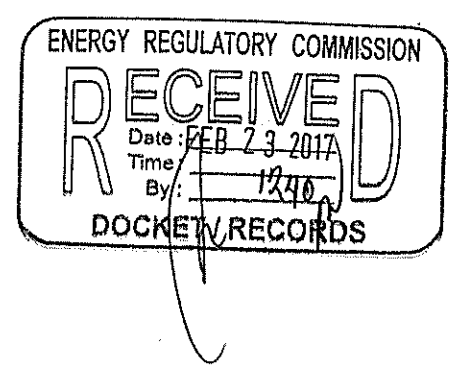


Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
San Miguel Avenue, Pasig City

**IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN MANILA ELECTRIC COMPANY (MERALCO) AND POWERSOURCE FIRST BULACAN SOLAR, INC. (PFBS), WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION**



2017-012  
ERC CASE NO. 2017-\_\_ RC

**MANILA ELECTRIC COMPANY (MERALCO) AND POWERSOURCE FIRST BULACAN SOLAR, INC. (PFBS),**  
*Applicants.*

X-----X

**JOINT APPLICATION  
with  
MOTION FOR CONFIDENTIAL TREATMENT OF  
INFORMATION**

Applicants **MANILA ELECTRIC COMPANY ("MERALCO")** and **POWERSOURCE FIRST BULACAN SOLAR, INC. ("PFBS")**, through their respective undersigned counsel, respectfully state:

1. Applicant MERALCO is a private corporation existing under the laws of the Republic of the Philippines, with principal office located at Lopez Building, Meralco Center, Ortigas Avenue, Pasig City. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated herein.
2. MERALCO has a legislative franchise to operate and maintain a distribution system in the cities/municipalities of Metro

Manila, Bulacan, Cavite and Rizal and certain cities/municipalities/barangays in Batangas, Laguna, Quezon and Pampanga, pursuant to Republic Act No. 9209, and is authorized to charge all its customers for their electric consumption at the rates approved by the Honorable Commission.

3. Applicant PFBS is a corporation duly organized and existing under the laws of the Republic of the Philippines, with its principal office address at 10<sup>th</sup> Floor, The Athenaeum Building, 160 L.P. Leviste Street, Salcedo Village, Makati City. It may be served with notices and other processes of this Honorable Commission through its counsel at the address indicated herein.

4. PFBS shall construct, own, operate, manage and maintain a solar power plant located in the Municipality of San Miguel, Bulacan, or an alternative site embedded within MERALCO's franchise area capable of supplying 50 MW (AC, net).

5. Based on the power situation outlook for 2017 and succeeding years, MERALCO foresees a peaking capacity deficit in its portfolio, especially for the summer months, due to the expected high demand as well as possible occurrences of scheduled maintenance shutdowns and forced outage of power plants. Moreover, based on MERALCO's Distribution Development Plan, from 2015 to 2024, MERALCO's aggregate capacity requirement is forecasted to grow by a compounded average growth rate of 3.7%.

6. In order to ensure continuous & reliable electricity for MERALCO's customers, there is a need for MERALCO to source additional peaking capacity through bilateral power supply contracts.

7. Under Section 45(b) of Republic Act No. 9136 (EPIRA), it is provided that "*Distribution utilities may enter into bilateral power supply contracts subject to review by the ERC xxx*".

8. Accordingly, following extensive negotiations and the conduct of a competitive selection process, on 22 December 2016, MERALCO executed a Power Supply Agreement ("**PSA**") with PFBS, for the purchase of up to 50 MW (AC, net) from a proposed solar plant site located in the Municipality of San Miguel, Bulacan, or an alternative site embedded within MERALCO's franchise area. The conduct of the competitive selection process proceeded as follows:

8.1. On 23 September 2016, MERALCO caused the publication of an Invitation for Price Challenge, which contained the basic terms of reference and conditions of the proposal of PFBS, as well as a summary of the process and timelines of the Price Challenge process, while inviting power generation companies to submit better tariff proposals on or before the timelines set out in the said invitation. At the same time, MERALCO caused the posting thereof on its website.

8.2. On 14 November 2016, MERALCO's Power Supply Agreements Bids and Awards Committee ("**PSA BAC**") sent a letter-notice to PFBS and a qualified price challenger, 7 Balboa Energy Holdings, Inc. ("**7 Balboa**"), informing them that the proposed energy price of PhP 4.69/kWh submitted by qualified price challenger 7 Balboa was found to be the best bid. The said letter-notice also explained that PFBS, as the original power supplier proponent, has the right to match the proposed energy price of 7 Balboa within five (5) days from receipt of the letter-notice.

8.3. On 18 November 2016, PFBS sent a letter-notice to MERALCO that it is exercising its right to match the proposed energy price of PhP 4.69/kWh. Thus, MERALCO awarded the PSA to PFBS.

