution Development Plan (“DDP”) Detailing the Load Forecast Projections	‘R”
42	PELCO II’s Affidavit in Support of the Provisional Authority (PA) / Interim Relief	“S”
43	PELCO II’s Proof of Receipt of the Copy of Joint Application of PSA from the Office of the Municipal Mayor of Guagua, Pampanga	“T”
44	PELCO II’s Proof of Receipt of the Copy of Joint Application of PSA from the Sangguniang Bayan of Guagua, Pampanga	“T-1”
45	PELCO II’s Proof of Receipt of the Copy of Joint Application of PSA from the Office of the Governor of Pampanga	“U”
46	PELCO II’s Proof of Receipt of the Copy of Joint Application of PSA from the Sangguniang Panlalawigan of Pampanga	“U-1”
47	GREEN ATOM’s Proof of Service/Receipt of the Copy of Joint Application of PSA to the Mayor of the Municipality of Cainta, Rizal	“V”

48	GREEN ATOM’s Proof of Service/Receipt of the Copy of Joint Application of PSA to the Sangguniang Bayan of Cainta, Rizal	“V-1”
49	GREEN ATOM’s Proof of Service/Receipt of the Copy of Joint Application of PSA to the Governor of the Province of Rizal	“W”
50	GREEN ATOM’s Proof of Service/Receipt of the Copy of Joint Application of PSA to the Sangguniang Panlalawigan of the Province of Rizal	“W-1”
51	Notarized Affidavit of Publication certifying the publication of this Joint Application in a national newspaper of general circulation within the Philippines	“X”
52	Copy of the complete newspaper issue where the Joint Application was published	“Y”
53	GREEN ATOM’s Copy of Memorandum Order No. 61 Entitled “Approving the 2022 Strategic Investment Priority Plan” Issued on May 24, 2022 By the Office of the President	“Z”
54	GREEN ATOM’s Copy of Memorandum Circular No. 2021-001 Entitled “Subject: General Policies and Specific Guidelines to Implement the 2020 Investment Priorities Plan”	“AA”
55	GREEN ATOM’s Application For Registration Form to the Board of Investments (BOI) – Energy and Energy Related Projects Notarized on March 3, 2023	“BB”
56	GREEN ATOM’s Application For Registration Form to the Board of Investments (BOI) – Energy and Energy Related Projects Notarized on December 22, 2022	“CC”
57	GREEN ATOM’s Application For Registration Form to the Board of Investments (BOI) – Energy and Energy Related Projects Notarized on November 26, 2022	“DD”
58	GREEN ATOM’s Application For Registration Form to the Board of Investments (BOI) – Energy and Energy Related Projects Notarized on November 18, 2022	“EE”
59	GREEN ATOM’s Application For Registration Form to the Board of Investments (BOI) – Energy and Energy Related Projects Filed to BOI in a Letter dated March 5, 2020	“FF”
60	GREEN ATOM’s Copy of Republic Act No. 11534 aka CREATE Law and its Implementing Rules and Regulations (IRR)	“GG”

61	GREEN ATOM’s Copy of Environmental Impact Assessment for the Proposed 12 MW Waste to Energy Power Plant Project at Barangay Sapang Balen, Mabalacat City, Pampanga	“HH”
62	GREEN ATOM’s Copy of Engineering, Procurement and Construction (EPC) Agreement Dated February 20, 2024 Between Uttamenergy, Ltd & Juntex Philippines, Inc. and GREEN ATOM <i>With Motion for Confidential Treatment of Information</i>	“II”
63	GREEN ATOM’s Copy Performance Guarantee Parameters <i>With Motion for Confidential Treatment of Information</i>	“JJ”
64	GREEN ATOM’s Copy of Operation and Maintenance Services Agreement Dated December 18, 2020 Between Pic Asia Pacific SDN BHD (Philippines Branch) & and GREEN ATOM <i>With Motion for Confidential Treatment of Information</i>	“KK”
65	GREEN ATOM’s Copy of Project Management Implementation Consultancy Dated June 25, 2024 Between Bureau Veritas & and GREEN ATOM <i>With Motion for Confidential Treatment of Information</i>	“LL”
66	GREEN ATOM’s Copy Certificate of Non-Overlap Dated October 11, 2018 Issued by the National Commission of Indigenous Peoples Under Control No. RIII-CNO-18-10-0028	“MM”
67	GREEN ATOM’s Copy of Memorandum of Agreement Notarized on October 19, 2018 By and Between Mabalacat City Government and GREEN ATOM <i>With Motion for Confidential Treatment of Information</i>	“NN”
68	GREEN ATOM’s Copy of Solid Waste Processing Agreement Notarized on May 3, 2019 By and Between MES General Services and GREEN ATOM <i>With Motion for Confidential Treatment of Information</i>	“OO”
69	GREEN ATOM’s Process Description For Energy Mass Balance Diagram <i>With Motion for Confidential Treatment of Information</i>	“PP”

70	GREEN ATOM’s Latest and Complete Set of Audited Financial Statements (AFS) for 2023 Consisting of Balance Sheet, Income Statement, Statement of Cash Flows, Appendix to Auditor’s Report, Statement of Changes in Equity, and Statement of Management Responsibility	“QQ”
71	GREEN ATOM’s BIR Form 2303 Certificate of Registration	“RR”
72	GREEN ATOM’s 2024 Business Permit No. 04885	“SS”
73	PELCO II’s Certification that states the consistencies and inconsistencies between the proposed generation capacity and the Department of Energy’s (DOE) Philippine Development Plan (PDP). Any inconsistencies shall be supported by relevant analysis including but not limited to, forecasts and assessment of available generation capacity and technology mix	“TT”
74	PELCO II’s Details regarding the load forecast projection in accordance with the latest Distribution Development Plan of the Distribution Utility and the variability of those projections over the proposed contractual period. An estimation of the potential for a reduction in load supplied by the Distribution Utility due to retail competition. Any inconsistencies shall be supported by relevant analysis	“UU”
75	PELCO II and GREEN ATOM’s Omnibus Certification on requirements that do not apply to the Joint Application	“VV”
76	GREEN ATOM’s Distribution Impact Study	“WW”
77	GREEN ATOM’s Distribution Asset Study	“XX”
78	PELCO II and GREEN ATOM’s Executive Summary of the PSA	“YY”
79	PELCO II’s Performance Assessment of the System: Five (5) Year Historical data of SAIDI, SAIFI and MAIFI from Year 2019 to Year 2023	“ZZ”
80	PELCO II’s Board Resolution No. 05-23 Approving the 20-Year Waste to Energy (WTE) Power Supply Agreement (PSA) signed by and between PELCO II and GREEN ATOM	“AAA”
81	PELCO II’s Board Resolution No. 06-23 Authorizing its General Manager, AMADOR T. GUEVARRA, to file before the Energy Regulatory Commission (ERC) the Application for Approval of the 20-Year Waste to Energy (WTE) Power Supply Agreement (PSA) signed by and between PELCO II and GREEN ATOM	“BBB”

82	PELCO II's Board Resolution No. 07-23 Authorizing its General Manager, AMADOR T. GUEVARRA, and/or his authorized representative/s to sign and execute all pertinent documents and represent PELCO II in the filing before the ERC an Application for Approval of the 20-Year WTE - PSA signed by and between PELCO II and GREEN ATOM	"CCC"
83	PELCO II's Board Resolution No. 08-23 Authorizing ATTY. ARNIDO O. INUMERABLE as the Legal Counsel of PELCO II tasked to handle and prosecute the filing before the ERC an Application for Approval of the 20-Year WTE PSA signed by and between PELCO II and GREEN ATOM	"DDD"
84	PELCO II's Explanation of Non-Applicability of Transition Supply Contract with NPC <i>With Motion for Confidential Treatment of Information</i>	"EEE"
85	PELCO II's Average Daily Load Curve	"FFF"
86	PELCO II's Table 1: Historical and Forecasted Supply-Demand Scenario from the Years 2013 to 2030	"GGG"
87	PELCO II's Table 2: Existing Power Suppliers	"HHH"
88	PELCO II's Table 3: Power Supply Contract Utilization from January 2019 to December 2023	"III"
89	PELCO II's Demand Side Management	"JJJ"
90	PELCO II's Potential Reduction in Load Due to Implementation of RCOA and GEOP Based on December 2023 Reports <i>With Motion for Confidential Treatment of Information</i>	"KKK"
91	PELCO II's RCOA Report 500 kW – More than One (1) MW as of December 2023 <i>With Motion for Confidential Treatment of Information</i>	"KKK-1"
92	PELCO II's RCOA Report 100 kW - 499 kW as of December 2023 <i>With Motion for Confidential Treatment of Information</i>	"KKK-2"
93	GREEN ATOM's Copy of DOE Department Circular No. DC2018-002-003 Entitled "Adopting and Prescribing the Policy for the Competitive Selection Process (CSP) in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market"	"LLL"
94	GREEN ATOM's Copy of DOE Department Circular No. DC2022-02-0002 Entitled "Prescribing the Policies and Programs to Promote and Enhance the Development of Biomass Waste-to-Energy Facilities"	"MMM"

