Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF POWER SUPPLY AGREEMENT BETWEEN FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO) AND SUAL POWER INC. (SPI), WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF

ERC CASE NO. 2026-168 RC

FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO) AND SUAL POWER INC. (SPI),
Applicants.
x----------x

Promulgated:
October 26, 2026

ORDER

On 21 October 2026, the First Laguna Electric Cooperative, Inc. (FLECO) and Sual Power Inc. (SPI) filed a *Joint Application* dated 01 October 2026, seeking the Commission's approval of their Power Supply Agreement (PSA), with motion for confidential treatment of information and prayer for the issuance of provisional authority or interim relief.

The docketed copy of the *Joint Application*, excluding its annexes, is attached as Annex "A" of the *Notice of Virtual Hearing*.

Finding the *Joint Application* to be sufficient in form and with the required fees having been paid, the Commission hereby sets the same for hearing, pursuant to the pertinent rules of the Commission, as follows:

Date and Time	Platform	Activity
25 November 2026 (Wednesday), at two o'clock in the afternoon (2:00 P.M.)	**Microsoft Teams**	Determination of compliance with jurisdictional requirements and Expository Presentation
09 December 2026 (Wednesday), at two o'clock in the afternoon (2:00 P.M.)		Pre-Trial Conference and Presentation of Evidence

Accordingly, Applicants are hereby directed to host the virtual hearings, to be hosted by the Commission, at **FLECO's Principal Office located at Barangay Lewin, Lumban, Laguna,** as the designated venue for the conduct thereof, and ensure that the same is open to the public. Moreover, Applicants shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

RELATIVE THERETO, Applicants are hereby directed to:

1) Cause the publication of the attached *Notice of Virtual Hearing*, including Annex "A" thereof, 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 hearing;

2) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing,* including Annex "A" thereof, the Offices of the Provincial Governor, the Mayors, and their respective Local Government Unit (LGU) legislative bodies within FLECO's franchise area, for the appropriate posting thereof on their respective bulletin boards;

3) Inform the consumers within FLECO'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;

4) Furnish with copies of this *Order* and the attached *Notice of Virtual Hearing*, including Annex "A" thereof, 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, 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, and copy furnish the Legal Service through legal@erc.ph, the scanned copies of their written compliance with the aforementioned jurisdictional requirements, attaching the following methodically arranged and duly marked documents:

1) The evidence of publication of the attached *Notice of Virtual Hearing*, including Annex "A" thereof, consisting of affidavits of the Editors or Business Managers of the newspapers where the same 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,* including Annex "A" thereof, 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 the Applicants to inform the consumers within FLECO's franchise area of the filing of the *Joint Application*, the reasons therefor, and of the scheduled hearings;

4) The evidence of receipt of copies of this *Order* and the attached *Notice of Virtual Hearing,* including Annex "A" thereof, 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, Applicants are hereby required to post on their bulletin boards, the scanned copies of the foregoing jurisdictional requirements and to submit the proof of posting thereof.

Applicants 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 thereof, which must be attached to the Pre-Trial Brief; and

4) The names of the witnesses, with their written testimonies in a Judicial Affidavit form attached to the Pre-Trial Brief.

Failure of Applicants to comply with the above requirements within the prescribed period shall be a ground for cancellation of the scheduled hearings.

Applicants 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 the 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.

Applicants are hereby directed to file a copy of their Expository Presentation via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, **at least five (5) calendar days** prior

to the scheduled virtual hearing. Applicants are also required, upon the request of any stakeholder, to provide an advance copy of their Expository Presentation, **at least five (5) calendar days** prior to the scheduled virtual hearing.

Finally, Applicants, including their authorized representatives and witnesses, and interested parties who wish to attend the scheduled virtual hearings, 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.

FOR AND BY AUTHORITY
OF THE COMMISSION:

Maria Corazon C. Gines

ATTY. MARIA CORAZON C. GINES*
Director III, Legal Service

LS: MND/ARG

* Authority granted pursuant to Office Order No. 71, Series of 2025.

Copy Furnished:

1. First Laguna Electric Cooperative, Inc. (FLECO)
   Applicant
   Barangay Lewin, Lumban, Laguna
   Email: jm_macalalag@yahoo.com; hildaobillo0901@gmail.com; flecowesm@yahoo.com; rbmondez1016@gmail.com

2. Atty. Arnido O. Inumerable
   Counsel for FLECO
   405 Elisa St., U.E. Village, Cainta, Rizal
   Email: attyinumerable@yahoo.com.ph

3. Sual Power Inc. (SPI)
   Applicant
   5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Avenue,
   C5 Road, Bo. Ugong, Pasig City
   Emails: jechevarria@smcgph.sanmiguel.com.ph; jmelindo@smcgph.sanmiguel.com.ph; regulatorycompliance@smcgph.sanmiguel.com.ph; wbelvis@smcgph.sanmiguel.com.ph

4. Attys. Jupiter M. Cabaguio, Avelino G. Cedo III and Julieta B. Estamo
   Counsels for SPI
   5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Avenue,
   C5 Road, Bo. Ugong, Pasig City
   Emails: jcabaguio@smcgph.sanmiguel.com.ph; acedoiii@smcgph.sanmiguel.com.ph; jestamo@smcgph.sanmiguel.com.ph

5. Office of the Solicitor General (OSG)
   134 Amorsolo Street, Legaspi Village, Makati City
   docket@osg.gov.ph

6. Commission on Audit (COA)
   Commonwealth Avenue, Quezon City
   citizensdesk@coa.gov.ph

7. Senate Committee on Energy
   GSIS Building, Roxas Boulevard, Pasay City
   senateenergycommittee@gmail.com

8. House Committee on Energy
   Batasan Hills, Quezon City
   committee.energy@house.gov.ph

9. Office of the Governor
   Province of Laguna

10. Office of the Sangguniang Panlalawigan
    Province of Laguna

11. Office of the Mayor
    Cavinti, Laguna

12. Office of the Sangguniang Bayan
    Cavinti, Laguna

13. Office of the Mayor
    Pagsanjan, Laguna

14. Office of the Sangguniang Bayan
    Pagsanjan, Laguna

15. Office of the Mayor
    Lumban, Laguna

16. Office of the Sangguniang Bayan
    Lumban, Laguna

17. Office of the Mayor
    Kalayaan, Laguna

18. Office of the Sangguniang Bayan
    Kalayaan, Laguna

19. Office of the Mayor
    Paete, Laguna

20. Office of the Sangguniang Bayan
    Paete, Laguna

21. Office of the Mayor
    Pakil, Laguna

22. Office of the Sangguniang Bayan
    Pakil, Laguna

23. Office of the Mayor
    Pangil, Laguna

24. Office of the Sangguniang Bayan
    Pangil, Laguna

25. Office of the Mayor
    Siniloan, Laguna

26. Office of the Sangguniang Bayan
    Siniloan, Laguna

27. Office of the Mayor
    Famy, Laguna

28. Office of the Sangguniang Bayan
    Famy, Laguna

29. Office of the Mayor
    Mabitac, Laguna

30. Office of the Sangguniang Bayan
    Mabitac, Laguna

31. Office of the Mayor
    Sta. Maria, Laguna

32. Office of the Sangguniang Bayan
    Sta. Maria, Laguna

33. Regulatory Operations Service
    Energy Regulatory Commission
    Pasig City
    ros@erc.ph

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF POWER SUPPLY AGREEMENT BETWEEN FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO) AND SUAL POWER INC. (SPI), WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF

ERC CASE NO. 2026-168 RC

FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO) AND SUAL POWER INC. (SPI),
Applicants.
x----------x

Promulgated:
October 26, 2026

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 21 October 2026, the First Laguna Electric Cooperative, Inc. (FLECO) and Sual Power Inc. (SPI) filed a *Joint Application* dated 01 October 2026, seeking the Commission's approval of their Power Supply Agreement (PSA), with motion for confidential treatment of information and prayer for the issuance of provisional authority or interim relief.

