

REPUBLIC OF THE PHILIPPINES  
ENERGY REGULATORY COMMISSION  
Exquadra Tower, Jade Drive, Ortigas Center, Pasig City

IN THE MATTER OF THE  
APPLICATION FOR THE  
APPROVAL OF POWER SUPPLY  
AGREEMENT BETWEEN TARLAC  
ELECTRIC INC. (TEI) AND STO.  
NIÑO SOLAR POWER  
CORPORATION (SNSPC) WITH  
PRAYER FOR THE  
CONFIDENTIAL TREATMENT OF  
CERTAIN DOCUMENTS

ERC Case No. 2026-081RC

TARLAC ELECTRIC INC. (TEI)  
AND STO. NIÑO SOLAR POWER  
CORPORATION (SNSPC),

June 01, 2026

**Applicants.**

X ----- X

**JOINT APPLICATION**

**APPLICANTS TEI and SNSPC**, through their respective counsels, unto this Honorable Commission, respectfully alleges:

1. Applicant **TEI** is a Distribution Utility duly organized and existing under Philippine law with main office address at Mabini Street, Brgy. Mabini, Tarlac City; franchised under R.A. No. 10795 to construct, operate and maintain an electric light, heat and power in Tarlac City; and is represented here by its President and General Manager, **VITUS M. ROMERO**.
2. Applicant **SNSPC** is a corporation duly organized and existing under Philippine law with main office address at Sinait-Sto. Niño Road, Barangay Sto. Niño, Tarlac City, that will develop, own and operate the 9.6MWac **Sinait Solar Power Project**, located at Sinait-Sto. Niño Road, Brgy. Sinait, Tarlac City; and is represented here by its Operations Manager, **Engr. Gilbert Mar J. Soliman**.
3. This application seeks the Commission's approval of the proposed **Renewable Energy Supply Agreement (RESA)** executed on 17 April 2026 between TEI and SNSPC for the intermittent supply of renewable energy for a term of 20 contract years, or 240 billing months, commencing on 26 September 2026.

4. The nominated PV plant is embedded to TEI's Distribution System. The contract capacity is more particularly described as follows:

Contract Year	Contract Capacity (kW)	Contract Year	Contract Capacity (kW)
1	9,550	11	9,550
2	9,550	12	9,550
3	9,550	13	9,550
4	9,550	14	9,550
5	9,550	15	9,550
6	9,550	16	9,550
7	9,550	17	9,550
8	9,550	18	9,550
9	9,550	19	9,550
10	9,550	20	9,550

5. As the nominated plant uses a renewable energy resource embedded to TEI's Distribution System, and the contract capacity does not exceed 10MW, the proposed **Renewable Energy Supply Agreement** falls within the exceptions from undergoing a Competitive Selection Process (CSP) provided in under Section 2.3.4 of DOE Circular No. DC 2023-06-0021, and Appendix A of ERC Resolution No. 16, Series of 2023 on Compliance Parameters for CSP Exceptions.
6. The Contract Price of the proposed **Renewable Energy Supply Agreement** is P5.1547/kWh which *shall be fixed throughout the entire term of the contract*.
7. SNPC shall extend a *Prompt Payment Discount of **one percent (1%)*** on the invoiced amount in favor of TEI; provided, payment is made in full on or before the 10<sup>th</sup> day from receipt of the invoice and TEI is up to date with all its obligations under the Agreement.

8. Using TEI's forecasted average blended generation charge for 2027, a rate impact simulation of the proposed PSA showed a potential reduction of **Php0.0013/kWh** in the Generation Charge, to wit:

TARLAC ELECTRIC INC.  
Rate Impact  
Breakdown of Generation Cost

Forecasted - w/o SNSPC (2027)	% of Total kWh Purchased	kWh Purchased	Generation Cost	Average Generation Cost (Php/kWh)
GNPower Mariveles Energy Center Ltd. (Bilateral Contract)	62.77%	285,982,672.32	1,621,649,387.02	6.3698
Trust Power Corporation (Bilateral Contract)	6.73%	30,642,715.65	161,707,739.03	5.2772
Sual Power Inc (Bilateral Contract)	19.23%	87,600,000.00	412,596,000.00	4.7100
WESM	10.45%	47,620,202.13	342,726,366.08	7.1971
Net-metering	0.83%	3,759,144.94	22,512,241.23	5.9887
Others:				
Prompt Payment Discount 50%			(20,222,616.40)	(0.0444)
Pilferage Recoveries			(16,737.47)	(0.0000)
Pass Through REC Cost				
<b>Total</b>	<b>100%</b>	<b>455,604,735.04</b>	<b>2,740,651,379.47</b>	<b>6.0161</b>