95	PELCO II’s Single Line Diagram	“NNN”
96	PELCO II's Board Resolution No. 56-22 Requesting the Department of Energy (DOE) A Certificate of Exemption (COE) to Enter Into a Contract with Green Atom Renewable Energy Corporation (GREEN ATOM) for the Supply of 9.94 MW Capacity for a Period of Twenty (20) Years Thru a PSA signed by and between PELCO II and GREEN ATOM	“OOO”
97	PELCO II’s Certification Issued By the General Manager on the Negative Adverse Effects of the WTE Power Plant on the Cooperative’s Distribution Lines as Confirmed by the Distribution Impact Study dated March 2, 2020	“PPP”
98	PELCO II’s Verified Certification Showing the List of the Members of Board of Directors (BOD)	“QQQ”
99	GREEN ATOM’s Notarized Secretary’s Certificate Showing the List of the Members of Board of Directors (BOD)	“RRR”
100	PELCO II’s Feature No. 32 in the 2021 DOE Consolidated Distribution Development Plan (DDP)	“SSS”
101	PELCO II’s Complete Copy of the DDP & PSPP Submission to DOE, NEA & ERC	“SSS-1”
102	PELCO II's Table 3: Power Supply Contract Utilization from January 2019 to September 2024	“TTT”
103	PELCO II Potential Reduction in Load Due to Implementation of RCOA and GEOP Based on September 2024 Reports <i>With Motion for Confidential Treatment of Information</i>	“UUU”
104	PELCO II RCOA Report 500 kW – More than One (1) MW as of September 2024 <i>With Motion for Confidential Treatment of Information</i>	“UUU-1”
105	PELCO II RCOA Report 100 kW - 499 kW as of September 2024 <i>With Motion for Confidential Treatment of Information</i>	“UUU-2”
106	GREEN ATOM’s Senior Debt Term Sheet for Completion Funding <i>With Motion for Confidential Treatment of Information</i>	“VVV”
107	PELCO II’s Approval from PEMC as Direct WESM Participant Effective December 4, 2017	“WWW”

IV
FINANCIAL IMPACT ON PELCO II'S RATES

65. The Computation of Applicant PELCO II’s rate and its Application of Total Fees under "Schedule 4", Schedule Variable Charges and Early Payment Discount (EPD) of the WTE-PSA will result to lower generation cost charges to its members-consumers-owners (MCOs);

66. The Rate Impact Analysis with the introduction of the Biomass Waste to Energy (WTE) in the generation mix of Applicant PELCO II under a given scenarios are shown below:

Table No. 1 - SCENARIO No. 1: CURRENT SETUP

SCENARIO 1 SUMMARY (CURRENT SETUP)		2026	2027	2028	2029	2030	2031	2032	2033
Contracted Capacity per Supplier									
Bacman Geothermal Inc. (BGI)	MW	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
AP Renewables Inc. (APRI)	MW	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
La Pampanga Energy Corporation (LPEC)	MW	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Wholesale Electricity Spot Market (WESM)	MW	79.08	85.01	90.67	96.10	101.31	106.31	111.13	115.77
Total	MW	164.08	170.01	175.67	181.10	186.31	191.31	196.13	200.77
Projected Generation Rate per Supplier									
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
La Pampanga Energy Corporation (LPEC)	Php/kWh	15.6560	16.0679	16.4947	16.9400	17.4037	17.8865	18.3894	18.9126
Wholesale Electricity Spot Market (WESM)	Php/kWh	6.6947	6.9632	7.2439	7.5365	7.8420	8.1607	8.4929	8.8393
Blended Generation Rate, Before VAT	Php/kWh	6.7199	7.0070	7.3093	7.6274	7.9622	8.3146	8.6853	9.0752
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
La Pampanga Energy Corporation (LPEC)	Php/kWh	17.5347	17.9960	18.4741	18.9728	19.4921	20.0329	20.5961	21.1821
Wholesale Electricity Spot Market (WESM)	Php/kWh	7.2276	7.5174	7.8205	8.1364	8.4663	8.8103	9.1690	9.5429
Blended Generation Rate, After VAT	Php/kWh	7.0187	7.3256	7.6481	7.9866	8.3423	8.7161	9.1089	9.5216
Projected Transmission Rate									
Transmission Rate, Before VAT	Php/kWh	0.9231	0.9622	1.0026	1.0446	1.0882	1.1335	1.1806	1.2295
Transmission Rate, After VAT	Php/kWh	1.0235	1.0667	1.1115	1.1581	1.2064	1.2566	1.3087	1.3630
Projected Generation and Transmission Rate									
Generation and Transmission, Before VAT	Php/kWh	7.6430	7.9692	8.3120	8.6720	9.0505	9.4481	9.8659	10.3047
Generation and Transmission, After VAT	Php/kWh	8.0422	8.3923	8.7596	9.1446	9.5487	9.9727	10.4176	10.8845

Table No. 2 - SCENARIO No. 2A: (PROPOSED SETUP -
No Increase on Municipal Solid Waste Collection Fee)

SCENARIO 2A SUMMARY (PROPOSED SETUP - No Increase on Municipal Solid Waste Collection Fee)		2026	2027	2028	2029	2030	2031	2032	2033
Contracted Capacity per Supplier									
Bacman Geothermal Inc. (BGI)	MW	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
AP Renewables Inc. (APRI)	MW	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Green Atom Renewable Energy Corporation (GAREC)	MW	9.94	9.94	9.94	9.94	9.94	9.94	9.94	9.94
La Pampanga Energy Corporation (LPEC)	MW	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Wholesale Electricity Spot Market (WESM)	MW	69.14	75.07	80.73	86.16	91.37	96.37	101.19	105.83
Total	MW	164.08	170.01	175.67	181.10	186.31	191.31	196.13	200.77
Projected Generation Rate per Supplier									
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
Green Atom Renewable Energy Corporation (GAREC)	Php/kWh	10.0700	10.2357	10.4081	10.5876	10.7745	10.9692	11.1719	11.3830
La Pampanga Energy Corporation (LPEC)	Php/kWh	15.6560	16.0679	16.4947	16.9400	17.4037	17.8865	18.3894	18.9126
Wholesale Electricity Spot Market (WESM)	Php/kWh	6.7446	7.0095	7.2875	7.5781	7.8820	8.1994	8.5307	8.8764
Blended Generation Rate, Before VAT	Php/kWh	6.9829	7.2539	7.5414	7.8455	8.1671	8.5069	8.8655	9.2438
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
Green Atom Renewable Energy Corporation (GAREC)	Php/kWh	10.0700	10.2357	10.4081	10.5876	10.7745	10.9692	11.1719	11.3830
La Pampanga Energy Corporation (LPEC)	Php/kWh	17.5347	17.9960	18.4741	18.9728	19.4921	20.0329	20.5961	21.1821
Wholesale Electricity Spot Market (WESM)	Php/kWh	7.2815	7.5674	7.8676	8.1813	8.5094	8.8521	9.2098	9.5829
Blended Generation Rate, After VAT	Php/kWh	7.2449	7.5355	7.8428	8.1669	8.5090	8.8697	9.2498	9.6502
Projected Transmission Rate									
Transmission Rate, Before VAT	Php/kWh	0.8625	0.9013	0.9414	0.9828	1.0258	1.0703	1.1164	1.1643
Transmission Rate, After VAT	Php/kWh	0.9562	0.9993	1.0437	1.0896	1.1372	1.1865	1.2376	1.2907
Projected Generation and Transmission Rate									
Generation and Transmission, Before VAT	Php/kWh	7.8454	8.1553	8.4828	8.8283	9.1929	9.5771	9.9819	10.4081
Generation and Transmission, After VAT	Php/kWh	8.2011	8.5348	8.8864	9.2565	9.6462	10.0562	10.4874	10.9409