9. The PSA between MERALCO and PFBS, a copy of which is attached as **ANNEX "A"** and made an integral part hereof, contains the following salient features:

"2.1. *Term of Agreement.* The Agreement shall commence on Effective Date and shall remain in full force and effect until the last day of the twentieth (20th) Contract Year, unless otherwise extended in accordance with Section 2.2 below or earlier terminated in accordance with this Agreement (the "Term"); provided, that Section 5.1 (Regulatory Approvals), Section 11.4 (Liquidated Damages), Article 12 (Miscellaneous), Article 13 (Dispute Resolution), and Article 14 (Termination) shall be effective upon Meralco's issuance of a notice of award to Power Supplier as the winning power supplier after the conduct of a competitive selection process; provided further, that the obligations of Power Supplier and Meralco under this Agreement with respect to sale and purchase of the Product shall be for a duration of twenty (20) years from Commercial Operations Date; xxx.

xxx xxx xxx

3.2. *Commencement Date.* The "**Commencement Date**" shall occur upon the satisfaction of the conditions below:

- (a) The conditions set out in Section 3.1. have been fulfilled;
- (b) Each Party has delivered to the other Party a certification dated no earlier than two (2) Days prior to the proposed Commencement Date to the effect that its representations and warranties contained herein shall be true and correct in all material respects on and as of the Commencement Date; and
- (c) On or before the Longstop Date, (i) the ERC shall have issued an ERC Final Approval, including the pricing structure as set out herein (or as otherwise acceptable to Power Supplier), and (ii) the Acceptance Date has occurred.

Within seven (7) Days after the satisfaction of the conditions referred to in this Section 3.2, Meralco and Power Supplier shall issue a joint certification confirming that the Commencement Date has occurred.

3.3 *Scheduled Commercial Operations Date.* Power Supplier covenants that the Plant shall achieve Commercial Operations Date in August 2018 (the "Scheduled Commercial Operations Date"), provided, that, if Power Supplier foresees that it will be able to achieve Commercial Operations Date at an earlier date, it may give six (6) months prior notice thereof to Meralco and Meralco may consent to the adjustment of the Scheduled Commercial Operations Date, which consent shall not be unreasonably withheld.

xxx    xxx    xxx

3.4 *Excused Delay.* In the event that Power Supplier (or any contractor of Power Supplier) has, after the Commencement Date, experienced a delay in designing, constructing, testing or commissioning the Plant or any part thereof (the "Excused Delay Event–Power Supplier"); or Meralco cannot receive the Product (the "Excused Delay Event–Meralco"), in either case as a result or to the extent of any of the following (collectively, "Excused Delay Event"):

- (a) any action or inaction or delay in action of any Governmental Authority; or
- (b) the occurrence of an event of Force Majeure,

then the Scheduled Commercial Operations Date shall be extended, Day for Day, by the same period that any Excused Delay Event subsists; provided that the affected Party has exerted due diligence in achieving Commercial Operations Date according to the original Scheduled Commercial Operations Date and has no contributory negligence with respect to any Excused Delay Event; and provided further, that any such extension or relief (whether occurring before or after the Commercial Operations Date) shall not exceed one

hundred eighty (180) Days (the "Excused Delay Limit"). For the avoidance of doubt, for an Excused Delay Event–Power Supplier and/or an Excused Delay Event–Meralco, it shall give rise to separate and distinct Excused Delay Limits.

3.4.1 In the case of an Excused Delay Event–Power Supplier, Power Supplier may, at its sole and exclusive option, extend the Excused Delay Limit for an additional period of ninety (90) Days on the condition that it provides Replacement Energy to Meralco at the WESM price or Contract Price, whichever is lower, during the period beyond the Excused Delay Limit.

From and after the lapse of the (i) Scheduled Commercial Operations Date, or (ii) Excused Delay Limit, or any extension thereof at the option of Power Supplier for an Excused Delay Event–Power Supplier, as applicable, either Party shall have the right to terminate this Agreement, in which case the Performance Security shall be forfeited in favor of Meralco. For the avoidance of doubt, Meralco shall have no liability whatsoever to Power Supplier in case Power Supplier exercises its termination right under this Section.

3.4.2 If Power Supplier fails to provide Replacement Energy as contemplated in Section 3.4.1, Meralco will be deemed to have sourced the Replacement Energy, subject to reimbursement by Power Supplier of the difference between (i) the price of Replacement Energy and (ii) the Contract Price. xxx

xxx xxx xxx

5.2. Upon receipt of the ERC Final Approval, Meralco shall provide a copy of such ERC Final Approval to Power Supplier. Power Supplier shall have ten (10) Business Days from the date of receipt from MERALCO of such ERC Final Approval to notify Meralco in writing that (i) it accepts such ERC Final Approval or (ii) it does not accept the ERC Final Approval, stating the grounds for non-acceptance.