The docketed copy of the *Joint Application*, excluding its annexes, is attached as Annex "A" hereof.

The Commission hereby sets the *Joint Application* for hearing, pursuant to its pertinent rules, as follows:

Date and Time	Platform	Activity
25 November 2026 (Wednesday), at two o'clock in the afternoon (2:00 P.M.)	**Microsoft Teams**	Determination of compliance with jurisdictional requirements and Expository Presentation
09 December 2026 (Wednesday), at two o'clock in the afternoon (2:00 P.M.)		Pre-Trial Conference and Presentation of Evidence

Accordingly, Applicants are directed to host the virtual hearings, to be hosted by the Commission, at **FLECO's Principal Office located at Barangay Lewin, Lumban, Laguna,** as the designated venue for the conduct thereof, and ensure that the same is open to the public. Moreover, Applicants shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least **one (1) calendar day** prior to the scheduled initial virtual hearing, via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, any person who has an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at docket@erc.ph, a verified Petition to Intervene at least **five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 7 of the Commission's 2026 Rules of Practice and Procedure[1] (2026 RPP), indicating therein and stating the following:

1) Applicable docket number and title of the proceeding;

2) Petitioner-intervenor's name, address, and e-mail address;

[1] Resolution No. 31, Series of 2026 entitled, "A Resolution Adopting the 2026 Rules of Practice and Procedure of the Energy Regulatory Commission".

3) Nature of interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and

4) A statement of the relief desired.

A Petition to Intervene filed by an organization, association, or entity shall be accompanied by a Special Power of Attorney, Board or Sanggunian Resolution, a Secretary's Certificate, or any competent proof of authority, authorizing the signatory thereto to file the same and represent the organization, association, or entity in the proceedings before the Commission.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Section 5, Rule 7 of the 2026 RPP. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

1) The name, address, and e-mail address of the person;

2) A concise statement of the Opposition or Comment; and

3) The grounds relied upon.

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, their respective e-mail addresses, indicating therein the case number of the instant *Joint Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

(This space is intentionally left blank.)

WITNESS, the Honorable Chairperson and CEO **FRANCIS SATURNINO C. JUAN,** and the Honorable Commissioners **FLORESINDA G. BALDO-DIGAL, MARKO ROMEO L. FUENTES**, **AMANTE A. LIBERATO,** and **PARIS G. REAL,** Energy Regulatory Commission, in Pasig City.

FOR AND BY AUTHORITY
OF THE COMMISSION:

Maria Corazon C. Gines

ATTY. MARIA CORAZON C. GINES*
Director III, Legal Service

LS: MND/ARG

* Authority granted pursuant to Office Order No. 71, Series of 2025.

ANNEX "A"

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

IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF POWER SUPPLY AGREEMENT BETWEEN FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO) AND SUAL POWER INC. (SPI), WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION AND PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF,

ERC Case No. 2026-168 RC

October 21, 2026

FIRST LAGUNA ELECTRIC COOPERATIVE, INC. (FLECO) AND SUAL POWER INC. (SPI),

Joint Applicants.
x- -x

JOINT APPLICATION
(with MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION and PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF)

Joint Applicants, **FIRST LAGUNA ELECTRIC COOPERATIVE, INC. ("FLECO")** and **SUAL POWER INC. ("SPI")**, through their respective undersigned counsels, respectfully state:

THE APPLICANTS

1. Applicant FLECO is an electric cooperative duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at Brgy. Lewin, Lumban, Laguna, represented in this instance by its General Manager, **ENGR. RICHARD B. MONDEZ**, of legal age, Filipino, married and with office address also at FLECO;

2. It holds an exclusive franchise issued by the National Electrification Administration (NEA) to operate an electric light and power services in the municipalities of the province of Laguna, namely: Cavinti, Pagsanjan, Lumban, Kalayaan, Paete, Pakil, Pangil, Siniloan, Famy, Mabitac, and Sta. Maria.

3. Co-Applicant SPI is a domestic corporation duly organized and existing by virtue of the laws of the Republic of the Philippines, with principal office address at 5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Avenue, C5 Road, Bo. Ugong, Pasig City 1604;

4. SPI is a subsidiary of San Miguel Global Power Holdings Corp. ("SMGP") and the owner of the 1,294.040 MW Sual Coal-Fired Thermal Power Plant located in Barangay, Pangascasan, Sual, Pangasinan (the "Power Plant");

5. Joint Applicants may be served with notices, orders, and other processes of this Honorable Commission through their respective counsel at the addresses indicated herein;

NATURE OF THE APPLICATION

6. The Joint Application for approval of the Power Supply Agreement (PSA) between FLECO and SPI, is being submitted to the Honorable Commission for its review and approval pursuant to Sections 25 and 45(b) of Republic Act No. 9136, Rule 20(B) of Honorable Commission's Rules of Practice and Procedure, and other pertinent rules and regulations;

STATEMENT OF FACTS

7. Applicant FLECO is in need of a monthly 10 Megawatts ("MW") baseload supply starting on December 26, 2026 up to February 25, 2029 and will be adjusted to a monthly 22.5 MW baseload supply starting February 26, 2029 up to December 25, 2041. FLECO participated under Lot 1 of the aggregated baseload supply of the on-grid Luzon and Visayas Electric Cooperatives ("EC"), The Joint Competitive Selection Process ("Joint CSP") was conducted by the National Electrification Administration Special Bids and Awards Committee ("NEA-SBAC") pursuant to the Department of Energy ("DOE") Department Circular No. DC2023-06-0021[1], the Energy Regulatory Commission ("ERC") Resolution No. 07, Series of 2026[2], and the National Electrification Administration ("NEA") Memorandum No. 2023-57[3].

8. The NEA issued *Office Order No. 2026-043* dated 03 February 2026, creating a Special Bids and Awards Committee (the "NEA-SBAC") to conduct the Joint CSP for the procurement of baseload power supply for the aggregation of the on-grid ECs in Luzon and Visayas that had not yet commenced their respective CSPs within one (1) year before the expiration of their current and subsisting PSAs or projected increase in demand based on their latest and posted PSPPs. The Joint CSP was conducted for and on behalf of nineteen (19) ECs in Luzon and ten (10) ECs in the Visayas (collectively, the "Member ECs"). Applicant First Laguna Electric Cooperative, Inc. (FLECO) is one of the Member ECs covered by Lot 1 of the Joint CSP.

9. On 15 April 2026, the NEA issued *Certificate of Conformity No. NEA-RAO-COC-2026-02*, certifying that, for each Member EC, the contract quantity and cooperation period covered by the Joint CSP were consistent with its latest posted Power Supply Procurement Plan ("PSPP") for each Member EC.