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Table No. 3 - SCENARIO No. 2B: (PROPOSED SETUP - Php 900.00 per Tons Increase on Municipal Solid Waste Collection Fee)

SCENARIO 2B SUMMARY (PROPOSED SETUP - Php 900.00 per Tons Increase on Municipal Solid Waste Collection Fee)		2026	2027	2028	2029	2030	2031	2032	2033
Projected Generation Rate per Supplier									
Bacman Geothermal Inc. (BGI)	MW	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
AP Renewables Inc. (APRI)	MW	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Green Atom Renewable Energy Corporation (GAREC)	MW	9.94	9.94	9.94	9.94	9.94	9.94	9.94	9.94
La Pampanga Energy Corporation (LPEC)	MW	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Wholesale Electricity Spot Market (WESM)	MW	69.14	75.07	80.73	86.16	91.37	96.37	101.19	105.83
Total	MW	164.08	170.01	175.67	181.10	186.31	191.31	196.13	200.77
Projected Generation Rate per Supplier									
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
Green Atom Renewable Energy Corporation (GAREC)	Php/kWh	8.3497	8.5154	8.6878	8.8673	9.0542	9.2489	9.4516	9.6627
La Pampanga Energy Corporation (LPEC)	Php/kWh	15.6560	16.0679	16.4947	16.9400	17.4037	17.8865	18.3894	18.9126
Wholesale Electricity Spot Market (WESM)	Php/kWh	6.7446	7.0095	7.2875	7.5781	7.8820	8.1994	8.5307	8.8764
Blended Generation Rate, Before VAT	Php/kWh	6.8589	7.1342	7.4255	7.7331	8.0578	8.4004	8.7617	9.1424
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
Green Atom Renewable Energy Corporation (GAREC)	Php/kWh	8.3497	8.5154	8.6878	8.8673	9.0542	9.2489	9.4516	9.6627
La Pampanga Energy Corporation (LPEC)	Php/kWh	17.5347	17.9960	18.4741	18.9728	19.4921	20.0329	20.5961	21.1821
Wholesale Electricity Spot Market (WESM)	Php/kWh	7.2815	7.5674	7.8676	8.1813	8.5094	8.8521	9.2098	9.5829
Blended Generation Rate, After VAT	Php/kWh	7.1208	7.4158	7.7269	8.0545	8.3997	8.7633	9.1460	9.5488
Projected Transmission Rate									
Transmission Rate, Before VAT	Php/kWh	0.8625	0.9013	0.9414	0.9828	1.0258	1.0703	1.1164	1.1643
Transmission Rate, After VAT	Php/kWh	0.9562	0.9993	1.0437	1.0896	1.1372	1.1865	1.2376	1.2907
Projected Generation and Transmission Rate									
Generation and Transmission, Before VAT	Php/kWh	7.7214	8.0355	8.3669	8.7159	9.0836	9.4707	9.8781	10.3067
Generation and Transmission, After VAT	Php/kWh	8.0771	8.4150	8.7705	9.1441	9.5369	9.9498	10.3836	10.8395

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Table No.4 - SCENARIO No. 2C: (PROPOSED SETUP - Php 1,500.00 per Tons Increase on Municipal Solid Waste Collection Fee)

SCENARIO 2C SUMMARY (PROPOSED SETUP - Php 1,500.00 per Tons Increase on Municipal Solid Waste Collection Fee)		2026	2027	2028	2029	2030	2031	2032	2033
Projected Generation Rate per Supplier									
Bacman Geothermal Inc. (BGI)	MW	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
AP Renewables Inc. (APRI)	MW	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Green Atom Renewable Energy Corporation (GAREC)	MW	9.94	9.94	9.94	9.94	9.94	9.94	9.94	9.94
La Pampanga Energy Corporation (LPEC)	MW	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Wholesale Electricity Spot Market (WESM)	MW	69.14	75.07	80.73	86.16	91.37	96.37	101.19	105.83
Total	MW	164.08	170.01	175.67	181.10	186.31	191.31	196.13	200.77
Projected Generation Rate per Supplier									
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
Green Atom Renewable Energy Corporation (GAREC)	Php/kWh	7.2028	7.3685	7.5409	7.7204	7.9073	8.1020	8.3047	8.5158
La Pampanga Energy Corporation (LPEC)	Php/kWh	15.6560	16.0679	16.4947	16.9400	17.4037	17.8865	18.3894	18.9126
Wholesale Electricity Spot Market (WESM)	Php/kWh	6.7446	7.0095	7.2875	7.5781	7.8820	8.1994	8.5307	8.8764
Blended Generation Rate, Before VAT	Php/kWh	6.7761	7.0544	7.3482	7.6581	7.9850	8.3295	8.6925	9.0748
Bacman Geothermal Inc. (BGI)	Php/kWh	4.8229	4.9918	5.1677	5.3506	5.5411	5.7395	5.9461	6.1613
AP Renewables Inc. (APRI)	Php/kWh	7.3453	7.7445	8.1752	8.6400	9.1416	9.6830	10.2673	10.8980
Green Atom Renewable Energy Corporation (GAREC)	Php/kWh	7.2028	7.3685	7.5409	7.7204	7.9073	8.1020	8.3047	8.5158
La Pampanga Energy Corporation (LPEC)	Php/kWh	17.5347	17.9960	18.4741	18.9728	19.4921	20.0329	20.5961	21.1821
Wholesale Electricity Spot Market (WESM)	Php/kWh	7.2815	7.5674	7.8676	8.1813	8.5094	8.8521	9.2098	9.5829
Blended Generation Rate, After VAT	Php/kWh	7.0381	7.3359	7.6496	7.9796	8.3269	8.6923	9.0768	9.4812
Projected Transmission Rate									
Transmission Rate, Before VAT	Php/kWh	0.8625	0.9013	0.9414	0.9828	1.0258	1.0703	1.1164	1.1643
Transmission Rate, After VAT	Php/kWh	0.9562	0.9993	1.0437	1.0896	1.1372	1.1865	1.2376	1.2907
Projected Generation and Transmission Rate									
Generation and Transmission, Before VAT	Php/kWh	7.6386	7.9557	8.2896	8.6410	9.0107	9.3998	9.8089	10.2391
Generation and Transmission, After VAT	Php/kWh	7.9943	8.3352	8.6933	9.0691	9.4640	9.8788	10.3144	10.7719

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Table No.5 - Comparative Analysis Scenario 1 VS Scenario 2A

Year	SCENARIO 1						SCENARIO 2A						Comparison between Scenario 2A vs Scenario 1					
	Projected Blended Generation Rate (Php/kWh)		Projected Blended Transmission Rate (Php/kWh)		Total Projected Blended Generation and Transmission Rate (Php/kWh)		Projected Blended Generation Rate (Php/kWh)		Projected Blended Transmission Rate (Php/kWh)		Total Projected Blended Generation and Transmission Rate (Php/kWh)		Increase or (Decrease) on Blended Generation Rate (Php/kWh)		Increase or (Decrease) on Blended Transmission Rate (Php/kWh)		Total Increase or (Decrease) on Gen. and Trans. Rate (Php/kWh)	
	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT
2026	6.7199	7.0187	0.9231	1.0235	7.6430	8.0422	6.9829	7.2449	0.8625	0.9562	7.8454	8.2011	0.2631	0.2262	(0.0606)	(0.0672)	0.2024	0.1589
2027	7.0070	7.3256	0.9622	1.0667	7.9692	8.3923	7.2539	7.5355	0.9013	0.9993	8.1553	8.5348	0.2470	0.2099	(0.0609)	(0.0675)	0.1861	0.1425
2028	7.3093	7.6481	1.0026	1.1115	8.3120	8.7596	7.5414	7.8428	0.9414	1.0437	8.4828	8.8864	0.2320	0.1947	(0.0612)	(0.0679)	0.1708	0.1268
2029	7.6274	7.9866	1.0446	1.1581	8.6720	9.1446	7.8455	8.1669	0.9828	1.0896	8.8283	9.2565	0.2181	0.1804	(0.0618)	(0.0685)	0.1563	0.1119
2030	7.9622	8.3423	1.0882	1.2064	9.0505	9.5487	8.1671	8.5090	1.0258	1.1372	9.1929	9.6462	0.2049	0.1667	(0.0625)	(0.0692)	0.1424	0.0975
2031	8.3146	8.7161	1.1335	1.2566	9.4481	9.9727	8.5069	8.8697	1.0703	1.1865	9.5771	10.0562	0.1923	0.1536	(0.0632)	(0.0701)	0.1290	0.0835
2032	8.6853	9.1089	1.1806	1.3087	9.8659	10.4176	8.8655	9.2498	1.1164	1.2376	9.9819	10.4874	0.1802	0.1409	(0.0642)	(0.0711)	0.1161	0.0698
2033	9.0752	9.5216	1.2295	1.3630	10.3047	10.8845	9.2438	9.6502	1.1643	1.2907	10.4081	10.9409	0.1686	0.1286	(0.0652)	(0.0723)	0.1034	0.0564
Average	7.8376	8.2085	1.0706	1.1868	8.9082	9.3953	8.0509	8.3836	1.0081	1.1176	9.0590	9.5012	0.2133	0.1751	(0.0624)	(0.0692)	0.1508	0.1059