5.3. In case of Power Supplier's non-acceptance, Power Supplier shall be free to: (i) file with the ERC a motion for reconsideration or (ii) terminate this Agreement upon sixty (60) days prior written notice to Meralco; provided that, any order on a motion for reconsideration shall be treated as an ERC Final Approval for purposes of the processes under this Article 5; provided further that, if the motion for reconsideration is denied by the ERC, or granted by the ERC but still with any material term or condition that is not acceptable to Power Supplier, Power Supplier may terminate this Agreement upon sixty (60) days prior written notice to Meralco.

xxx xxx xxx

## 6. **OBLIGATIONS, DELIVERIES & CONTRACT PRICE**

6.1. *Obligations of the Parties.* Subject to the terms and conditions of this Agreement, Power Supplier shall sell and deliver, and Meralco shall pay for, the Product up to the Maximum Hourly Generation, at the Contract Price.

Power Supplier shall, at all times from Commissioning, ensure compliance with terms and conditions under its interconnection, metering and other agreements necessary for the performance of its obligations hereunder.

Unless otherwise expressly stipulated herein, Power Supplier shall not sell and deliver power from the Plant to any third party during the term of this Agreement.

6.2. *Take and Pay Contract.* Subject to circumstances of Force Majeure under this Agreement and Section 6.9 (Excess Energy), Meralco shall accept all electric energy deliveries from Power Supplier up to the Maximum Hourly Generation and Meralco shall pay the corresponding Contract Price for all electric energy (in kWh or MWh) declared by Power Supplier at the WESM for Meralco, which quantity shall be based on the readings of Meralco's Billing Meter.

6.3. *Contract Price.* The Contract Price is PhP 4.69 per kWh, subject to two percent (2%) annual escalation, provided, that the Franchise and Benefits to Host Communities Charge, if any, shall not form part of and is excluded from the computation of the Contract Price. For avoidance of doubt, all taxes pertaining to Power Supplier, including but not limited to the FBHC charge, shall be shouldered by, and be for the sole account of, Power Supplier. Any violation of this Section shall be a ground for termination of this Agreement upon prior notice.

xxx

6.6. *Extension of Term due to Failure to Receive Energy Deliveries.* Except as provided in Section 6.7 (Force Majeure), the failure by Meralco to receive energy deliveries for a continuous period of twenty-four (24) hours as a result of unscheduled maintenance, or an extension of a scheduled maintenance, of Meralco's distribution facilities shall result in the adjustment or extension of the Term of this Agreement equivalent to the aggregate period for which Meralco failed to receive such energy deliveries; provided, that in no event shall such extension of the Term of this Agreement be less than a Day or the aggregate period of such extension exceed One Hundred Eighty (180) Days; xxx

xxx

6.9. *Excess Energy.* In the event Power Supplier is able to generate electric energy in excess of MHG, Meralco shall accept the same to the extent of ten percent (10%) above the MHG at fifty percent (50%) of the Contract Price ("Excess Energy Charge"). Electric energy in excess of the initial ten percent (10%) above the MHG shall be taken by Meralco at the Excess Energy Charge or WESM price, whichever is lower.

xxx xxx xxx

## 8. **ASSIGNMENT OR TRANSFER OF PRODUCT**

8.1. Subject to existing laws and rules and regulations, Meralco shall be entitled to assign, transfer, designate, delegate or allocate (collectively in this context, "Transfer") its rights and obligations to purchase a portion of the Product that is no longer required by Meralco to any of its business segments or wholly-owned Affiliates without the prior consent of Power Supplier.

Meralco shall also be entitled to Transfer its rights and obligations to purchase a portion of the Product that is no longer required by Meralco to any other Person, subject to the consent of Power Supplier, which consent shall not be unreasonably withheld, delayed or conditioned, it being understood that withholding consent would not be considered unreasonable if the proposed Transfer would be contrary to existing laws and rules and regulations and/or the reasonable requirements of Finance Parties under the Finance Documents, as evidenced by a written confirmation by the relevant Finance Parties. xxx

Meralco shall endeavor to cooperate with Power Supplier by providing documents and information in relation to the Transfer as may be reasonably required by the Finance Parties.

xxx

8.3. *Reduction in the Product.* Meralco shall, from time to time, be entitled to a reduction in Product (the "Reduction in Product") equivalent to the reduction in the demand of its captive customers by reason of the enforcement of Retail Competition and Open Access, Renewable Energy Law and other Applicable Laws. For this purpose, Meralco shall give a written notice to Power Supplier of such reduction at least five (5) Days prior to the first day of the next Billing Period or by such date as would be sufficient for timely notice to WESM of such change. Upon receipt by Power Supplier of such written notice, Meralco shall cease to have any rights and obligations under this Agreement in respect of such Reduction in Product.

xxx xxx xxx

9.3. *WESM and Line Rental Charges.* All WESM charges attributable to Power Supplier (e.g., WESM Market Fees) are not to be passed on to Meralco. Line rental charges in excess of PhP 0.20 per kWh, reckoned on a monthly basis, shall be for the account of Power Supplier.