---

[1] Prescribing the Policy for the Mandatory Conduct of the Competitive Selection Process by the Distribution Utilities for the Procurement of Power Supply for their Captive Market" dated June 30, 2023

[2] Amended Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements entered into by Distribution Utilities for the Supply of Electricity to their Captive Market" dated March 17, 2026

[3] Adoption of the National Electrification Administration Competitive Selection Process Guidelines Implementing the Department of Energy's Department Circular No. DC2023-06-0023 and the Energy Regulatory Commission's Resolution No. 16, Series of 2023" or the "NEA 2023 CSP Guidelines" dated November 20, 2023

10. Accordingly, the NEA-SBAC commenced and conducted the Joint CSP for the procurement of the aggregated baseload supply of the Member ECs. The Joint CSP was structured into two (2) Lots: Lot 1, covering the Luzon Member ECs, and Lot 2, covering the Visayas Member ECs.

11. A *CSP Report* prepared by the NEA-SBAC is attached to the Joint Application. A summary of the key dates and events of the Joint CSP is provided below:

    11.1 On 21 and 28 April 2026, the Invitation to Bid and Terms of Reference for the Joint CSP were duly published in *The Manila Times* newspaper. The NEA-SBAC and the Member ECs likewise caused the posting of the Invitation to Bid and Terms of Reference on the DOE CSP e-based portal, the NEA website, and the Member ECs' respective official websites or social media accounts.

    11.2 The Bidding Documents were issued to the following entities that expressed interest in participating in the Joint CSP:

    - For Lot 1, these were GNPower Dinginin Ltd. Co. ("GNPD"), GNPower Mariveles Energy Center Ltd. Co. ("GMEC"), Mariveles Power Generation Corporation ("MPGC"), Panay Energy Development Corporation ("PEDC"), Sual Power Inc. ("SPI"), and Therma Luzon, Inc. ("TLI").

    - For Lot 2, these were Cebu Energy Development Corporation ("CEDC"), Energy Development Corporation ("EDC"), FDC Misamis Power Corporation ("FDC Misamis"), GN Power Kauswagan, Ltd. Co. ("GNPK"), Malita Power, Inc. ("MPI"), Palm Concepcion Power Corporation ("PCPC"), PEDC, Therma South, Inc. ("TSI"), Therma Visayas, Inc. ("TVI"), and Toledo Power Co. ("TPC").

    11.3 On 14 May 2026, the Pre-Bid Conference for the Joint CSP was held at the Honesty, Efficiency and Solidarity Auditorium, 2nd Floor, NEA Building, 57 NIA Road, Government Center, Diliman, Quezon City. The Pre-Bid Conference was attended by the NEA-SBAC, NEA-SBAC

Technical Working Group ("NEA-SBAC TWG"), NEA-SBAC Secretariat, DOE CSP Observers, and the prospective bidders. Other invited CSP Observers were unable to attend. The Pre-Bid Conference was conducted to clarify the provisions, requirements, and terms and conditions of the Transaction Documents, as well as matters raised by the prospective bidders.

11.4 The following Bid Bulletins ("BB") were issued by the NEA-SBAC throughout the Joint CSP process:

- Bid Bulletin No. 01, issued on 25 May 2026, announcing the revised schedule of succeeding bidding activities for the Joint CSP;
- Bid Bulletin No. 02, issued on 29 May 2026, providing official responses to questions raised by prospective bidders, and the issuance of Revised Transaction Documents;
- Bid Bulletin No. 03, issued on 17 June 2026, providing official responses to questions and issues raised by prospective bidders regarding the Revised Transaction Documents, and the issuance of Final Transaction Documents;
- Bid Bulletin No. 04, issued on 25 June 2026, providing clarifications and corrections to the Final Bidding Procedures and related transaction documents; and
- Bid Bulletin No. 05, issued on 12 August 2026, announcing the revised schedule for the issuance of the Notice of Award to Winning Bidders and the signing of the Power Supply Agreements.

11.5 On 10 July 2026, the submission, opening, and evaluation of bids for the Joint CSP were conducted at Ardenhills Suites and Hotel, No. 1 Scout Albano Avenue, Barangay South Triangle, Quezon City.

For Lot 1, SPI, MPGC, and TLI timely submitted their bids, while GNPD, GMEC, and PEDC withdrew from the Joint CSP.

For Lot 2, MPI, PCPC, TVI, EDC, CEDC, and PEDC timely submitted their bids, while FDC Misamis, GNPK, TSI, and TPC withdrew from the Joint CSP.

11.6 The bids were evaluated in accordance with the parameters under the Final Transaction Documents issued by the NEA-SBAC. For Lot 1, SPI, MPGC, and TLI passed the preliminary evaluation, with SPI and TLI submitting the Lowest Calculated Bids, each covering fifty percent (50%) of the aggregated contract capacity. For Lot 2, MPI, PCPC, TVI, and EDC passed the preliminary evaluation and submitted the Lowest Calculated Bids, with MPI, PCPC, and EDC each covering twenty percent (20%), and TVI forty percent (40%), of the aggregated contract capacity.

For Lot 2, CEDC and PEDC were declared non-compliant with the Technical Proposal requirements and consequently disqualified from further participation in Lot 2 of the Joint CSP.

11.7 Accordingly, SPI and TLI for Lot 1, and MPI, PCPC, TVI, and EDC for Lot 2, proceeded to post-qualification. Upon completion thereof, the NEA-SBAC TWG confirmed that their respective legal, technical, and financial documents were genuine, valid, and accurate, and recommended that they be declared the Lowest Calculated and Responsive Bidders for their respective Lots.

11.8 On 17 August 2026, the NEA-SBAC issued Resolution No. 13, Series of 2026, declaring SPI and TLI as the Lowest Calculated and Responsive Bidders for Lot 1, each for fifty percent (50%) of the aggregated contract capacity, and MPI, PCPC, TVI, and EDC as the Lowest Calculated and Responsive Bidders for Lot 2, for twenty percent (20%), twenty percent (20%), forty percent (40%), and twenty percent (20%), respectively.

11.9 On 18 August 2026, the corresponding Notices of Award were issued in favor of SPI and TLI for Lot 1, and MPI, PCPC, TVI, and EDC for Lot 2. The Notices of Award were acknowledged and accepted by TLI on 20 August 2026, and SPI on 25 August 2026.

11.10 From 24 August 2026 to 04 September 2026, the joint representatives of the Member ECs negotiated and finalized the PSAs with the winning bidders. On 04 September 2026, the negotiated and finalized PSAs

for Lots 1 and 2 were submitted to the NEA-SBAC for approval. Through Resolution No. 14, Series of 2026, the NEA-SBAC approved the negotiated PSAs and endorsed the issuance of the corresponding Notices to Execute the Agreement.

11.11 On 08 September 2026, the Notices to Execute the Agreement were issued to and received by the Member ECs, directing the Luzon Member ECs to execute their PSAs with SPI and TLI, and the Visayas Member ECs to execute their PSAs with MPI, PCPC, TVI, and EDC.

11.12. On 09 September 2026, FLECO and SPI executed the PSA under the Joint CSP.

12. Based on the evaluation and post-qualification criteria set by the NEA-SBAC and after deliberation, the NEA-SBAC recommended awarding a PSA for 10,000 to 22,500 kW to SPI for the supply of FLECO. Said recommendation was accepted and approved by the SPI.