Table No.6 - Comparative Analysis Scenario 1 VS Scenario 2B

Year	SCENARIO 1						SCENARIO 2B						Comparison between Scenario 2B vs Scenario 1					
	Projected Blended Generation Rate (Php/kWh)		Projected Blended Transmission Rate (Php/kWh)		Total Projected Blended Generation and Transmission Rate (Php/kWh)		Projected Blended Generation Rate (Php/kWh)		Projected Blended Transmission Rate (Php/kWh)		Total Projected Blended Generation and Transmission Rate (Php/kWh)		Increase or (Decrease) on Blended Generation Rate (Php/kWh)		Increase or (Decrease) on Blended Transmission Rate (Php/kWh)		Total Increase or (Decrease) on Gen. and Trans. Rate (Php/kWh)	
	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT
2026	6.7199	7.0187	0.9231	1.0235	7.6430	8.0422	6.8589	7.1208	0.8625	0.9562	7.7214	8.0771	0.1390	0.1021	(0.0606)	(0.0672)	0.0783	0.0349
2027	7.0070	7.3256	0.9622	1.0667	7.9692	8.3923	7.1342	7.4158	0.9013	0.9993	8.0355	8.4150	0.1272	0.0902	(0.0609)	(0.0675)	0.0664	0.0227
2028	7.3093	7.6481	1.0026	1.1115	8.3120	8.7596	7.4255	7.7269	0.9414	1.0437	8.3669	8.7705	0.1161	0.0788	(0.0612)	(0.0679)	0.0549	0.0109
2029	7.6274	7.9866	1.0446	1.1581	8.6720	9.1446	7.7331	8.0545	0.9828	1.0896	8.7159	9.1441	0.1056	0.0679	(0.0618)	(0.0685)	0.0439	(0.0005)
2030	7.9622	8.3423	1.0882	1.2064	9.0505	9.5487	8.0578	8.3997	1.0258	1.1372	9.0836	9.5369	0.0956	0.0574	(0.0625)	(0.0692)	0.0331	(0.0118)
2031	8.3146	8.7161	1.1335	1.2566	9.4481	9.9727	8.4004	8.7633	1.0703	1.1865	9.4707	9.9498	0.0859	0.0472	(0.0632)	(0.0701)	0.0226	(0.0229)
2032	8.6853	9.1089	1.1806	1.3087	9.8659	10.4176	8.7617	9.1460	1.1164	1.2376	9.8781	10.3836	0.0764	0.0371	(0.0642)	(0.0711)	0.0123	(0.0340)
2033	9.0752	9.5216	1.2295	1.3630	10.3047	10.8845	9.1424	9.5488	1.1643	1.2907	10.3067	10.8395	0.0672	0.0272	(0.0652)	(0.0723)	0.0020	(0.0450)
Average	7.8376	8.2085	1.0706	1.1868	8.9082	9.3953	7.9392	8.2720	1.0081	1.1176	8.9474	9.3896	0.1016	0.0635	(0.0624)	(0.0692)	0.0392	(0.0057)

Table No.7 - Comparative Analysis Scenario 1 VS Scenario 2C

Year	SCENARIO 1						SCENARIO 2C						Comparison between Scenario 2C vs Scenario 1					
	Projected Blended Generation Rate (Php/kWh)		Projected Blended Transmission Rate (Php/kWh)		Total Projected Blended Generation and Transmission Rate (Php/kWh)		Projected Blended Generation Rate (Php/kWh)		Projected Blended Transmission Rate (Php/kWh)		Total Projected Blended Generation and Transmission Rate (Php/kWh)		Increase or (Decrease) on Blended Generation Rate (Php/kWh)		Increase or (Decrease) on Blended Transmission Rate (Php/kWh)		Total Increase or (Decrease) on Gen. and Trans. Rate (Php/kWh)	
	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT	Before VAT	After VAT
2026	6.7199	7.0187	0.9231	1.0235	7.6430	8.0422	6.7761	7.0381	0.8625	0.9562	7.6386	7.9943	0.0563	0.0194	(0.0606)	(0.0672)	(0.0044)	(0.0479)
2027	7.0070	7.3256	0.9622	1.0667	7.9692	8.3923	7.0544	7.3359	0.9013	0.9993	7.9557	8.3352	0.0474	0.0103	(0.0609)	(0.0675)	(0.0135)	(0.0571)
2028	7.3093	7.6481	1.0026	1.1115	8.3120	8.7596	7.3482	7.6496	0.9414	1.0437	8.2896	8.6933	0.0389	0.0015	(0.0612)	(0.0679)	(0.0224)	(0.0663)
2029	7.6274	7.9866	1.0446	1.1581	8.6720	9.1446	7.6581	7.9796	0.9828	1.0896	8.6410	9.0691	0.0307	(0.0070)	(0.0618)	(0.0685)	(0.0311)	(0.0755)
2030	7.9622	8.3423	1.0882	1.2064	9.0505	9.5487	7.9850	8.3269	1.0258	1.1372	9.0107	9.4640	0.0227	(0.0154)	(0.0625)	(0.0692)	(0.0397)	(0.0847)
2031	8.3146	8.7161	1.1335	1.2566	9.4481	9.9727	8.3295	8.6923	1.0703	1.1865	9.3998	9.8788	0.0149	(0.0238)	(0.0632)	(0.0701)	(0.0483)	(0.0939)
2032	8.6853	9.1089	1.1806	1.3087	9.8659	10.4176	8.6925	9.0768	1.1164	1.2376	9.8089	10.3144	0.0072	(0.0321)	(0.0642)	(0.0711)	(0.0569)	(0.1032)
2033	9.0752	9.5216	1.2295	1.3630	10.3047	10.8845	9.0748	9.4812	1.1643	1.2907	10.2391	10.7719	(0.0004)	(0.0404)	(0.0652)	(0.0723)	(0.0656)	(0.1126)
Average	7.8376	8.2085	1.0706	1.1868	8.9082	9.3953	7.8648	8.1976	1.0081	1.1176	8.8729	9.3151	0.0272	(0.0109)	(0.0624)	(0.0692)	(0.0352)	(0.0802)

67. The rate impact from the PSA involves the generation rate and transmission rate of Applicant PELCO II wherein power supply from the embedded generating plant shall replace the power supply from WESM that passes through the transmission lines of transmission concessionaire, the National Grid Corporation of the Philippines (NGCP). Following the supply optimization and economics of the cooperative in accordance with EPIRA, the purpose of which is to deliver electricity to its member-consumers (MCOs) in the least cost manner, Scenario 1, Scenario 2A, Scenario 2B and Scenario 2C show the following analyses:

67.1. SCENARIO 1: Table No. 1

Current Power Supply Situation of PELCO II
In Scenario 1, there is no additional sources in PELCO II's power supply portfolio. The effective generation rate is the cost of blended mix of Generation charges of (a) 30 MW baseload capacity and a ten (10) year contract sourced from Bacman Geothermal Inc. (BGI) per ERC Case No. 2018-097 RC at

provisionally approved rate which will expire effective December 26, 2027, (b) 40 MW baseload capacity and a ten (10) year contract from AP Renewables, Inc. (APRI) at the proposed rate subject to the approval of ERC of the joint application of PSA docketed as ERC Case No. 2022-003 RC and is set to expire effective December 26, 2030, (c) 15 MW peaking capacity from La Pampang Energy Corporation (LPEC), a fifteen (15) year contract to be implemented from Commercial Operations Date (COD) at the proposed rate subject to the approval of ERC of the joint application of PSA docketed as ERC Case No. 2022-050 RC, and, (d) in excess of the contracted capacity, the source is the Wholesale Electricity Spot Market (WESM) using the Year 2023 spot prices. The resulting average VAT-inclusive generation and transmission rate will range between PhP 8.0422 kWh per kWh and PhP 10.8845 per kWh for the Years 2026 – 2033.