xxx xxx xxx

12.7. *Change in Circumstances.* The Parties shall faithfully perform all their obligations in accordance with the provisions of this Agreement as well as the Applicable Laws and ERC rules and regulations. In case of any amendment, modification or change in Applicable Laws or the ERC rules and regulations after the date of this Agreement, or any decision or order by any court or government agency which provides for a new or change in the interpretation of Applicable Laws and ERC rules and regulations that would prevent either or both Parties from performing or continuing to perform their

obligations under this Agreement, or would cause irreparable damage or would adversely affect the financial viability of either Party, the Parties shall meet and negotiate in good faith within ten (10) days from the effectivity of said amendment, modification, or change or issuance of decision or order, to mutually address and agree on appropriate solutions to the problem. Failure to arrive at a solution within sixty (60) days from commencement of negotiations in accordance with this Section shall be a ground for termination of this Agreement upon prior notice.

For the avoidance of doubt, neither Party shall utilize battery storage in a manner that may affect the rights and obligations of the Parties under this Agreement without prior notice and agreement of the other Party. For this purpose, the use of battery storage shall be deemed a Change in Circumstance.

XXX XXX XXX

#### 14. TERMINATION

The Party not in Material Breach may terminate the Agreement, upon sixty (60) days prior written notice to the other Party, for any Material Breach that remains unremedied after ninety (90) days (the "**Curing Period**"), subject to Section 11.4 (Liquidated Damages). During such Curing Period, in the event of Material Breach on the part of Power Supplier, Power Supplier shall deliver Replacement Energy to Meralco at the WESM price or Contract Price, whichever is lower, if Power Supplier is unable to supply the Product from the Plant; while in the event of Material Breach on the part of Meralco, Power Supplier may opt to sell the Product to WESM or third parties, subject to existing ERC rules and regulations.

10. Based on the foregoing, given a certain set of assumptions, the annual effective rate under the PSA is PhP4.69 per kWh (at plant gate), as shown in the rate impact analysis below:

**PowerSource First Bulacan Solar (PFBS) PSA - Rate Impact**  
(YEAR 2019)

BILLING COMPONENT	UNIT	BASE RATE <sup>(a)</sup>	BILLING DETERMINANT <sup>(b)</sup>	AMOUNT (PHP)
Energy Payment				
Contract Price	(Php/kWh)	4.6900	98,550,000 (kWh)	462,199,500.00
<b>TOTAL PAYMENT</b>	(Php)			<b>462,199,500.00</b>
<b>Effective Rate at Plant Gate</b>	(Php/kWh)			<b>4.6900</b>
WESM Line Rental Rate <sup>(c)</sup>	(Php/kWh)			0.2000
<b>Delivered Rate</b>	(Php/kWh)			<b>4.8900</b>
Effective Cost at WESM Price <sup>(d)</sup>	(Php/kWh)			10.5607
Increase / (Decrease) over WESM Price	(Php/kWh)			(5.6707)
Meralco Captive Energy Demand <sup>(e)</sup>	(kWh)			32,542,800,085
Increase / (Decrease) in Generation Cost	(Php)			(558,847,443.54)
<b>Increase / (Decrease) in Generation Cost</b>	(Php/kWh)			<b>(0.0172)</b>

**Assumptions:**

<sup>(a)</sup> Base Rates as set forth in Schedule 1 of the PSA

<sup>(b)</sup> Energy billing determinant based on 50,000 kW contract capacity and 22.50% capacity factor

<sup>(c)</sup> Line Rental rate for PFBS is based on maximum allowable value as stated in the PSA

<sup>(d)</sup> Cost if equivalent volume of PFBS was sourced from the WESM based on forecast weighted average of Jan - Dec 2019 hourly prices from 7am to 5pm

<sup>(e)</sup> Meralco Captive Energy Demand based on forecast for 2019



11. Also, as seen in the rate impact above, given a similar set of assumptions, the simulated delivered price under the PSA would be PhP4.89 per kWh, resulting in a reduction of MERALCO's generation charge by about PhP0.0172 per kWh.

12. It bears emphasis that, as previously mentioned, based on MERALCO's foreseen high demand during the summer months of 2017 and succeeding years, there is an urgent need for the final approval of the PSA considering a significant peaking capacity deficit, as well as possible occurrences of scheduled maintenance shutdowns and forced outage of power plants.

13. Verily, this Honorable Commission's approval of the PSA will send strong signals to renewable or solar energy generation projects in the Philippines, and thus, set the pace for infusion of similar investments by the private sector.