13. Hence, FLECO and SPI hereby submit the instant *Joint Application* for the evaluation/approval of the PSA by the Honorable Commission.

SALIENT TERMS OF THE PSA

14. The PSA between FLECO and SPI, a copy of which is attached as **ANNEX "01"**, contains the following salient features:

14.1 **Contract Capacity and Associated Energy**. SPI shall supply 10 MW to 22.5 MW baseload to FLECO (Schedule 2 of the PSA) for a period of fifteen (15) years from Delivery Date.

TABLE 1
(in MW)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2027	10	10	10	10	10	10	10	10	10	10	10	10
2028	10	10	10	10	10	10	10	10	10	10	10	10
2029	10	10	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2030	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2031	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2032	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2033	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2034	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2035	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2036	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2037	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2038	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2039	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2040	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5
2041	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5	22.5

SPI shall guarantee the supply of Contract Capacity and Associated Energy, at a minimum of 65% Capacity Utilization Factor ("CUF") for every Billing Period.

14.2 **Contract Term**. This Agreement shall take effect immediately from the Effective Date, and from such date shall remain in force and effect for fifteen (15) years from Delivery Date unless sooner terminated in accordance with this Agreement and upon approval by the ERC.

14.3 **Delivery Date**. The Seller shall commence delivery of the Contract Capacity provided in Schedule 2 to Buyer on Delivery Date. The Delivery Date shall be the later of either:

a. December 26, 2026; or

b. The next immediate 26th day of the month following the ERC's issuance of a Provisional Authority (PA) or Interim Relief (IR) to implement the Agreement, as applicable, or Final Authority to implement the Agreement, if neither PA nor IR was issued.

14.4 **Total Generation Charge ("TGC")**. The TGC is composed of Capital Recovery Fee ("CRF"), Fixed Operation and Maintenance Fee ("FOMF"), Variable Operation and Maintenance Fee ("VOMF"), Fuel Cost ("FC"), and applicable Value-Added Tax ("VAT").

Schedule 7 of the PSA
Monthly Payment, Indexation and Adjustment

Total Generation Charge:

$$\textit{Total Generation Charge} = CRF_{CUFt} + FOMF_{CUFt} + VOMF_t + FC_t + VAT$$

A. Capital Recovery Fee (CRF)

The CRF_{CUFt} shall be calculated as the product of the Capital Recovery Rate ("CRR_{CUFt}"), in PhP/kWh, and the Actual Energy Delivered during the Billing Period or the equivalent Associated Energy based on the 65% Monthly Minimum CUF, whichever is higher. The formula to calculate the CRF_{CUFt} shall be:

$$CRF_{CUFt} = CRR_{CUFt} \times max\,(AE_t, AED_t)$$

$$CRR_{CUFt} = \frac{CRR_{100\%CUF}}{CUF_t}$$

Where:

CRF_{CUFt}	Corresponding CRF_{CUF} to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
CRR_{CUFt}	Rate Component to calculate CRF_{CUFt}, expressed in PhP/kWh, for the Billing Period
AE_t	Associated Energy based on the 65% Monthly Minimum CUF in kWh for the Bil1ing Period
AED_t	Actual Energy Delivered from the Facility during the Billing Period in kWh
$CRR_{100\%CUF}$	Corresponding CRR at 100% CUF, which is PhP2.1500/kWh. For reference, the CRR_{CUF} from 65% to 100% is presented below.
CUF_t	Actual CUF for the Billing Period. The CUF shall be calculated in accordance with the formula below.
t	Billing Period

CUF	**CRR Php/kWh**
100%	2.1500
99%	2.1717
98%	2.1939
97%	2.2165
96%	2.2396
95%	2.2632
94%	2.2872
93%	2.3118
92%	2.3370
91%	2.3626
90%	2.3889
89%	2.4157
88%	2.4432
87%	2.4713
86%	2.5000
85%	2.5294
84%	2.5595
83%	2.5904
82%	2.6220

81%	2.6543
80%	2.6875
79%	2.7215
78%	2.7564
77%	2.7922
76%	2.8289
75%	2.8667
74%	2.9054
73%	2.9452
72%	2.9861
71%	3.0282
70%	3.0714
69%	3.1159
68%	3.1618
67%	3.2090
66%	3.2576
65%	3.3077

- The CUF_t shall be calculated in accordance with the formula below:

$$CUF_t = \frac{Q_t}{CC_t \times (H_T - H_O - H_{FM})}$$

Where:

CUF_t	Capacity Utilization Factor
Q_t	Energy delivered during the Billing Period or the equivalent associated energy based on the Monthly Minimum CUF, whichever is higher
CC_t	Contract Capacity for the Billing Period in kW as indicated in Schedule 2
H_T	Total number of hours in the Billing Period
H_O	Zero (0) for each Billing Period, as the Seller has no Outage Allowance
H_{FM}	The Equivalent Hours of Force Majeure in the Billing Period
t	As previously defined

- Formula to calculate the Q_t and AE_t for any billing period shall be:

$$Q_t = max\,(AE_t, TED_t)$$

$$AE_t = 65\% \times CC \times (H_T - H_O - H_{FM})$$

Where:

Q_t	As previously defined
AE_t	As previously defined
TED_t	Total Energy Delivered, which is Actual Energy Delivered from the Facility and the Replacement Power energy, during the Billing Period in kWh
CC	As previously defined
H_T	As previously defined
H_O	As previously defined
H_{FM}	As previously defined
t	As previously defined

- The formula to calculate the H_{FM} shall be:

$$H_{FM} = \sum_{i=1}^{y} \left(1 - \frac{Seller\ Actual\ BCQ\ Declared, due\ to\ force\ majeure}{Buyer\ Day\ Ahead\ Nomination}\right)$$

Where:

y	Total number of Hours in a Billing Period
Seller Actual BCQ Declared due to force majeure	The actual reconciled quantity of BCQ declared by the Seller to the Buyer for the relevant hour *i*, expressed in kW, which was affected by or reduced due to an event of force majeure for either the Buyer or the Seller, in accordance with the BCQ Nomination Protocol under the PSA
Buyer Day Ahead Nomination	The quantity of BCQ nominated by the Buyer for delivery for the relevant hour *i* in the Day-Ahead Nomination, expressed in kW, submitted in accordance with the BCQ Nomination Protocol under the PSA

B. Fixed Operation and Maintenance Fee (FOMF)

The $FOMF_{CUFt}$ shall be calculated as the product of the Fixed Operation and Maintenance Rate ("$FOMR_{CUFt}$"), in PhP/kWh,

and the actual energy delivered during the Billing Period or the equivalent associated energy based on the Monthly Minimum CUF, whichever is higher.

The formula to calculate $FOMF_{CUFt}$ shall be:

$$FOMF_{CUFt} = FOMR_{CUFt} \times max\,(AE_t, AED_t)$$

$$FOMR_{CUFt} = \frac{FOMR_{100\%CUF}}{CUF_t}$$

Where:

$FOMF_{CUFt}$	Corresponding $FOMF_{CUF}$ to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
$FOMR_{CUFt}$	Rate Component to calculate $FOMF_{CUFt}$, expressed in PhP/kWh, for the Billing Period.
AE_t	As previously defined
AED_t	As previously defined
$FOMR_{100\%CUF}$	Corresponding FOMR at 100% CUF, which is PhP0.4500/kWh. For reference, the $FOMR_{CUF}$ from 65% to 100% is presented below.