67.2. SCENARIO 2A: Table No. 2

Proposed Power Supply Situation of PELCO II With the Addition of GREEN ATOM in the Generation Rate and Supply Mix – No Increase Per Ton on Municipal Solid Waste Collection Fee

In Scenario 2A, the additional contract of the 10 MW Biomass Waste to Energy (WTE) of GREEN ATOM is included in the power supply pool as part of PELCO II's portfolio. With this additional contract, the effective generation rate is the cost of blended mix of generation charges of (a) 30 MW baseload capacity and a ten (10) year contract sourced from Bacman Geothermal Inc. (BGI) per ERC Case No. 2018-097 RC at provisionally approved rate which will expire effective December 26, 2027, (b) 40 MW baseload capacity and a ten (10) year contract from AP Renewables, Inc. (APRI) at the proposed rate subject to the approval of ERC of the joint application of PSA docketed as ERC Case No. 2022-003 RC and is set to expire effective December 26, 2030, (c) 15 MW peaking capacity from La Pampang Energy Corporation (LPEC), a fifteen (15) year contract to be implemented from Commercial Operations Date (COD) at the proposed rate subject to the approval of ERC of the joint application of PSA docketed as ERC Case No. 2022-050 RC, and, (d) in excess of the contracted 95 MW capacity, the

source is WESM using the Year 2023 spot prices. The resulting average VAT inclusive generation and transmission rate will range between PhP 8.2011 per kWh and PhP 10.9409 per kWh for the Years 2026 – 2033.

67.3. SCENARIO 2B: Table No. 3

Proposed Power Supply Situation of PELCO II With the Addition of GREEN ATOM in the Generation Rate and Supply Mix – At Php 900.00 Per Ton Increase on Municipal Solid Waste Collection Fee

In Scenario 2B, the additional contract of the 10 MW Biomass Waste to Energy (WTE) of GREEN ATOM is included in the power supply pool as part of PELCO II's portfolio. With this additional contract, the effective generation rate is the cost of blended mix of generation charges of (a) 30 MW baseload capacity and a ten (10) year contract sourced from Bacman Geothermal Inc. (BGI) per ERC Case No. 2018-097 RC at provisionally approved rate which will expire effective December 26, 2027, (b) 40 MW baseload capacity and a ten (10) year contract from AP Renewables, Inc. (APRI) at the proposed rate subject to the approval of ERC of the joint application of PSA docketed as ERC Case No. 2022-003 RC and is set to expire effective December 26, 2030, (c) 15 MW peaking capacity from La Pampang Energy Corporation (LPEC), a fifteen (15) year contract to be implemented from Commercial Operations Date (COD) at the proposed rate subject to the approval of ERC of the joint application of PSA docketed as ERC Case No. 2022-050 RC, and, (d) in excess of the contracted 95 MW capacity, the source is WESM using the Year 2023 spot prices. The resulting average VAT inclusive generation and transmission rate will range between PhP 8.0771 kWh per kWh and PhP 10.8395 per kWh for the Years 2026 – 2033.

67.4. SCENARIO 2C: Table No. 4

Proposed Power Supply Situation of PELCO II With the Addition of GREEN ATOM in the Generation Rate and Supply Mix – At Php 1,500.00 Per Ton Increase on Municipal Solid Waste Collection Fee

In Scenario 2C, the proposed power supply situation of PELCO II is the same set-up with increase however of the municipal solid waste

collection fee from Php 900.00 per ton to Php 1,500.00. Therefore, the resulting average VAT inclusive generation and transmission rate will range between PhP 7.9943 per kWh and PhP 10.7719 per kWh for the Years 2026 – 2033.

67.5. Table No. 8: A summary of the four (4) scenarios reveals the following blended generation and transmission rates for the Years 2026 – 2033:

Scenarios	Range of Blended Generation and Transmission Rates in Php/kWh (VAT-Excluded)	Range of Blended Generation and Transmission Rates in Php/kWh (VAT-Included)
1	7.6430 - 10.3047	8.0422 – 10.8845
2A	7.8454 - 10.4081	8.2011 – 10.9409
2B	7.7214 – 10.3067	8.0771 – 10.8395
2C	7.6386 – 10.2391	7.9943 – 10.7719

67.6. Table No. 9: From the above summary, the breakdown of the generation and transmission (VAT included) are as follows:

Scenarios	Year	Gen. Rate (Php/kWh)	Trans. Rate (Php/kWh)	Total Rate (Php/kWh)
1	2026	7.0187	1.0235	8.0422
	2033	9.5216	1.3630	10.8845
2A	2026	7.2449	0.9562	8.2011
	2033	9.6502	1.2907	10.9409
2B	2026	7.1208	0.9562	8.0771
	2033	9.5488	1.2907	10.8395
2C	2026	7.0381	0.9562	7.9943
	2033	9.4812	1.2907	10.7719

67.7. Gleaned from the evaluation shown in Table No. 1, under Scenario 1, which represents the current setup. If PELCO II continues with the current setup without acquiring additional capacity, the simulated future blended generation and transmission prices after Value Added Tax (VAT) under this scenario will range from Php 8.0422 per kWh to Php 10.8845 per

kWh for eight (8) years, from 2026 to 2033, respectively.

- 67.8. The evaluation in Table No. 2, under Scenario 2A, meanwhile includes an additional 9.94 MW contract capacity from GREEN ATOM for twenty (20) years (2026-2045). For simplicity, the simulated future blended generation and transmission rate after VAT under this scenario ranges between Php 8.2011 per kWh and Php 10.9409 per kWh, covering only eight (8) years of data from 2026 to 2033, respectively.
- 67.9. On the other hand, Table No. 3, under Scenario 2B, which mirrors Scenario 2A but with a Municipal Solid Waste Collection Fee (MSWCF) of Php 2,400.00 per ton, the simulated future blended generation and transmission rate after VAT ranges between Php 8.0771 per kWh and Php 10.8395 per kWh from 2026 to 2033, respectively.
- 67.10. The last, Table No. 4, under Scenario 2C, which is identical to Scenarios 2A and 2B except for the MSWCF of Php 3,000.00 per ton, the simulated future blended generation and transmission rate after VAT ranges between Php 7.9943 per kWh and Php 10.7719 per kWh from 2026 to 2033, respectively.
- 67.11. Gleaned again from the evaluation in Table No. 5, when comparing Scenario 1 (Table No. 1), representing the current setup, with the proposed setup in Scenario 2A (Table No. 2), the simulated after-VAT blended generation and transmission rate shows an increase ranging from Php 0.0564 per kWh to Php 0.1589 per kWh, with an average increase of Php 0.1059 per kWh.
- 67.12. The evaluation in Table No. 6, when comparing Scenario 1 (Table No. 1) to Scenario 2B (Table No. 3), the simulated after-VAT blended generation and transmission rate ranges from an increase of Php 0.0349 per kWh to a reduction of Php 0.0450 per kWh, with an average reduction of Php 0.0057 per kWh.
- 67.13. Further illustration in Table No. 7, when comparing Scenario 1 (Table No. 1) to the proposed setup in Scenario 2C (Table No. 4), the simulated after-VAT blended generation and transmission rate indicates a reduction in the rate ranging from Php 0.0479 per kWh to Php 0.1126 per kWh, with an average reduction of Php 0.0802 per kWh.