14. In support of this Joint Application, the Judicial Affidavit of **MR. CIPRINILO C. MENESES**, Head of MERALCO's Energy Sourcing Office, is attached hereto as **ANNEX "B."**

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

Description of Document	Annex
MERALCO's Articles of Incorporation	<b>C</b>
MERALCO's By-Laws	<b>D</b>
MERALCO's latest General Information Sheet	<b>E</b>
Demand Side Management program of MERALCO	<b>F</b>
Distribution Development Plan of MERALCO; with MERALCO's Average Daily Load Curve scenarios; and MERALCO's Supply and Demand Scenario*	<b>G</b> <b>G-1</b> <b>G-2*</b>
Documentation on the Details of the Procurement Process / Competitive Selection Process (CSP)	<b>H and series</b>
PFBS Articles of Incorporation	<b>I-1</b>
PFBS By-Laws	<b>I-2</b>
PFBS Securities and Exchange Commission Certificate of Registration	<b>J</b>

PFBS latest General Information Sheet	<b>K</b>
Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources (DENR)	<b>L</b>
Renewable Energy Service Contract	<b>M</b>
Details of the PSA*	<b>N*</b>
All relevant technical and economic characteristics of the generation capacity*	<b>O*</b>
All cost analysis related to the generation in support of the proposed pricing provisions of the Contract*	<b>P*</b>
<b>Written Explanation regarding:</b>	
Shareholders' Agreement	<b>Q</b>
Document showing information related to the Ultimate Parent Company, its subsidiaries and all its affiliates	<b>Q-1</b>
Board of Investment (BOI) Certificate of Registration with attached Terms and Conditions	<b>Q-2</b>
Certificate of Compliance (COC) issued by the Energy Regulatory Commission pursuant to the Guidelines for the issuance of COC for Generation Companies/Facilities	<b>Q-3</b>
Certification from the Department of Energy (DOE) regarding Philippine Development Plan (PDP) or Certificate of Endorsement (CoE)	<b>Q-4</b>
Certificate of Registration or Certificate of Confirmation of Commerciality by an RE Developer and after due confirmation by the DOE	<b>Q-5</b>
Details regarding transmission projects or grid connection projects necessary to complement the proposed generation capacity; Identification of the parties that will develop and/or own facilities; any cost related to such project; and specification of the parties responsible for recovery of any costs related to such projects	<b>Q-6</b>
Copy of Related Agreements	<b>Q-7</b>
All details on the procurement process of fuel including requests, proposals received, tender offers	<b>Q-8</b>
PFBS Latest and Complete Set of Audited Financial Statements PFBS Unaudited Financial Statements as of October 31, 2016	<b>Q-9</b> <b>Q-9A</b>
Certification of the Net Heat Rate in liters per kWh	<b>Q-10</b>
Simulation of the No. of Operating Units Necessary to Meet the Minimum Energy Offtake (MEOT) and/or Additional Energy/Demand Requirements of the DU	<b>Q-11</b>
Potential Cost (absolute amounts and PhP/kWh) of Ancillary Services as and when the IPP or the DU is connected to the main grid	<b>Q-12</b>
Certification by NPC whether Transition Supply Contract (TSC) capacity and energy is expected to be available during the contractual period	<b>Q-13</b>

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

## **ALLEGATIONS IN SUPPORT OF MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION**

16. With respect to the document marked and attached as **ANNEX "G-2"** (Supply and Demand Scenario of MERALCO), MERALCO respectfully moves that it be treated as confidential and not be disclosed to any party for the reason that it contains information which are of commercially sensitive nature and may affect price offers that MERALCO may receive under a power supply agreement. In addition, such information falls within the bounds of valuable proprietary interest under "trade secrets" which are entitled to protection under the Constitution, statutes and rules and regulations.

17. **Annexes "N", "O" and "P"** contain numbers, methodology, and calculations which provide valuable information and insight on how PFBS arrives at its power generation rate and would accordingly reflect PFBS's bidding strategy for distribution utilities undertaking competitive process for the selection of their power suppliers, and PFBS' trading in the WESM. It also contains information regarding the debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost, among other information.

18. Under Rule 4 of the ERC Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and determination of the existence of conditions, which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such provision, the Applicants respectfully pray for the issuance of a protective order declaring **Annexes "G-2", "N", "O" and "P"** as confidential information, since the Applicants intend to present them as evidence in the instant Application.

19. Information, which falls within the definition of a trade secret, as defined by jurisprudence is clearly information which merits the confidential treatment provided for under Rule 4 of the ERC Rules of Practice and Procedure. **Annexes "G-2", "N", "O" and "P"** should therefore be entitled to the protection of confidential information provided under Rule 4 of the ERC Rules of Practice and Procedure.

20. The Applicants hereby submit one (1) copy of each of the foregoing confidential documents in a sealed envelope, with the envelope and each page of the document stamped with the word "Confidential."

**PRAYER**

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

(i) **ISSUE** an Order treating **Annexes "G-2", "N", "O" and "P"** as confidential information pursuant to Rule 4, Section 1 of the ERC Rules of Practice and Procedure and prescribing the guidelines for the protection thereof; and

(ii) after hearing on the merits, render a Decision **APPROVING** the PSA between Applicants MERALCO and PFBS.

Pasig City, 10 February 2017.