CUF	FOMR LOCAL Php/kWh
100%	0.4500
99%	0.4545
98%	0.4592
97%	0.4639
96%	0.4688
95%	0.4737
94%	0.4787
93%	0.4839
92%	0.4891
91%	0.4945
90%	0.5000
89%	0.5056
88%	0.5114
87%	0.5172
86%	0.5233
85%	0.5294
84%	0.5357

83%	0.5422
82%	0.5488
81%	0.5556
80%	0.5625
79%	0.5696
78%	0.5769
77%	0.5844
76%	0.5921
75%	0.6000
74%	0.6081
73%	0.6164
72%	0.6250
71%	0.6338
70%	0.6429
69%	0.6522
68%	0.6618
67%	0.6716
66%	0.6818
65%	0.6923

C. **Variable Operation and Maintenance Fee ("VOMF")**

The $VOMF_t$ shall be calculated as the product of the Variable Operation and Maintenance Rate ("VOMR"), in PhP/kWh, and the actual energy delivered for the Billing Period. The formula to calculate $VOMF_t$ shall be:

$$VOMF_t = VOMR_t \times AED_t$$

$VOMF_t$	Corresponding VOMF to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
$VOMR_t$	Rate Component to calculate $VOMF_t$ which is **PhP0.2000/kWh**
AED_t	As previously defined

D. Fuel Cost ("FC")

The FC_t for the Billing Period shall be calculated as follows:

$$FC_t = \left(\frac{FP_t \times FCR_t}{1000}\right) \times AED_t$$

$$FP_t = (FCC_t \times FX_m) + NFCC_t + Applicable\ Taxes$$

Where:

FC_t	Corresponding FC to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
FP_t	Applicable Fuel Price for the Billing Period, expressed in PhP/MT
FCC_t	Fuel Commodity Cost in USD/MT calculated using the formula below: $103.09 \times \left[\left(97.09\% \times \frac{NFI\ 1_{3m\ avg}}{NFI\ 1_O}\right) + 2.91\%\right]$
$NFI\ 1_{3m\ avg}$	The average value for the three (3) months preceding the Billing Period for which the Invoice is being prepared of the Indonesian Coal Index 2 (5,800 GAR/ 5,500 NAR) as published by the Argus/Coalindo for Indonesian Coal Index Report, in USD/MT
$NFI\ l_O$	Value of Indonesian Coal Index 2 (5,800 GAR/ 5,500 NAR) for the month of May 2026, which is 100.09, in USD/MT
AED_t	As previously defined
$NFCC_t$	Weighted average of the actual Freight Cost, Marine Cargo Insurance, Letter of Credit Opening Charges, Disport Surveyor Fees, Wharfage, and Brokerage Fees, in PhP/MT. Demurrage costs arising from this Agreement shall be a pass-through cost subject to the following: • Any demurrage arising from the Seller's procurement of coal in excess of its requirements, including demurrage resulting from the use of a port or vessel as temporary storage for such excess coal, shall be solely for the account of the Seller and shall not be passed on to the Buyer. Provided, however, that this limitation shall not apply where such excess procurement or the resulting demurrage is attributable (i) to a directive of a relevant government agency, regulatory authority, or market operator, such as the Department of Energy, the Energy Regulatory Commission, the System

	Operator, or the Independent Electricity Market Operator of the Philippines; or (ii) to comply with applicable laws, regulations, or mandatory fuel inventory requirements, in which case the resulting demurrage cost shall be passed on to the Buyer or PhP200/MT, whichever is lower. • Demurrage costs arising from causes other than the Seller's excess procurement of coal, negligence, or fault, as stated above, shall be passed on to the Buyer, subject to a cap of PhP 200/MT or the actual demurrage cost, whichever is lower. • Any penalty, fine, surcharge, or similar charge imposed by the DOE or BOC arising from the failure to timely secure, submit, or comply with the requirements relating to the Certificate of Compliance for coal importation issued by the DOE shall be solely for the account of the Seller. Seller can only recover the NFCC items listed above and shall submit to the Buyer proof of actual costs in the form of official invoices and supporting documents. When applicable, Seller must disclose actual cost of NFCC in USD/MT and disclose the actual foreign exchange rate used to convert USD denominated costs into PHP.
FX_m	The monthly average of the PhP/USD exchange rate for the month (i.e., first until last day of the month) for which the invoice is being prepared, as published in the Bangko Sentral ng Pilipinas website
Applicable taxes	Applicable taxes relating to FC for the Billing Period, in PhP/MT

In the event that the index (a) becomes unavailable, (b) is replaced by a new benchmark rate as determined by the relevant authorized entity, its successor-in-interest, or (c) ceases to exist, the Parties shall agree to adopt a new price index.

The FP_t to be billed by Seller shall be the lower between:

1. The sum of the (i) resulting value using the Fuel Commodity Cost Formula and (ii) the Non-Fuel Commodity Cost; or

2. The actual fuel price as billed by the fuel supplier/s (i.e., supported by actual invoices) including the Non-Fuel Commodity Cost for the relevant Billing Period.

FCR_t	Applicable Fuel Consumption Rate ("FCR") for the Billing Period, expressed in kg/kWh, shall be the lower between: (i) the guaranteed FCR_{CUFt}; or (ii) the actual plant FCR

If Buyer fails to utilize the Contract Capacity at the Monthly Minimum CUF, Seller may apply the higher of its actual plant FCR or the guaranteed consumption rate corresponding to the Minimum CUF for that Billing Period.

If the resulting CUF_t is a whole percentage number, the guaranteed FCR_{CUFt} shall be the corresponding FCR set forth in the table below for CUF levels from 65% to 100%.

If the resulting CUF_t is not a whole percentage number, the guaranteed FCR_{CUFt} shall be determined using the following formula:

$$FCR_{CUFt} = FCR_{CUF1} + \frac{(FCR_{CUF2} - FCR_{CUF1}) \times (CUF_t - CUF1)}{(CUF2 - CUF1)}$$

FCR_{CUFt}	guaranteed FCR corresponding to the Actual CUF for the Billing Period
CUF_t	as previously defined
FCR_{CUF2}	corresponding FCR for CUF2 set forth in the table below
FCR_{CUF1}	corresponding FCR for CUF1 set forth in the table below
$CUF2$	CUF increment of the nearest upper value, in %
$CUF1$	CUF increment of the nearest lower value, in %

Illustration: CUF_t 70.53%

CUF2	71%
CUF1	70%
FCR_{CUF2}	0.4810
FCR_{CUF1}	0.4818

The FCR at CUF levels from 65% to 100% are as follows:

CUF	**FCR, kg/kWh**
100%	0.4595
99%	0.4600
98%	0.4607
97%	0.4612
96%	0.4617
95%	0.4623
94%	0.4631
93%	0.4637
92%	0.4642
91%	0.4648
90%	0.4654
89%	0.4661
88%	0.4670
87%	0.4676
86%	0.4683
85%	0.4690
84%	0.4697
83%	0.4707
82%	0.4714
81%	0.4722
80%	0.4729
79%	0.4737
78%	0.4744
77%	0.4756
76%	0.4764
75%	0.4772
74%	0.4784
73%	0.4793
72%	0.4801
71%	0.4810
70%	0.4818
69%	0.4827
68%	0.4841
67%	0.4850

66%	0.4859
65%	0.4869

Note: For avoidance of doubt, the Buyer shall bear all other applicable costs, charges and taxes pursuant to Section 13.2 of this Agreement.