67.14. Table No. 10: A summary of scenario comparison of blended generation and transmission rates from year 2026 - 2033:

Scenario Comparison	Range of Increase or (Decrease) on Blended Generation and Transmission Rate in Php/kWh (VAT-Included)	Average of Increase or (Decrease) on Blended Generation and Transmission Rate in Php/kWh (VAT-Included)
1 vs 2A	0.01589 – 0.0564	0.1059
1 vs 2B	0.0349 - (0.0450)	(0.0057)
1 vs 2C	(0.0479) – (0.1126)	(0.0802)

- 67.15. Based on this rate impact analysis (statements No. 68.11, 68.12 and, 68.13, Scenario 2B (Table No. 3) and Scenario 2C (Table No. 4) show the most advantageous results for their rate downward adjustments translated to reduction in the cost of electricity billings of the members-consumer-owners (MCOs), ranging from Php 0.0057 per kWh to Php 0.0802 per kWh.
- 67.16. In conclusion the same analysis reveals that Scenario 2C (Table No. 4) results in projected generation charge (GC) and transmission charge of Php 7.9943 per kWh and Php 10.7719 per kWh (VAT included) in 2026 to 2033, respectively. It thus offers the lowest, competitive and affordable price. This lower GC and transmission charges translate to lower passed-on charges.
- 67.17. Therefore, the approval for the implementation of the WTE-PSA is imperative and essential because of the lower rates that will redound beneficial advantage towards Applicant PELCO II's stakeholders and most importantly its members-consumer-owners (MCOs).
- 67.18. The calculations of the generation charge (GC) and transmission charges are itemized each scenario and set up in the Rate Impact Analysis and Excel Computations together with the justifications. Copies of the Rate Impact Analysis and Excel Computations are attached and made integral parts hereof as **Annexes “Q” and “Q-1”, respectively.**

68. The projected energy requirements of Applicant PELCO II are based on its latest Year 2024 DDP, hence, these are applied as determinants in the rate impact analysis during the contract term of the WTE –PSA. The 2024 DDP detailing the load forecast is attached and made an integral part hereof as **Annex “R”**;

69. Power Supplier BGI's supply is through a provisionally approved PSA docketed as ERC Case No. 2018-097 RC, for a 30 MW baseload capacity of ten (10) years, subject to final authority (FA) or final approval by the Honorable Commission in its Order dated July 16, 2019;

70. As stated, the complete rate impact analysis and supporting computations are collectively included and annex in the instant application;

71. Power Supplier APRI's supply is through an Amendment to the PSA of the 40 MW PSA for implementation of advanced delivery from November 2021 to April 10, 2022 and the approval of the 40 MW PSA through provisional authority (PA) effective April 11, 2022, the latter docketed as ERC Case No. 2022-003 RC for baseload capacity of ten (10) years and at present subject to decision for final authority (FA) or final approval by the Honorable Commission in its Order dated July 8, 2023;

72. LPEC's supply is subject for approval of implementation of the 15 MW PSA pending the issuance by the Honorable Commission of provisional authority (PA) or interim relief, docketed as ERC Case No. 2022-050 RC for peaking capacity requirements at a period of fifteen (15) years;

73. In excess of the total contracted capacity of 85 MW, Applicant PELCO II sources the needed power from the WESM. Effective December 4, 2017, the Philippine Electricity Market Corporation ("PEMC"), now the Independent Electricity Market Operator of the Philippines ("IEMOP"), approved Applicant PELCO II's application as a Direct WESM Participant from an indirect participant;

74. It is therefore concluded that with the approval and implementation of the WTE-PSA in addition to the present power supply situation, it is deemed advantageous and beneficial to Applicant PELCO II and its members-consumers-owners (MCOs).

V

**ALLEGATIONS IN SUPPORT OF THE
MOTION FOR PROVISIONAL AUTHORITY OR INTERIM
RELIEF**

75. Applicants PELCO II and GREEN ATOM respectfully move that the Honorable Commission issue a provisional authority to implement the WTE-PSA, even prior to the initial hearing of the Joint Application for the following reasons:

75.1 Under Rule 14 of the ERC Revised Rules of Practice and Procedure (ERC-RRPP), the

Honorable Commission is authorized to issue provisional authority (PA) or interim relief prior to a final decision, provided the facts and circumstances alleged warrant such remedy.

- 75.2 The allegations above are re-pleaded to support Applicants PELCO II and GREEN ATOM prayer for the issuance of a provisional authority (PA) or interim relief.
- 75.3 A substantial portion of the total project cost will be funded through debt financing. Hence, timely development and construction completion of the power plant is highly dependent on the early achievement of financial closing. To achieve financial closing, the banks require that the WTE PSA be approved by the Honorable Commission, whether provisional or final, thus, the Honorable Commission's issuance of provisional authority to implement the WTE PSA, even prior to the initial hearing of the Joint Application will help ensure the timely achievement of the needed financial closing as required by the funding institution and consequently the timely development and completion of the power plant.

76. Applicant PELCO II simulated a rate impact analysis based on assumed quantities, which resulted to the following projected effective average generation and transmission rate with the execution of the new WTE PSA with Applicant GREEN ATOM;

	Scenario 1 (Table No.1)	Scenario 2C (Table No. 4)
Projected Average Blended Generation & Transmission Rate for years 2026-2033	Php 8.0422 – 10.8845 per kWh	Php 7.9943 – 10.7719 per kWh
Projected Rate Reduction (Scenario 1 vs. Scenario 2C)	Php 0.0479 – 0.1126 per kWh Php 0.0802 per kWh (Average)	

77. As shown above in the comparative scenarios of the Financial Impact Analysis on rates, Scenario 2C (Table No. 4) which is the Generation and Transmission Rates and Supply Mix with Applicant GREEN ATOM, the WTE PSA between Applicants PELCO II and GREEN ATOM reflects the most beneficial and cheapest generation charges with a resultant estimated average generation and transmission rates reduction ranging from Php 0.0479 per kWh to Php 0.1126 per kWh from 2026-2033. Therefore, the implementation of the WTE-PSA with Applicant GREEN ATOM will afford Applicant PELCO II's members-consumers-owners (MCOs) with a reliable supply of electricity at affordable rates including the improvement of power quality and reliability in the City of Mabalacat, Pampanga;

78. Applicant PELCO II's present power supply requirements is served by its two (2) suppliers, IPPs BGI and APRI. IPP BGI 30 MW PSA has a term of ten (10) years or until December 25, 2027 under an approved PA on rates. On the other hand, IPP APRI 40 MW PSA which has a term of ten (10) years also or until December 25, 2030 is likewise under an approved PA on rates. In view of the following circumstances, to wit: (a) the expected volatility of WESM generation prices, (b) Applicant PELCO II forecast on increasing power requirements of its operations particularly the City of Mabalacat, Pampanga because of fast development in the area, and, (c) the expected improvement of power quality and reliability in the same area, the status of power supply of Applicant PELCO II will be critical as it will make or break the basic and efficient delivery of services to the members-consumers-owners (MCOs);

79. The supply gap, if no pro-active action is undertaken, will consequently pose an adverse effect on the current generation and transmission charges of Applicant PELCO II to the prejudice of its members-consumers-owners (MCOs). Hence, the implementation of the WTE - PSA with Applicant GREEN ATOM will temper the impact of WESM price volatility and in addition, will afford the affected stakeholders a stable supply of electricity at affordable and competitive rates including an assured improvement of the power quality and reliability situation in the City of Mabalacat, Pampanga. Amidst this, Applicant PELCO II will also contribute in the mitigation of risks resulting from disasters brought about by climate change through the reduction of carbon emissions in the atmosphere from fossil fuels;

80. More importantly, Applicant PELCO II's compliance with the Renewable Portfolio Standards (RPS) is assured in recognition of the national government's call to be 100% renewable in the years to come;

81. Rule 14, Section 1 of the Honorable Commission's Revised Rules of Practice and Procedure (ERC-RRPP) allows the issuance of Provisional Authority (PA) or Interim Relief, prior to a final decision, Thus:

"Sec 3. Action on the Motion, - The Commission shall act on the motion for provisional authority or interim relief on the basis of the allegations in the application or petition, supporting documents and other g pieces of evidence that the applicant or petitioner has submitted, as well as the comments or oppositions filed by interested persons, if there be any.

Motions for provisional authority or interim relief may be acted upon with or without hearing.

The Commission may act on the motion for provisional authority or interim relief within seventy-five (75) days from the filing of the application or petition. If the Commission, through an order, acts on the motion without hearing, it shall schedule and start the hearing on the application or petition

within thirty (30) days from date of issuance of the order. If such motion is included in the application or petition covered by Section 1, Rule 6 of these Rules the Commission shall hold in abeyance its resolution on the motion until after the lapse of thirty (30) days from the receipt of a copy of the application or petition by the Offices of the Governor, Mayor and the *Sanggunian* concerned within the franchise and/or affected areas or publication of the application or petition in a newspaper of general circulation, whichever comes later."

The Commission may act on the motion for provisional authority or interim relief within from the filing of the resolution on the motion until after the lapse of thirty (30) days from the receipt of a copy of the application or petition by the Offices of the Governor, Mayor and the *Sanggunian* concerned within the franchise and/or affected areas or publication of the application or petition in a newspaper of general circulation, whichever comes later."