Forecasted - w/ SNSPC (2027)	% of Total kWh Purchased	kWh Purchased	Generation Cost	Average Generation Cost (Php/kWh)
GNPower Mariveles Energy Center Ltd. (Bilateral Contract)	62.77%	285,982,672.32	1,821,661,475.16	6.3698
Trust Power Corporation (Bilateral Contract)	6.73%	30,642,715.65	161,707,739.03	5.2772
Sual Power Inc (Bilateral Contract)	19.23%	87,600,000.00	412,596,000.00	4.7100
Sto. Niño Solar Power Corporation (Bilateral Contract)	0.14%	649,321.78	3,347,058.82	5.1547
WESM	10.31%	46,970,880.38	338,797,173.43	7.2129
Net-metering	0.83%	3,759,144.94	22,507,088.85	5.9873
Others:				
Prompt Payment Discount 50%			(20,239,551.21)	(0.0444)
Pilferage Recoveries			(16,737.47)	(0.0000)
Pass Through REC Cost				
<b>Total</b>	<b>100%</b>	<b>455,604,735.04</b>	<b>2,740,350,446.63</b>	<b>6.0145</b>

ESTIMATED RATE IMPACT (0.0013)

9. The proposed **Renewable Energy Supply Agreement** will not result in over-contracting as the forecast Captive Market's annual energy requirements still far exceed TEI's contracted power supply portfolio, to wit:

Particulars	ERC Case No.	Current Year	2	3	4	5
		2026	2027	2028	2029	2030
Captive Market Annual Energy Requirement (kWh)		431,466,908	440,585,013	450,482,661	459,714,146	469,626,998
GMEC (Coal)	2007-121 RC	291,196,862	292,055,266	235,059,840	39,583,248	0
TPC (Bunker-C)	2008-060 RC	5,426,366	0	0	0	0
TrustPower (Solar)	2026-001 RC	30,788,187	30,788,187	30,788,187	30,788,187	30,788,187
SPI (Coal)	2026-048 RC		87,600,000	131,760,000	175,200,000	175,200,000
SNSPC	For Prefiling	3,285,000	13,140,000	13,140,000	13,140,000	13,140,000
<b>Total</b>		<b>330,696,415</b>	<b>423,583,453</b>	<b>410,748,027</b>	<b>258,711,435</b>	<b>219,128,187</b>
Surplus/(Deficit)		(100,770,493)	(17,001,559)	(39,734,634)	(201,002,711)	(250,498,811)
Ratio of Contracts to Captive Market Annual Energy Requirements (%)		76.64%	96.14%	91.18%	56.28%	46.66%

Particulars	ERC Case No.	6	7	8	9	10
		2031	2032	2033	2034	2035
Captive Market Annual Energy Requirement (kWh)		480,154,704	490,819,483	501,823,741	513,053,893	524,608,042
GMEC (Coal)	2007-121 RC	0	0	0	0	0
IPC (Bunker-C)	2008-060 RC	0	0	0	0	0
TrustPower (Solar)	2026-001 RC	30,788,187	30,788,187	30,788,187	30,788,187	30,788,187
SPI (Coal)	2026-048 RC	175,200,000	219,600,000	219,000,000	219,000,000	219,000,000
SNSPC	For Prefiling	13,140,000	13,140,000	13,140,000	13,140,000	13,140,000
Total		219,128,187	263,528,187	262,928,187	262,928,187	262,928,187
Surplus/(Deficit)		(261,026,517)	(227,291,296)	(238,895,554)	(250,125,706)	(261,679,855)
Ratio of Contracts to Captive Market Annual Energy Requirements (%)		45.64%	53.69%	52.39%	51.25%	50.12%

Particulars	ERC Case No.	11	12	13	14	15
		2036	2037	2038	2039	2040
Captive Market Annual Energy Requirement (kWh)		536,126,137	547,897,119	559,926,540	572,220,075	584,783,522
GMEC (Coal)	2007-121 RC	0	0	0	0	0
IPC (Bunker-C)	2008-060 RC	0	0	0	0	0
TrustPower (Solar)	2026-001 RC	0	0	0	0	0
SPI (Coal)	2026-048 RC	219,600,000	219,000,000	219,000,000	219,000,000	219,600,000
SNSPC	For Prefiling	13,140,000	13,140,000	13,140,000	13,140,000	13,140,000
Total		232,740,000	232,140,000	232,140,000	232,140,000	232,740,000
Surplus/(Deficit)		(303,386,137)	(315,757,119)	(327,786,540)	(340,080,075)	(352,043,522)
Ratio of Contracts to Captive Market Annual Energy Requirements (%)		43.41%	42.37%	41.46%	40.57%	39.80%