E. **Value-added Tax ("VAT")**, if any. VAT shall only be chargeable to the Buyer if prevailing laws expressly allow its passing on by the Seller.

Except for VAT, which shall be a pass-through component of the price, all other taxes pursuant to Section 13.1 and government dues, the WESM market fees, and ER 1-94 (Benefits to Host Community) shall be to the account of the Seller.

Replacement Power Charge

If Seller provides Replacement Power, Seller shall attach to the Seller Invoice the computation showing both the actual rate of the Replacement Power and the generation rate based on the approved tariff for this Agreement.

In computing the actual rate of the Replacement Power, Seller shall declare whether the replacement energy was generated from a renewable energy source/s or from sources exempt from Value-Added Taxes and shall provide the invoice issued to it by the replacement power plant clearly showing the breakdown of the rate for the replacement energy delivered.

The generation rate based on this Agreement shall be computed in accordance with Schedule 7 as follows:

- The CRR_{CUFt}, $FOMR_{CUFt}$ and $VOMR_t$ shall be as previously defined above.

- Further, the Fuel Cost shall be calculated using a fuel rate based on the FP_t and FX_m as previously defined above and the Seller's Fuel Consumption Rate at the CUF level associated with the CRR_{CUFt} and $FOMR_{CUFt}$.

- In the event that the FP_t is unavailable due to the Facility being unable to utilize fuel and generate power for the supply under

this Agreement, the fuel rate shall be based on the most recent 3-month average fuel cost, in PhP/kWh.

Thus, the Replacement Power cost shall be:

$$RP_t = [Min(RP_r, CP_r) \times RE_t] + VAT_t, if\ applicable$$

$$CP_r = [(CRR_{CUFt} + FOMR_{CUFt} + VOMR_t) + (\frac{FP_t \times FCR_{CUFt} \times FX_m}{1000})]$$

RP_t	Replacement Power cost for the Billing Period, in PhP
RP_r	Actual generation rate of the Replacement Power exclusive of VAT, in PhP/kWh
CP_r	Generation rate based on this Agreement exclusive of VAT, in PhP/kWh
RE_t	Replacement Power Energy supplied by the Seller to the Buyer for the Billing Period, in kWh
CRR_{CUFt}	As previously defined
$FOMR_{CUFt}$	As previously defined
$VOMR_t$	As previously defined
FP_t	As previously defined
FCR_{CUFt}	As previously defined
FX_m	As previously defined
VAT_t	Applicable VAT for the Replacement Power Cost for the Billing Period, if any.
t	Billing Period

14.5 **Outages**. The Seller shall have an Outage Allowance for each Contract Year not exceeding:

Scheduled Outages: ___0__ Days
Unscheduled Outages: ___0__ Days

14.6 **Replacement Power ("RP")**.

The procurement of any Replacement Power shall be the responsibility of Seller, provided that the rates to be paid by Buyer for the procurement of Replacement Power shall be the lower between:

i. the actual rate of the Replacement Power; or

ii. the generation rate based on the approved tariff for this Agreement.

14.7 **Line Rental ("LR").**

The Line Rental Cap is PhP 0.2734/kWh and shall apply on a per Billing Period basis throughout the entire Term of the Agreement. For each Billing Period, the Buyer shall pay only the lower of: (a) the Actual Line Rental Charges incurred for the energy delivered during such Billing Period; or (b) Capped Line Rental Charges.

14.8 **Prompt Payment Discount ("PPD").**

Seller shall extend a three percent (3%) discount based on the total Capital Recovery Fee, Fixed Operations and Maintenance Fee, and Variable Operations and Maintenance Fee for the Billing Period to Buyer as a PPD if:

a. Payment by Buyer is made in full or partial within fifteen (15) Days upon receipt of the Seller Invoice for a Billing Period (the "Prompt Payment Period"); and

b. Buyer is up to date with all its payment obligations under this Agreement.

If the Buyer makes a partial payment within the applicable Prompt Payment Period, the Seller shall still grant an applicable PPD determined on a pro rata basis, provided that full payment of the Seller Invoice is made by the Buyer on or before the Due Date.

RATE IMPACT ON FLECO'S OVERALL GENERATION RATE

The estimated rate impact on FLECO's overall generation rate with and without the additional supply from SPI is as follows:

Generation Rate Impact (exclusive of VAT) of SPI PSA	
Generation rate without SPI	PhP7.2578/kWh
Generation rate with SPI	PhP6.0777/kWh
Rate Impact	PhP(1.1801)/kWh

A copy of FLECO's Rate Impact Analysis is attached as **Annex 05D**.

Likewise, the Applicants provide the following documents for the evaluation of the *Joint Application*:

Description of Document	Annex
Power Supply Agreement (PSA) between FLECO and SPI	**"01"**
SPI's Certification on Documents Previously Submitted invoking Section 24 of the ERC Resolution No. 07, Series of 2026: **ERC Case No. 2024-103 RC** • SPI's WESM Registration • Write-up on Shareholders' Agreement SPI • Write-up on the Non-applicability of BOI Registration • SPI's Environmental Compliance Certificate • Write-up on RE Developer • Write-up on RE Service Contract • Write-up on Water Permit • Documents Related to Fuel ***(Confidential)*** **ERC Case No. 2025-018 RC** • Certification on Non-Applicability of DWS Agreement • Certification on Non-Applicability of Transmission Wheeling Contract • Write-up on IPPA Agreement • Write-up on EPC Contract • Write-up on Project Feasibility Study • Write-up on Wholesale Aggregator Agreement **ERC Case No. 2026-057 RC** • Transmission Service Agreement **ERC Case No. 2026-063 RC** • SPI's Certification on Ultimate Parent Company **ERC Case No. 2026-121 RC** • SPI's Amended Articles of Incorporation, SPI's Amended By-Laws, and General Information Sheet for 2026 • Provisional Authority to Operate - 05 11 2026 Sual Power, Inc. (SPI) - 1,294.040 MW Sual CFTPP • SPI's Latest Audited Financial Statement	**"02"** [4]

[4] Annex 02 includes Annnexes "06", "07", "08", "09", "10", "12", "13", "14", "15", "16", "17", "18", "19", "20" and "21"in the Technical Pre-Filing Requirements.