82. Thus, in view of the urgency above-mentioned, Applicant PELCO II respectfully moves for the issuance of a provisional authority (PA) in this instant case to immediately proceed in implementing the WTE - PSA, and, consequently, for the lower rates and other benefits derived therein to be immediately enjoyed by the members-consumers-owners (MCOs) of Applicant PELCO II. A copy of the Motion for Issuance of Provisional Authority (PA) is attached as **Annex "S"** of this Joint Application;

83. The grant of a provisional authority (PA) or interim relief will allow Applicant PELCO II to have a steady, continuous, guaranteed and reliable source of electricity, which will immediately redound to the favorable advantage of Applicant PELCO II's members-consumers-owners (MCOs) in terms of providing a more affordable rate and further improvement of power reliability and quality in the Franchise Area of PELCO II;

84. Applicant PELCO II understands that whatever rate that may be fixed and approved by the Honorable Commission under the provisional authority (PA) shall be without prejudice to whatever rights and legal remedies which Applicant GREEN ATOM may have under the law and the WTE - PSA, and the implementation of the WTE - PSA shall be conditioned upon the acceptance by the Parties to the agreement of the terms thereof;

85. Finally, Applicant PELCO II would like to emphasize by that should a provisional authority (PA) be accepted by the Parties, and the WTE - PSA deemed is provisionally implemented and Applicant GREEN ATOM shall deliver the power under the terms of the this agreement.

VI

COMPLIANCE WITH PRE-FILING REQUIREMENTS

86. In compliance with the ERC Rules of Practice and Procedure, Applicant PELCO II had furnished the Office of the Mayor, Governor, and Legislative bodies of the municipality and

province where the principal place of business of Applicant PELCO II is located, a copy of the present Joint Application with all its annexes and accompanying documents, except those covered by a motion for confidential treatment of information. Copies of the certifications and/or proofs of receipt from the concerned offices, attesting to the fact of service are attached hereto as **Annexes “T”, “T-1”, “U”, and “U-1”**;

87. Likewise, a copy of the instant Joint Application with all its annexes and accompanying documents, except those covered by a motion for confidential treatment of information, was furnished to the Offices of the Mayor and Governor and Local Legislative Bodies of the areas where Applicant GREEN ATOM principally operates¹. Copies of the certifications and/or proofs of receipt from the concerned offices attesting to the fact of service are attached and made integral parts hereof as **Annexes “V”, “V-1”, “W”, and “W-1”**;

88. Applicants PELCO II and GREEN ATOM have also caused the publication of the instant Joint Application in a national newspaper of general circulation in the Philippines. Copies of the duly notarized Affidavit of Publication and the newspaper where the Joint Application was published in full are attached and made integral parts hereof as **Annexes “X” and “Y”, respectively**;

89. In summary, Applicants PELCO II and GREEN ATOM jointly manifest that they have complied with the pre-filing requirements under Rule 6 of the Revised Rules of Practice and Procedure (ERC-RRPP). Copies of the proofs of service, certificates of receipts, duly notarized Affidavit of Publication and the newspaper where the Joint Application was published are evidenced by the following enumeration of documents;

- a. Proof of service from the offices of the Sangguniang Bayan and Mayor of the Municipality of Guagua, Pampanga are attached as **Annex “T” and “T-1”, respectively**;
 - b. Proof of service from the offices of the Sangguniang Panlalawigan and the Governor of the Province of Pampanga are attached as **Annex “U” and “U-1”, respectively**;
 - c. Proof of service from the offices of the Sangguniang Bayan and Mayor of the Municipality of Cainta, Rizal are attached as **Annex “V” and “V-1”, respectively**;
 - d. Proof of service of the offices from the Sangguniang Panlalawigan and Governor of the Province of Rizal are attached as **Annex “W” and “W-1”, respectively**;
-

- e. Affidavit of publication of the newspaper of national circulation in the Philippines, attached as **Annex "X"**;
- f. A copy of the complete newspaper issue where the Joint Application was published, attached as **Annex "Y"**.

VII
**REQUEST FOR CONFIDENTIAL TREATMENT OF
INFORMATION**

90. Under Section 1, Rule 4, Rules of Practice and Procedure of the ERC, Applicant GREEN ATOM respectfully prays for the confidential treatment of information indicated in the supporting excel computations of the financial models, as well as the proposal received by PELCO II which contain information on pricing calculations and structure, labelled as **Annexes "N", "N-1", "N-2", "N-3", "N-4", "N-5", "O", "II", "JJ", "KK", "LL", "NN, "OO", PP" and "VVV"**. Applicant GREEN ATOM requested that this information remain confidential as they form part of the GREEN ATOM's strategies against competitors;

91. Applicant PELCO II, likewise, respectfully prays also for the confidential treatment of **Annex "Q-1"**, Excel Computation of Simulations for Rate Impact Analysis including **Annexes "EEE", "KKK", "KKK-1", "KKK-2", "UUU", "UUU-1" and "UUU-2"**. Such analysis contains information on the other partners of Applicant PELCO II to whom it is similarly bound to their respective confidentiality agreements;

92. Further, Applicant PELCO II is also similarly bound to third parties to keep the information and documents confidential. These annexes contain sensitive information involving financial and trade secrets that are unique to their respective operations; otherwise, confidential, proprietary, and private information will be disseminated to the public. Likewise, the Biomass Waste to Energy (WTE) Power Supply Agreement (PSA) contains a clause on the treatment of confidentiality of proposals can be disclosed only to government regulators upon behest;

93. Furthermore, Applicant GREEN ATOM's financial information is likewise confidential. The breakdown/details of the Project Cost and Operations and Maintenance Expenses as well as other related financial information are part of its financial plan, which is a crucial component of its bid with the Engineering Procurement and Construction (EPC) Contractor. To make such information public will divulge the overall financial strategy that Applicant GREEN ATOM exerted with substantial effort to develop, which may result to loss of competitive advantage. Since this financial information are crucial part of its strategy, making these information public will, in effect, reveal its strategy that may be used against it in future which Applicant GREEN ATOM and/or its affiliates will participate in;

94. In addition to the financial information, the technical aspect of WTE Power Plant Facility similarly contains information that are unique and exclusive only for the power supplier like the technical offer, various agreements with government and private contractors, performance guaranty parameters and similar documents that should be kept confidential and to be shared only between Applicant GREEN ATOM and respective partners/entities. In other words, this financial and technical information contains "trade secrets" of Applicant GREEN ATOM;

95. The following annexes invoke confidential treatment of information, viz;

DOCUMENTS AND/OR INFORMATION	ANNEX
GREEN ATOM’s Sources of Funds/Financial Plans; 1. Debt/Equity Ratio 2. Project Cost; and 3. Computation of Return of Investment/WACC (Confidential)	“N”
GREEN ATOM’s Project List of Operating and Maintenance Expenses (Confidential)	“N-1”
GREEN ATOM’s Project Details of Other Revenue and Economic Assumptions (Confidential)	“N-2”
GREEN ATOM’s Computation of Levelized Cost showing the following: (1) Schedule of Original Loan (Principal amount, interest payable, term of the loan), (2) Updated Balances (Principal amount, interest payable, and penalties (if any), (3) Remaining term of the loan/ Cash Flow specifying the Initial Costs and Breakdown of Operating and Maintenance Expenses (Confidential)	“N-3”
GREEN ATOM’s Certification from the Bank/Lending Institution and/or Funding Agreement specifying the principal amortization, term and interest during the cooperation period of the loan agreement. (Confidential)	“N-4”