**MANILA ELECTRIC COMPANY**

*Co-Applicant*

MERALCO Compound, Lopez Building,  
Ortigas Avenue, Pasig City

By:



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REPUBLIC OF THE PHILIPPINES )  
CITY OF PASIG )s.s.

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

I, **JOSE RONALD V. VALLES**, Filipino, of legal age, married, with office address at 7<sup>th</sup> Floor, Lopez Building, MERALCO Compound, Ortigas Avenue, Barangay Ugong, Pasig City, after being sworn in accordance with law, hereby depose and say that –

1. I am the Vice President and Head, Regulatory Affairs Office, of Applicant Manila Electric Company (“MERALCO”). In such capacity, I have caused the preparation and filing of the foregoing Application;

2. Moreover, I have been authorized by the Board of Directors of MERALCO to certify that Applicant has not heretofore filed any similar action, pleading or application involving the same issues before the Supreme Court, the Court of Appeals or any other lower courts or administrative bodies. A copy of the Secretary’s Certificate authorizing me to cause the preparation of the instant Application and sign this Verification and Certification is attached hereto as **ANNEX “R”**;

3. I have read and understood the allegations contained therein and the same are true and correct based on my personal knowledge and authentic records made available to me in the ordinary course of business of MERALCO;

4. To the best of my knowledge, no similar action or proceeding is pending before the Supreme Court, the Court of Appeals, the lower courts or administrative bodies;

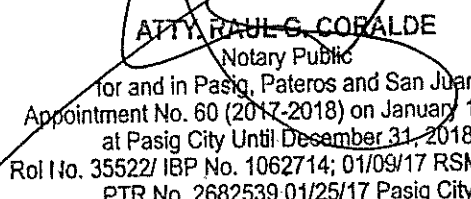
5. If I should hereafter learn that a similar action has been filed before the Supreme Court, the Court of Appeals, the lower courts or administrative bodies, I undertake to report such fact to this Honorable Commission within five (5) days from notice of such fact.

**IN WITNESS WHEREOF**, I have hereunto affixed my signature this FEB 10 2017 at Pasig City, Philippines.

  
**JOSE RONALD V. VALLES**  
*Affiant*

**SUBSCRIBED and SWORN** to before me this FEB 10 2017, affiant having exhibited to me his Social Security System ID bearing the number 33-10900088.

Doc. No. 101;  
Page No. 22;  
Book No. XXX;  
Series of 2017.

  
**ATTY. PAUL G. CORALDE**  
Notary Public  
for and in Pasig, Pateros and San Juan  
Appointment No. 60 (2017-2018) on January 16, 2017  
at Pasig City Until December 31, 2018  
Rol No. 35522/ IBP No. 1062714; 01/09/17 RSM Chapter  
PTR No. 2682539 01/25/17 Pasig City  
MCLE No. VI-0000230 7/11/2016  
8<sup>th</sup> Floor Lopez Bldg., Ortigas Avenue, Pasig City



ORTIGAS AVENUE, PASIG CITY  
0300 PHILIPPINES

Annex R

## **SECRETARY'S CERTIFICATE**

I, WILLIAM S. PAMINTUAN, a duly elected, qualified and incumbent Assistant Corporate Secretary of the Manila Electric Company (MERALCO), a corporation duly organized and existing under and by virtue of the laws of the Philippines, do hereby certify that:

At the regular meeting of the Board of Directors of the Company duly convened and held on September 26, 2016, at which meeting a quorum was present, acted throughout and voted, the following resolutions were approved and said resolutions are in full force and effect on the date hereof:

“RESOLVED, that the Board of Directors of the Manila Electric Company Electric Company (MERALCO) hereby authorizes MERALCO to proceed with the Price Challenge, with respect to the proposal of PowerSource First Bulacan Solar, Inc. (PFBS) as the original proponent, and execute the relevant Power Supply Agreement (PSA) after the conduct of a competitive selection process;

“RESOLVED, FURTHER, that the following officers, namely Messrs. MANUEL V. PANGILINAN, Chairman of the Board, OSCAR S. REYES, President & Chief Executive Officer, ALFREDO S. PANLILIO, Senior Vice President, Head, Customer Retail Services and Head, Corporate Communication and RONNIE L. APEROCHO, First Vice President & Head, Networks, are hereby directed and empowered, for and in behalf of the Company, to sign, execute and deliver any contract, agreement, instrument, and other documents which may be deemed necessary or appropriate for the purpose, and to perform or execute all other acts and deeds as may be necessary or appropriate to carry out or accomplish the said purpose;

“RESOLVED, FURTHERMORE, that the Board of Directors authorize, as it hereby authorizes, MERALCO, through Atty. JOSE RONALD V. VALLES, Vice President and Head, Regulatory Affairs, or any lawyer or employee of MERALCO that any of them may designate, name or appoint:

- (1) To file the appropriate application with the Energy Regulatory Commission (ERC) for the approval of the Power Supply Agreement between MERALCO and the Winning Power Supplier, for the supply and delivery of energy to MERALCO;
- (2) to sign, execute, and deliver in connection therewith the necessary pleadings, motions, verification, affidavit of merit, certificate of non-forum shopping, powers of attorney, and other instruments as may be necessary or proper; and
- (3) To designate, name, and appoint, a representative or an attorney-in-fact in behalf of the Company during the preliminary conference, pre-trial, trial, execution and all other stages of or incidents related to the case, proceeding or action; to negotiate, enter into, and agree to an amicable settlement, make admissions or

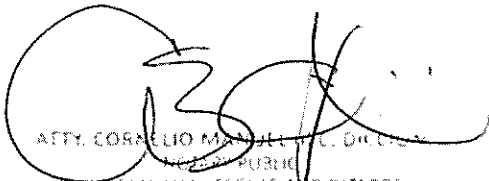
to an amicable settlement, make admissions or stipulations of fact and/or documents; and to perform and execute any and all actions and such other matters as may aid in the prompt disposition of such case, proceeding or action."

WITNESS THE SIGNATURE of the undersigned as such officer of the Company and its corporate seal hereunto affixed on this 12 JAN 2017 day of January 2017.

  
WILLIAM S. PAMINTUAN  
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 12 JAN 2017 day of January 2017, affiant exhibited to me his Taxpayer Identification Number (TIN) 146-473-562, issued by the Bureau of Internal Revenue (BIR) as his competent evidence of identity.

Doc. No. 241 ;  
Page No. 50 ;  
Book No. XV ;  
Series of 2017.

  
ATTY. CORNELIO M. MANILLA, JR., DOCTOR  
IN LAW, PUBLIC  
PROV. SAN JUAN, TAGUIG AND PATEROS  
ISSUED ON FEBRUARY 3, 2016 AT PASIG CITY  
APPOINTMENT NO. 83 (2015-2017)  
ROLL NO. 456517 (BR NO. 1020812/01) 56-10 RSM CHAPTER  
PTR NO. 1473004/01 21-16 PASIG CITY  
8<sup>TH</sup> FLOOR LOPEZ BLDG., ORTIGAS AVENUE, PASIG CITY



VERIFICATION  
AND CERTIFICATION OF NON-FORUM SHOPPING

I, **LUISITO M. CORNEJO**, Filipino, of legal age, with office at 10/F Athenaeum Building, 160 L.P. Leviste St. Salcedo Village, Makati City, Philippines, after being sworn in accordance with law, hereby depose and say that:

1. I am the Executive Director of Applicant **POWERSOURCE FIRST BULACAN SOLAR, INC.** (the "Corporation"). In such capacity, I have caused the preparation and filing of the foregoing Application;
2. I have been authorized by the Board of Directors of the Corporation to certify that the Applicant has not heretofore filed any similar action, pleading or application involving the same issues before the Supreme Court, the Court of Appeals or any other lower courts or administrative bodies. A copy of the Secretary's Certificate authorizing me to cause the preparation of the instant Application and sign this Verification and Certification that is attached hereto as ANNEX "A";
3. I have read and understood the allegations contained therein and the same are true and correct based on my personal knowledge and authentic records made available to me in the ordinary course of business of the Corporation;
4. To the best of my knowledge, no similar action or proceeding is pending before the Supreme Court, the Court of Appeals, the lower courts of administrative bodies; and
5. If I should hereafter learn that a similar action has been filed before the Supreme Court, the Court of Appeals, the lower courts or administrative bodies, I undertake to report such fact to this Honorable Commission within five (5) days from the notice of such fact.

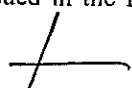
IN WITNESS WHEREOF, I have hereunto affixed my signature this  
FEB 10 2017 at ~~MAKATI CITY~~ Philippines.

  
\_\_\_\_\_  
LUISITO M. CORNEJO  
Affiant

FEB 10 2017 MAKATI CITY

SUBSCRIBED and SWORN to before me this \_\_\_\_\_, at \_\_\_\_\_  
by affiant having exhibited to me his Passport No. EC3617161 issued in the Philippines with  
expiry date on March 08, 2020.

Doc. No. 54  
Page No. 12  
Book No. 4  
Series of 2017.

  
\_\_\_\_\_  
ATTY. VIRGILIO R. BATALLA  
NOTARY PUBLIC FOR MAKATI CITY  
A.P.T. NO. M-88  
UNTIL DEC. 31, 2018  
ROLL OF ATTY. NO. 48348  
MCLE COMPLIANCE NO. W-0016833-4/10/13  
I.B.P. O.R. No. 700701 LICENSE MEMBER JAN. 29, 2007  
PTR No. 590-00-02 JAN. 3, 2017  
EXECUTIVE DIRS. CENTER  
MAKATI AVE. COR. JUSTICE ST. MAKATI CITY

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY ) S.S.