• SPI's Write-up on the Non-Applicability of Rental Agreements • Operations and Maintenance Agreement *(Confidential)*	
FLECO's Articles of Incorporation and By-Laws	**"02A"**
FLECO's Business Registration	**"02B"**
FLECO's Supply and Demand Scenario	**"03"**
FLECO's Details of Existing Suppliers	**"03A"**
FLECO's Contract Utilization	**"03B"**
FLECO's Average Daily Load Curve	**"03C"**
FLECO's 2025 Distribution Development Plan	**"03D"**
FLECO's Power Supply Procurement Plan	**"03D"**
TOR vs PSA Provision Matrix	**"04"**
Bid Forms *(Confidential)*	**"05A"**
SPI's Generation Rate and Derivation *(Confidential)*	**"05B"**
Sample Power Bill	**"05C"**
FLECO's Rate Impact Analysis	**"05D"**
FLECO's WESM Registration	**"07A"**
FLECO's Estimation of Potential Reduction	**"11"**
FLECO's Board Resolution No. 109, Series of 2026	**D and E**
SPI's Secretary Certificate – Authority of Counsel to file the PSA and Authority of Affiant to execute Verification or CAFS	**D-1 and E-1**
SPI's Secretary's Certificate – Authority to execute the PSA	**D-2**
Brief Description of the CSP Conducted	**"H"**
Proof of BAC establishment	**"I"**
CSP Observers	**"J"**
Invitation to Bid (ITB)	**"K"**
Certificate of Conformity from the NEA	**"L"**
Publication of the ITB	**"M"**
Posting of the ITB	**"N"**
Instructions to Bidders	**"O"**
Terms of Reference (TOR)	**"P"**

Pre-bid Conference	**"Q and Series"**
Eligibility Requirements	**"R and Series"**
Submission of Bids	**"S and Series"**
Evaluation of Bids	**"T and Series"**
Award of Contract	**"U and Series"**
Execution of Contract	**"V and Series"**
Protests and Dispute Resolution	**"W and Series"**
Affidavit to Support Provisional Approval	**"X"**

MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

Under the ERC Revised Rules of Practice and Procedure, a party to any proceeding before the Honorable Commission may request that certain information not be disclosed and be treated as confidential.[5] Pursuant to this, Applicants FLECO and SPI pray for the confidential treatment of the information contained in the following annexes:

Documents and/or Information	Annex
Documents Related to Fuel	**"02"**
Operations and Maintenance Agreement	**"02"**
Bid Forms	**"05A"**
SPI's Generation Rate and Derivation	**"05B"**

1. In addition, **Annex 02** (Documents Related to Fuel and Operations and Maintenance Agreement) are SPI's contract with its fuel supplier containing the terms, including the rate, at which SPI purchases or procures fuel for the Power Plant.

[5] Section 1, Rule 4, Revised Rules of Practice and Procedure of the ERC Resolution No. 01, series of 2021

2. **Annex "05A"** contains the details of the breakdown of generation costs of other power suppliers who participated and submitted bid prices during the FLECO's CSP.

3. **Annex "05B"** contains the details concerning the financial plans and power rate calculations of SPI as well as the manner and details by which these were derived. The subject information is proprietary in nature and should be protected as trade secrets as contemplated by law and jurisprudence. In the case of *Air Philippines Corporation vs. Pennswell, Inc.*[6], the Supreme Court defined a trade secret, as follows:

> "A trade secret may consist of any formula, pattern, device, or compilation of information that: **(1) is used in one's business; and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information.** Generally, a trade secret is a process or device intended for continuous use in the operation of the business, for example, a machine or formula, but **can be a price list or catalogue or specialized customer list.** It is indubitable that trade secrets constitute proprietary rights. The inventor, discoverer, or possessor of a trade secret or similar innovation has rights therein which may be treated as property, and ordinarily an injunction will be granted to prevent the disclosure of the trade secret by one who obtained the information "in confidence" or through a "confidential relationship". American jurisprudence has utilized the following factors to determine if an information is a trade secret, to wit:
>
> (1) the extent to which the information is known outside of the employer's business;
>
> (2) the extent to which the information is known by employees and others involved in the business;
>
> (3) the extent of measures taken by the employer to guard the secrecy of the information;

---

[6] G.R. No. 172835, December 13, 2007

(4) the value of the information to the employer and to competitors;

(5) the amount of effort or money expended by the company in developing the information; and

(6) the extent to which the information could be easily or readily obtained through an independent source." *(citations omitted, emphasis supplied)*

The interest of the consuming public is sufficiently protected by the review and evaluation of the rates under the PSA by this Honorable Commission, without the need to disclose the contents of Confidential Documents. The reasonableness and transparency of the prices of electricity is to be assured by the Honorable Commission through its own review and verification of SPI's operating costs and expenses.

4. Joint Applicants hereby 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".[7]

5. Further, Joint Applicants 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".

6. This is guided by the fact that Joint Applicants will seek for the return of these sought to be declared confidential annexes after its utilization as evidence in this case and/or at the close of the proceedings hereof, so as to relieve the Honorable Commission of the burden of safekeeping the trade secrets of SPI enclosed in the subject annexes.

---

[7] Soft copies of the same to be provided to this Honorable Commission are password protected.

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

7. Under Rule 14, Section 1 of the ERC Revised Rules of Practice and Procedure, the Honorable Commission may issue a provisional authority or interim relief prior to a final decision, provided the facts and circumstances alleged warrant such remedy.

8. The FLECO's 10 to 22.5 MW power supply under PSA with the Sual Power Inc., with validity date until December 25, 2041.

9. With the current limitations on the available capacity in the Luzon Grid, FLECO must immediately source its power supply from SPI to achieve energy security and to avoid potential power outages in FLECO's franchise area.

10. The latest FLECO's DDP shows an increasing demand and energy requirements of its new and current customers in 2027-2041.

11. Without the supply of SPI, FLECO will be severely exposed to volatile prices in the Wholesale Electricity Spot Market ("WESM"). Consequently, the FLECO's generation charge will be adversely affected to the prejudice of its customers.

12. As shown in the rate impact simulation, the subject PSA would provide FLECO's customers up to PhP 1.1801/kWh average rate reduction in their monthly electricity bill in 2027.

13. The implementation of the PSA with SPI will enable FLECO to continuously provide its customers with stable, reliable, secured, and long-term power supply at cheaper electricity rate.

14. The grant of a provisional authority or interim relief will allow FLECO to have a steady, continuous, secured, and reliable source of electricity, which will immediately redound to the benefit of FLECO's customers in terms of providing a more affordable rate. To support the Motion for Provisional Authority, the Affidavit of Engr. Richard B. Mondez, the FLECO's General Manager, is attached as **Annex "X"** of the Application.

PRAYER

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

(i) **ISSUE** an Order treating **Annex "02", "05A", and "05B"** as confidential in perpetuity, directing their non-disclosure to persons other than the officers and staff of the Honorable Commission, perpetually protecting the said information from public disclosure by maintaining the same separate and apart from the records of the case, ensuring that these are not divulged to unauthorized persons, and that these confidential documents are returned to FLECO and SPI after the termination of this case pursuant to Rule 4 of its Rules of Practice and Procedure;

(ii) Pending trial on the merits, **GRANT** provisional authority or interim relief allowing the implementation of the PSA including all the rates, fees, charges, and tariff adjustment mechanisms set out therein at the rates provided in the PSA and authorizing FLECO to charge and collect such rates, fees, charges, and tariff adjustment therein from its customers reckoned from the start of the supply by SPI to FLECO under the PSA subject of this Joint Application; and

(iii) After hearing on the merits, **ISSUE** a Decision approving the Joint Application and the PSA between FLECO and SPI, including all the rates, fees, charges, and tariff adjustment mechanisms set out therein at the rates provided in the PSA, and authorizing FLECO to charge and collect such rates, fees, charges, and tariff adjustments therein from its end-users reckoned from the start of the supply by SPI to FLECO under the PSA.

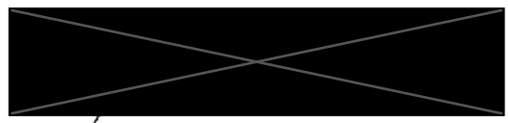
Other relief just and reasonable are likewise prayed for.