Particulars	ERC Case No.	16	17	18	19	20
		2041	2042	2043	2044	2045
Captive Market Annual Energy Requirement (kWh)		597,622,807	610,743,987	624,153,250	637,856,922	651,861,467
GMEC (Coal)	2007-121 RC	0	0	0	0	0
IPC (Bunker-C)	2008-060 RC	0	0	0	0	0
TrustPower (Solar)	2026-001 RC	0	0	0	0	0
SPI (Coal)	2026-048 RC	219,000,000	219,000,000	219,000,000	219,000,000	219,000,000
SNSPC	For Prefiling	13,140,000	13,140,000	13,140,000	13,140,000	13,140,000
Total		232,140,000	232,140,000	232,140,000	232,140,000	232,140,000
Surplus/(Deficit)		(365,482,807)	(378,603,987)	(392,013,250)	(405,716,922)	(419,721,467)
Ratio of Contracts to Captive Market Annual Energy Requirements (%)		38.84%	38.01%	37.19%	36.39%	35.61%

10. Applicants TEI and SNSPC submit the following documents in support of this application:

Annex	Supporting Documents
1	<u>TEI-SNSPC RE Supply Agreement</u>
2	<u>02.1 - TEI AOI, ByLaws &amp; GIS</u> <u>02.2 – SNSPC AOI, By-Laws &amp; GIS</u>
3	3.A. <u>TEI Load Curve</u> 3.B. <u>TEI Supply-Demand Scenario (pdf)</u> 3.B. <u>TEI Supply Demand-Demand Scenario (excel)</u> 3.C. <u>TEI DDP</u> 3.D. <u>TEI PSPP</u> 3.E. <u>SNSPC Site Layout</u> 3.F. <u>SNSPC Site Vicinity Map</u> 3.G. <u>SNSPC Single Line Diagram</u> 3.H. <u>SNSPC Site Development Plan</u>
4	Generation Rate and Derivation:  A. <u>Financial model rate derivation (password protected)</u> B. <u>Financial pro forma 20 years (password protected)</u> C. <u>Rate Impact Analysis</u>
5	<u>SNSPC Affidavit - No COC Explanation</u>
6	<u>TEI WESM Membership</u> <u>SNSPC Not Applicable Write-up – WESM Membership</u>
7	A. <u>TEI Authority to Execute RESA</u> B. <u>TEI Not Applicable Document (COE-GET)</u> C. <u>Distribution Impact Study (DIS)</u> D. <u>Distribution Asset Study (DAS)</u> E. <u>TEI Not Applicable Document (Off-grid NPP)</u> F. <u>SNSPC Affidavit of CSP Exception</u>
8	A. <u>SNSPC Latest AFS</u> B. <u>SNSPC Complete Set of Filed AFS</u>
9	A. <u>TEI Directors</u> B. <u>SNSPC Directors</u>
10	<u>SNSPC Not Applicable Document (Shareholder's Agreement)</u>
11	<u>TEI Potential CCs and GEOP End-users.pdf</u>
12	<u>SNSPC BOI Certificate of Registration</u>

13	<u>SNSPC Environmental Compliance Certificate (ECC)</u>
14	<u>SNSPC Explanation DOE Certificate of Endorsement</u>
15	<u>SNSPC Solar Energy Operating Contract (SEOC)</u> <u>SNSPC Undertaking to Submit DOE Certificate of Commerciality</u>
16	<u>TEI Not Applicable Document (DWSA)</u>
17	<u>SNSPC Not Applicable Document (Water Permit)</u>
18	<u>TEI Not Applicable Document (GEAP)</u>
19	Copy of Related Agreements- A. <u>TEI Connection Agreement (Embedded RE Facilities)</u> A. <u>TEI-NGCP TSA &amp; MSA</u> B. <u>SNSPC Not Applicable Write-up (IPPA)</u> C. <u>SNSPC EPC Contract</u> D. <u>SNSPC O&amp;M Proposal</u> E. <u>SNSPC Project Feasibility Study</u> F. <u>SNSPC Not Applicable Document -WA Agreement</u> G. <u>SNSPC Not Applicable Document - Rental Agreement</u>
20	<u>SNSPC Not Applicable Document (Fuel procurement process)</u>
21	<u>SNSPC Not Applicable Document (Competitive fuel procurement, transshipment, etc.)</u>
22	A. <u>Debt-Equity Ratio (password protected)</u> B. <u>Project Cost (password protected)</u> C. <u>Computation of WACC (password protected)</u> D. <u>Certification from Bank Lending Institution (password protected)</u> E. <u>Computation of Levelized Cost (password protected)</u> F. <u>Bank Certification of Long-Term Loan (password protected)</u>
23	Generation Rate and Derivation: A. <u>Breakdown of base prices, Capital Recovery Fee and O&amp;M Fee (password protected)</u> B. <u>Breakdown of Project Cost (password protected)</u> C. <u>SNSPC Not Applicable Documents - Indexation Clause</u> D. <u>SNSPC Not Applicable Document - Escalation Clause</u> E. <u>SNSPC Not Applicable Documents - Other Charges</u>