<p>GREEN ATOM’s Generation Rate and Derivation based on the Financial Models showing the following:</p> <p>6. Financial model containing the derivation of rates in excel file confidential; Breakdown of the base prices; Capital Recovery Fee, Fixed and Variable O&M, and Fuel Fee Breakdown of Project Cost and Operations and Maintenance (O&M) Cost including the description and justification/supporting of each component.</p> <p>7. Sample Computation of Power Rates with the supporting documents on the assumptions taken.</p> <p>8. Basis/rationale of indexation including the sources, reference date and weight of indexation</p> <p>9. Basis/rationale/derivation of Other Charges such as replacement, start-up, pre- commercial, and ancillary costs</p> <p>10. Equivalent PhP/kWh with assumptions for foreign denominated rates (Confidential)</p>	<p>“N-5”</p>
<p>GREEN ATOM’s Technical Offer for 12MWe WTE plant on EPC basis located Mabalacat City, Pampanga, Philippines (Confidential)</p>	<p>“O”</p>
<p>PELCO II’s Excel Computation of Simulations for Rate Impact Analysis (Confidential)</p>	<p>“Q-1”</p>
<p>GREEN ATOM’s Copy of Engineering, Procurement and Construction (EPC) Agreement Dated February 20, 2024 Between Uttamenergy, Ltd & Juntex Philippines, Inc. and GREEN ATOM (Confidential)</p>	<p>“II”</p>
<p>GREEN ATOM’s Copy Performance Guarantee Parameters (Confidential)</p>	<p>“JJ”</p>
<p>GREEN ATOM’s Copy of Operation and Maintenance Services Agreement Dated December 18, 2020 Between Pic Asia Pacific SDN BHD (Philippines Branch) & and GREEN ATOM (Confidential)</p>	<p>“KK”</p>
<p>GREEN ATOM’s Copy of Project Management Implementation Consultancy Dated June 25, 2024 Between Bureau Veritas & and GREEN ATOM (Confidential)</p>	<p>“LL”</p>
<p>GREEN ATOM’s Copy of Memorandum of Agreement Notarized on October 19, 2018 By and Between Mabalacat City Government and GREEN ATOM (Confidential)</p>	<p>“NN”</p>
<p>GREEN ATOM’s Copy of Solid Waste Processing Agreement Notarized on May 3, 2019 By and Between MES General Services and GREEN ATOM (Confidential)</p>	<p>“OO”</p>

GREEN ATOM’s Process Description For Energy Mass Balance Diagram (<i>Confidential</i>)	“PP”
PELCO II’s Explanation of Non-Applicability of Transition Supply Contract with NPC (<i>Confidential</i>)	“EEE”
PELCO II’s Potential Reduction in Load Due to Implementation of RCOA and GEOP Based on December 2023 Reports (<i>Confidential</i>)	“KKK”
PELCO II’s RCOA Report 500 kW – More than One (1) MW as of December 2023 (<i>Confidential</i>)	“KKK-1”
PELCO II’s RCOA Report 100 kW - 499 kW as of December 2023 (<i>Confidential</i>)	‘KKK-2”
PELCO II’s Potential Reduction in Load Due to Implementation of RCOA and GEOP Based on September 2024 Reports (<i>Confidential</i>)	“UUU”
PELCO II’s RCOA Report 500 kW – More than One (1) MW as of September 2024 (<i>Confidential</i>)	“UUU-1”
PELCO II’s RCOA Report 100 kW - 499 kW as of September 2024 (<i>Confidential</i>)	‘UUU-2”
GREEN ATOM’s Senior Debt Term Sheet for Completion Funding (<i>Confidential</i>)	“VVV”

96. Rule 4, Section 1 of the Revised ERC Rules of Practice and Procedure (ERC-RRPP) provides for relief under this circumstance:

"Section 1. Request for Confidential Treatment of Information. - A party to any proceeding before the Commission may move for information to be treated as confidential.

The motion shall:

- a) Describe therein with particularity the information to be treated as confidential, stating the specific grounds thereof, and specifying the period during which the information must not be disclosed;
- b) Be accompanied with one (1) copy of the document that contains the information sought to be treated as confidential, placed in a sealed envelope and each page thereof stamped with the word "Confidential." The sealed envelope shall be accompanied by an index enumerating the contents thereof with sufficient particularity. xxx";

97. Through the instant Motion for Confidential Treatment of Information, Applicants PELCO II and GREEN ATOM

hereby request for the Honorable Commission to treat **Annexes “N”, “N-1”, “N-2”, “N-3”, “N-4”, “N-5”, “O”, “Q-1”, “II”, “JJ”, “KK”, “LL”, “NN”, “OO”, “PP”, “EEE”, “KKK”, “KKK-1”, “KKK-2”, “UUU”, “UUU-1”, “UUU-2” and “VVV”** as confidential and not to allow the disclosure thereof to other parties; and,

98. Applicants PELCO II and GREEN ATOM hereby submit one (1) copy of their respective and identified confidential documents each in a sealed envelope, with the envelope containing the documents marked and stamped with the word "Confidential".

PRAYER

WHEREFORE, in view of the foregoing, it is most respectfully prayed from this Honorable Commission:

- 1 To admit this Joint Application;
- 2 To GRANT the Motion for Confidential Treatment of Information;
- 3 To issue a PROVISIONAL AUTHORITY (PA) or INTERIM RELIEF on the Joint Application and authorize the Applicants to implement the Biomass Waste to Energy (WTE) Power Supply Agreement (PSA), including, but not limited to the Total Cost of Generation Rate, without prejudice to the Final Authority; and
- 4 After due notice and hearing, issue a FINAL AUTHORITY approving the Biomass Waste to Energy (WTE) Power Supply Agreement (PSA), including but not limited to the Total Cost of Generation Rate.

Other reliefs as may be just and equitable under the premises are likewise prayed for.

Finding the said *Joint Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same for determination of compliance with the jurisdictional requirements, expository presentation, Pre-Trial Conference, and presentation of evidence on the following dates and online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020² and Resolution No. 01, Series of 2021³ (ERC Revised Rules of Practice and Procedure):

² A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

³ A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

Date	Platform	Activity
04 July 2025 (Friday) at two o'clock in the afternoon (2:00 P.M.)	Microsoft Teams Application	Determination of compliance with the jurisdictional requirements and expository presentation
11 July 2025 (Friday) at two o'clock in the afternoon (2:00 P.M.)		Pre-Trial Conference and presentation of evidence

Accordingly, PELCO II and Green Atom are hereby directed to mirror the virtual hearings to be hosted by the Commission at **PELCO II's principal office located at Brgy. San Roque, Guagua, Pampanga**, as the designated venue for the conduct thereof, and ensure that the same is open to the public. Moreover, the Applicants shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, PELCO II and Green Atom are hereby directed to:

- 1) Cause the publication of the attached *Notice of Virtual Hearing* in two (2) newspapers of nationwide circulation in the Philippines at their own expense, twice (2x) within two (2) successive weeks, the dates of publication not being less than seven (7) days apart, and the date of the last publication to be made not later than ten (10) days before the date of the scheduled initial virtual hearing;
- 2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing* the Offices of the Provincial Governor, the Mayors, and the Local Government Unit (LGU) legislative bodies within PELCO II's franchise area for the appropriate posting thereof on their respective bulletin boards;
- 3) Inform the consumers within PELCO II's franchise area, by any other means available and appropriate, of the filing of the *Joint Application*, the reasons therefor, and of the scheduled virtual hearings thereon;
- 4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, the Office of the Solicitor General (OSG), the Commission on Audit (COA), and the

Committees on Energy of both Houses of Congress. They are hereby requested, if they so desire, to send their duly authorized representatives and attend the scheduled hearings; and

- 5) Furnish with copies of the *Joint Application* and its attachments, except those subject of a motion for confidential treatment of information, all those making requests therefor, if any, subject to reimbursement of reasonable photocopying costs.

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

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

- 6) Such other proof of compliance with the requirements of the Commission.

Moreover, PELCO II and Green Atom are hereby required to post on their bulletin boards, the scanned copies of the foregoing jurisdictional requirements, together with the newspaper publications and certifications issued by concerned Offices of the Governor, Mayors, and Local Legislative Bodies, and to submit proof of posting thereof.

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

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

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

Failure of PELCO II and Green Atom to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearings.

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

the reasons and justifications for the *Joint Application* must be cited in support thereof.

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

PELCO II and Green Atom are further directed to submit, either through personal service, registered mail or ordinary mail/private courier, one (1) set of the original or certified true hard copies of their jurisdictional compliance, Expository Presentation, Pre-Trial Brief, and Judicial Affidavits of witnesses, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

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

SO ORDERED.

Pasig City, 21 April 2025.

FOR AND BY AUTHORITY
OF THE COMMISSION:



KRISHA MARIE T. BUELA
Director III, Legal Service


LS: ADGS/ARG

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Copy Furnished:

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13. Office of the Mayor
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14. Office of the Sangguniang Bayan
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15. Office of the Mayor
Guagua, Pampanga
16. Office of the Sangguniang Bayan
Guagua, Pampanga
17. Office of the Mayor
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18. Office of the Sangguniang Bayan
Lubao, Pampanga
19. Office of the Mayor
Porac, Pampanga
20. Office of the Sangguniang Bayan
Porac, Pampanga
21. Office of the Mayor
Sasmuan, Pampanga
22. Office of the Sangguniang Bayan
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23. Office of the Mayor
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24. Office of the Sangguniang Bayan
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25. Office of the Governor
Province of Rizal
26. Office of the Sangguniang Panlalawigan
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