Cainta, Rizal and Pasig City for Pasig City, 01 October 2026.

(signature pages will follow)

FIRST LAGUNA ELECTRIC COOPERATIVE, INC.

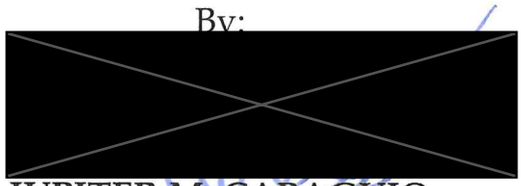
By:



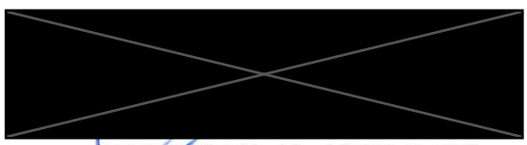
ARNIDO O. INUMERABLE
Counsel for FLECO
405 Elisa St., U.E. Village, Cainta, Rizal
Email: attyinumerable@yahoo.com.ph
Telephone No. (02) 8647-3056 / 0929-8408040
PTR No. 8459220 / 01-21-26 / Quezon City
IBP No. 537308 / 01-21-26 / Pasig City
MCLE Compliance No. VIII-0042694, Valid Until 14 April 2028
Roll of Attorneys No. 28764

SUAL POWER INC. (SPI)[8]

By:



JUPITER M. CABAGUIO
5*th* Floor, C5 Office Building Complex
#100 E. Rodriguez, Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
Telephone No. (02) 5317 1000/jcabaguio@smcgph.sanmiguel.com.ph
PTR No. 3977997 / 05 January 2026 / Pasig City
IBP Lifetime No. 06372 / Makati Chapter
MCLE Compliance No. VIII – 0032570 valid until 14 April 2028
Roll No. 47112



AVELINO G. CEDO III
5*th* Floor, C5 Office Building Complex
#100 E. Rodriguez, Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
Telephone No. (02) 5317 1000 / acedoiii@smcgph.sanmiguel.com.ph
PTR No. 3977996 / 05 January 2026 / Pasig City
IBP Lifetime No. 010380 / PPLM Chapter
MCLE Compliance No. VIII - 0029077 valid until 14 April 2028
Roll No. 54500



JULIETA B. ESTAMO
5th Floor, C5 Office Building Complex,
#100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
Telephone No. (02) 5317 1000 / jestamo@smcgph.sanmiguel.com.ph
PTR No. 3978000 / 05 January 2026 / Pasig City
IBP Invoice No. 536845 / 07 January 2026 /
Central Luzon Bulacan Chapter
MCLE Compliance No. VIII-0016943 valid until 14 April 2028
Roll No. 39024

---

[8] Other registered email:
regulatorycompliance@smcgph.sanmiguel.com.ph

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, RICHARD B. MONDEZ, of legal age, Filipino, married, and with office address at First Laguna Electric Cooperative, Inc. (FLECO), Brgy. Lewin, Lumban, Laguna, Philippines, after having been duly sworn to in accordance with the law, hereby depose and state:

1. That I am the General Manager of FLECO and duly authorized by the Board of Directors to file or cause the filing of this Application with the Energy Regulatory Commission (ERC), as evidence by the Board Resolution No. 109 Series of 2026, hereto attached as **Annex "B"**;

2. That I caused the preparation of the foregoing Application;

3. That I have read the foregoing Application and I attest that the allegations therein are true and correct of my personal knowledge and based on authentic records of FLECO;

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

5. The factual allegations in the foregoing Application have evidentiary support, or it specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

6. That I further attest that FLECO has not theretofore commenced any action or filed any claim involving the same issues and parties in any court, tribunal or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein; and

7. That if I should hereinafter learn that the same or similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals, or any court, tribunal, or quasi-judicial agency, I shall report the fact within five (5) days from discovery thereof to the Honorable Commission.

IN WITNESS WHEREOF, I have set my hand and affixed my signature this 1 day of October, 2026 in Lumban, Laguna.

RICHARD B. MONDEZ
Affiant
General Manager
First Laguna Electric Cooperative, Inc.

SUBSCRIBED AND SWORN to before me this 01 OCT 2026 day of _____ 2026, in Lumban, Laguna, Philippines, affiant exhibiting to me his PRC Number [redacted] valid until February 12, 2029.

Witness my hand and seal.

[redacted]

ATTY. JAMIRA MERCADO DE RAMOS
ROLL NO. 85347 NOTARY PUBLIC
NOTARIAL COMMISSION NO. SC 2025-15
UNTIL DEC. 31, 2026 STA. CRUZ, LAGUNA
PTR NO. 4569772/JAN 5, 2026
IBP NO. INV 581789/JAN. 1, 2026
MCLE COMP NO. VIII-0010710/APRIL 14, 2028

Doc. No. 161;
Page No. 32;
Book No. 20;
Series of 2026.

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

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

1. I am the authorized representative of Sual Power Inc. ("SPI") a co-applicant in the Joint Application for Approval of the Power Supply Agreement between First Laguna Electric Cooperative, Inc. ("FLECO") and SPI;

2. I have caused the preparation and filing of the Joint Application and that I have read the contents thereof and aver that all the factual/legal allegations contained therein are true and correct based on my personal knowledge and/or on authentic documents/official records;

3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation and that the factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery; and,

4. I hereby certify that SPI has not filed/commenced any action or proceeding arising from the same issues raised in the Joint Application before the Supreme Court, Court of Appeals, or any other courts or tribunals or quasi-judicial bodies/agencies and to the best of my knowledge, no such other similar action or claim is pending therein. If ever there is a case pending before the said courts or tribunals involving the same issues, I undertake to inform the Honorable Energy Regulatory Commission of such fact within five (5) calendar days from knowledge thereof.

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

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 0 1 2026 at Pasig City.

[redacted]

ELENITA D. GO
Affiant

SUBSCRIBED AND SWORN to before me this OCT 0 1 2026 in Pasig City. Affiant personally appeared and exhibited to me her Philippine Passport No. [redacted] issued on June 7, 2019 at the DFA NCR East as her competent proof of identity and with affiant waiving the right to receive a duplicate and original electronic copy of the Verification and Certification of Non-Forum Shopping in effect waiving any objection to the completeness of the reproduction of the same.

Doc. No.: 245;
Page No.: 50;
Book No.: X;
Series of 2026.

BUWIS RENTAS INTERNAS DSK2025 21639352 30 PISO DOKUMENTARYO 30 PISO
OCT 0 1 2026

RUDILICIA P. ESPIRITU NOTARY PUBLIC ROLL NO. 53391 PASIG CITY, PHILIPPINES

[redacted]

RUDILICIA P. ESPIRITU
Commision No. 274 (2025-2026)
Notary Public for Pasig City
Until December 31, 2026
5th Floor, C5 Office Building Complex,
#100 E Rodriguez Jr. Ave., C5 Road,
Bo. Ugong, Pasig City 1604, Metro Manila
Roll No. 53391
PTR No. 3977998; January 5, 2026 / Pasig City
IBP Life Member Roll No. 13322 / Camarines Sur Chapter
MCLE Compliance No. VIII-0019485; Valid until April 14, 202[illegible]