	F. <u>SNSPC Not Applicable Document – FX denominated rates</u>
24	A. <u>Initial Cash Flow (password protected)</u> B. <u>Breakdown of O &amp; M Expenses (password protected)</u>
25	<u>SNSPC’s relevant technical and economic characteristics of the generation capacity, installed capacity, mode of operation, dependable capacity, auxiliary load, scheduled and unscheduled outages, basis/justification of day used</u>
26	<u>SNSPC Not Applicable Document – Net Heat Rate, MEOT</u>

**MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION**

11. Under ERC’s Revised Rules of Practice and Procedure, a party may request that certain information not be disclosed and be treated as confidential<sup>1</sup>. Pursuant thereto, Applicant SNSPC pray for the confidential treatment of information contained in the following annexes:

<b>Annex</b>	<b>Document Description/Information</b>
4	Generation Rate and Derivation: A. <u>Financial model rate derivation (password protected)</u> B. <u>Financial pro forma 20 years (password protected)</u>
22	A. <u>Debt-Equity Ratio (password protected)</u> B. <u>Project Cost (password protected)</u> C. <u>Computation of WACC (password protected)</u> D. <u>Certification from Bank Lending Institution (password protected)</u> E. <u>Computation of Levelized Cost (password protected)</u>
23	A. <u>Breakdown of base prices, Capital Recovery Fee and O&amp;M Fee (password protected)</u> B. <u>Breakdown of Project Cost (password protected)</u>
24	A. <u>Initial Cash Flow (password protected)</u> B. <u>Breakdown of O &amp; M Expenses (password protected)</u>

<sup>1</sup> Section 1, Rule 4, Revised Rules of Practice and Procedure of the ERC Resolution No. 01, series of 2021

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12. These annexes contain details concerning the financial plans and power rate calculations of SNSPC as well as the manner and details by which these rates were derived. The subject information is proprietary in nature and should be protected as trade secrets as contemplated by law and jurisprudence.
13. The interest of the public is sufficiently protected by the review and evaluation of the rates without the need to disclose the contents these Annexes. The reasonableness and transparency of power supply rates is to be assured by the Honorable Commission through its own review and verification of SNSPC's generation costs.
14. More importantly, competitors of SNSPC may gain undue advantage should they gain access to these confidential documents to the prejudice of SNSPC.
15. Applicant SNSPC submit one (1) copy of the confidential documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential".<sup>2</sup>
16. Further, Applicant SNSPC would like to implore the discerning wisdom of the Honorable Commission to include in its issuance for this purpose the *"procedures for the handling or returning the confidential information, as appropriate, upon the close of the proceedings or at the end of the period provided in this Rule"*.
17. This is guided by the fact that Applicant SNSPC will seek the return of these sought to be declared confidential annexes after its utilization as evidence in this case or at the close of the proceedings hereof, so as to relieve the Honorable Commission of the burden of safekeeping the trade secrets of SNSPC enclosed in the subject annexes.

#### **PRAYER**

**WHEREFORE**, applicants TEI and SNSPC respectfully pray for the ***provisional or final approval*** of the proposed Renewable Energy Supply Agreement executed between TEI and SNSPC.

Applicant SNSPC further pray for the confidential treatment of the following documents:

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<sup>2</sup> Soft copies of the same to be provided to this Honorable Commission are password protected.

Annex	Document Description/Information
4	Generation Rate and Derivation: A. <u>Financial model rate derivation</u> (password protected) B. <u>Financial pro forma 20 years</u> (password protected)
22	A. <u>Debt-Equity Ratio</u> (password protected) B. <u>Project Cost</u> (password protected) C. <u>Computation of WACC</u> (password protected) D. <u>Certification from Bank Lending Institution</u> (password protected) E. <u>Computation of Levelized Cost</u> (password protected)
23	A. <u>Breakdown of base prices, Capital Recovery Fee and O&amp;M Fee</u> (password protected) B. <u>Breakdown of Project Cost</u> (password protected)
24	A. <u>Initial Cash Flow</u> (password protected) B. <u>Breakdown of O &amp; M Expenses</u> (password protected)

Finally, applicants TEI and SNSPC pray for such other relief or remedy as may be just and equitable under the circumstances.

**RESPECTFULLY SUBMITTED** this 5<sup>th</sup> day of May 2026 at Pasig City.



**Ranu O M. Ocampo**  
**Counsel for TEI and SNSPC**

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 PTR No. 10434217 / 06 January 2026 / Marikina City | MCLE No. VIII-0010986 valid until 14 April 2028  
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 Roll No. 33872 | IBP Lifetime No. 014284 | ERC Registration ER No. 2022-0481-3