### SECRETARY'S CERTIFICATE

I, THOMAS ANGELO A. SANTOS, Filipino, of legal age and with office address at the 10<sup>th</sup> Floor, The Athenaeum Building, 160 L.P. Leviste Street, Salcedo Village, Makati City, Philippines, after having been duly sworn in accordance with law, hereby depose and say that:

1. I am the duly elected Corporate Secretary of Powersource First Bulacan Solar, Inc. (the "Corporation"), a corporation duly registered and existing under and by virtue of the laws of the Philippines, with office address at the 10<sup>th</sup> Floor, The Athenaeum Building, 160 L.P. Leviste Street, Salcedo Village, Makati City.
2. At the meeting of the Board of Directors of the Corporation held on 05 December 2016, the following resolutions were approved:

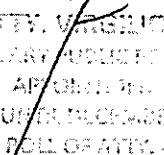
"RESOLVED, that the Board of Directors of Powersource First Bulacan Solar, Inc. (the "Corporation"), authorizes, as it hereby authorizes Luisito M. Cornejo, the Executive Director of the Corporation, to sign and execute the Verification and Certification on Non-Forum Shopping for the application for approval of the Corporation's Power Supply Agreement."

IN WITNESS WHEREOF, I have hereunto set my hand this DEC 13 2016 day of            2016, at Makati City, Philippines.

  
\_\_\_\_\_  
THOMAS ANGELO A. SANTOS  
Corporate Secretary

SUBSCRIBED AND SWORN to before me on the date and place above-mentioned, affiant exhibiting his Tax Identification No. 241-602-524.

Doc. No. 203 ;  
Page No. 42 ;  
Book No. 412 ;  
Series of 2016.

  
ATTY. VIRGILIO B. SANTALLA  
NOTARY PUBLIC FOR THE PHILIPPINES  
AFFIDAVIT NO. 12345678  
UNITED PHILIPPINE BAR EXAMINERS  
ROLL OF ATTY. NO. 43210  
MCLE COMPLIANCE NO. 19-005808074-10-2013  
IBP O.R No. 706752-LIFETIME MEMBER SINCE 29, 2007  
PTR No. 532-85-05- JAN 04, 2016 MAKATI CITY  
EXECUTIVE BLDG. CENTER  
MAKATI AVE., COR., JUPITER

REPUBLIC OF THE PHILIPPINES ) S.S.  
 ) S.S.

**SECRETARY'S CERTIFICATE**

I, **THOMAS ANGELO SANTOS**, Filipino citizen, of legal age and with office address at the 10<sup>th</sup> Floor, The Athenaeum Building, 160 L.P. Leviste Street, Salcedo Village, Makati City, hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of **POWERSOURCE FIRST BULACAN SOLAR INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines with principal office address at the 10<sup>th</sup> Floor, The Athenaeum Building, 160 L.P. Leviste Street, Salcedo Village, Makati City.

2. At the meeting of the Board of Directors of the Corporation held on 3 January 2017 during which a quorum was present and acting throughout, the following resolutions were unanimously approved:

**"RESOLVED**, as it is hereby resolved that the Board of Directors of Powersource First Bulacan Solar Inc. (the "Corporation") authorizes, as it hereby authorizes the Corporation to engage Puno and Puno Law Offices ("Puno Law") as its legal counsel in securing from the Energy Regulatory Commission its approval for the Corporation's Power Supply Agreement with Manila Electric Company.

**"RESOLVED FURTHER**, that Puno Law be authorized, as it is hereby authorized to execute, perform and deliver, for and on behalf of the Corporation, any such documents, acts and deeds necessary for or relative to the Corporation's application for approval of its Power Supply Agreement.

**"RESOLVED FINALLY**, that the Executive Director of the Corporation, Luisito M. Cornejo, be authorized, as he is hereby authorized to negotiate on the terms of Puno Law's engagement, further granting the abovenamed individual authority to sign and execute the Corporation's engagement contract with Puno Law."

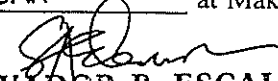
3. The aforementioned resolutions are in full force and effect and have not been revoked or modified as of the date of this certificate.

IN WITNESS WHEREOF, this certification has been signed this day of \_\_\_\_\_, 2017.

  
Thomas Angelo Santos  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me on 20 JAN 2017 at Makati City, affiant exhibited to me his Tax Identification No. 241-602-524.

Doc. No. 102;  
Page No. 022;  
Book No. 001;  
Series of 2017.

  
**SALVADOR P. ESCALANTE**  
NOTARY PUBLIC FOR MAKATI CITY  
Appointment No. M-422  
Until December 31, 2017  
Roll of Attorneys No. 54608  
MCLE Compliance Certificate No. V-0021983; 6-7-16  
IBP No. 1019926; 1-8-16; Quezon City  
PTR No. 5326723; 1-5-16; Makati City  
The Athenaeum Bldg.  
160 L.P. Leviste St., Makati City