

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE
APPLICATION FOR THE
APPROVAL OF THE EMERGENCY
POWER SUPPLY AGREEMENT
BETWEEN ILOCOS NORTE
ELECTRIC COOPERATIVE, INC.
(INEC) AND THERMA LUZON,
INC. (TLI), WITH PRAYER FOR
CONFIDENTIAL TREATMENT OF
INFORMATION,

ERC Case No. [2026-045](#) RC

[April 07, 2026](#)

ILOCOS NORTE ELECTRIC
COOPERATIVE, INC. (INEC) and
THERMA LUZON, INC. (TLI),
Applicants.

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**JOINT APPLICATION FOR APPROVAL OF
EMERGENCY POWER SUPPLY AGREEMENT
(with Prayer for Confidential
Treatment of Information)**

Applicants Ilocos Norte Electric Cooperative, Inc. ("**INEC**") and Therma Luzon, Inc. ("**TLI**"; collectively, the "**Applicants**"), through respective counsels, respectfully state:

The Joint Applicants

1. INEC is a non-stock, non-profit electric cooperative duly organized and existing under the laws of the Philippines, with principal office address at Barangay Suyo, Dingras, Ilocos Norte. It is a duly franchised electric cooperative engaged in the distribution of light and power within its franchise area, which covers the whole of Ilocos Norte

Province, comprising of two (2) cities, twenty-one (21) municipalities, and five hundred fifty-nine (559) barangays.

2. TLI is a private corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal office at NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. TLI manages and operates Units 1 and 2 of the Pagbilao Coal-Fired Thermal Power Plant (the "**Power Plant**").

3. The Applicants may be served with this Honorable Commission's notices, orders, and processes through their respective counsels at the addresses and email addresses indicated below.

Nature of the Application

4. This *Joint Application* for the approval of the *Emergency Power Supply Agreement* for the supply of 10 MW baseload capacity with a Contract Period from March 15, 2026 to March 14, 2027 executed by the Applicants (the "**Subject EPSA**"), a copy of which is attached as **Annex "A"**, is being submitted to the Honorable Commission for its review and approval pursuant to Sections 25¹ and 45(b)² of Republic Act No. 9136, otherwise known as the *Electric Power Industry Reform Act of 2001*, Rule 20(B) of the Honorable Commission's *Resolution No. 01, Series of 2021*³ (the "**Revised ERC Rules**"), the Honorable Commission's *Resolution No. 16, Series of 2023*,⁴ and Department of Energy's ("**DOE**") *Department Circular No. 2023-06-0021*,⁵ as

¹ SEC.25. Retail Rate. – The retail rates charged by distribution utilities for the supply of electricity in their captive market shall be subject to regulation by the ERC based on the principle of full recovery of prudent and reasonable economic costs incurred, or such other principles that will promote efficiency as may be determined by the ERC.

² Distribution utilities may enter into bilateral power supply contracts subject to review by the ERC: xxx.

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

⁴ Entitled, "*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.*"

⁵ Entitled, "*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.*"

amended by *Department Circular* No. DC2025-10-0022⁶ (the "**DOE CSP Policy**").

Statement of Facts

5. Based on its Power Supply Procurement Plan for 2024, INEC projected a baseload requirement of 62 megawatts ("**MW**") for 2026.

6. INEC was able to secure 52 MW of its baseload requirement through the Luzon Electric Cooperative Aggregation Competitive Selection Process ("**CSP**"). It intended to secure the remaining 10 MW under a Power Supply Agreement ("**PSA**") with One Ilocos Norte Energy Corp. ("**OINEC**"), an embedded renewable energy generator.

7. Upon revalidation of INEC's baseload requirement for 2026 based on the power supply optimal mix, INEC determined that the 10 MW capacity from OINEC is necessary to meet the demand in their franchise area, particularly during the peak months.

8. On June 2, 2025, INEC and OINEC filed the application for the approval of their PSA, which was docketed by this Honorable Commission on August 27, 2025.⁷ In an *Order* dated October 30, 2025, this Honorable Commission granted them provisional authority to implement the PSA, subject to certain conditions.

9. Under Section 1.1 (o) of the PSA, the Delivery Date is defined as "*three (3) months upon approval of the PSA by ERC; provided that for justifiable cause, OINEC may be given an extendible period to deliver but not beyond three (3) months.*" However, by February 2026, three (3) months following the issuance of the provisional authority to implement the PSA, OINEC has yet to secure its Provisional Authority to Operate ("**PAO**") and Certificate of Compliance ("**COC**"), which (a) prevents it from commencing supply to

⁶ Entitled *Prescribing Policies to Enhance the Procurement Power Supply by Distribution Utilities for the Captive Market, Amending and Supplementing for this Purpose Department Circular No. DC2023-06-0021.*

⁷ The INEC-OINEC application was docketed as ERC Case No. 2025-160 RC.

INEC under the PSA, and (b) inevitably exposes INEC (and its member-consumer-owners ("**MCOs**") to the volatile prices in the Wholesale Electricity Spot Market ("**WESM**").

10. Furthermore, the current geopolitical tensions and ongoing armed conflict in the Middle East have also contributed to volatility in global energy markets, potentially affecting fuel prices and the cost of electricity generation. Without a replacement PSA to provide electricity at more stable and economical prices, INEC's MCOs would be left to the mercy of the volatile WESM prices. INEC was thus compelled to secure reliable and reasonably priced emergency power supply to protect the interests of its MCOs.

11. Hence, on March 7, 2026, through Board Resolution No. 2026-03-023, INEC declared a *force majeure* or a fortuitous event ("**FM/FE**") due to the delay in the commencement of 10 MW power supply from OINEC which necessitated the procurement of emergency power.

12. On the same day, INEC solicited offers from TLI and GNPowder Dinginin Ltd. Co. for the negotiated procurement of 10 MW emergency power supply due to the occurrence of FM/FE.

13. Through letters dated March 9, 2026, INEC notified the Honorable Commission, the National Electrification Administration ("**NEA**") and Department of Energy ("**DOE**") regarding the occurrence of the FM/FE.

14. On March 10, 2026, INEC awarded the Subject EPSA to TLI and on March 11, 2026, following negotiations, INEC and TLI executed the Subject EPSA.

Compliance with the DOE CSP Policy and CSP Guidelines

15. Section 2.3.5 of the DOE CSP Policy provides that the conduct of CSP shall not be required in the following instance, among others:

Negotiated procurement of Emergency Power Supply wherein the Emergency Power Supply Agreement (EPSA) shall be filed with the ERC within thirty (30) calendar days after the occurrence of the Force Majeure/Fortuitous Events, without need of any prior clearance or certification from the DOE, and shall have a maximum and non-extendible period of one (1) year from its execution. The EPSA shall be immediately implemented to address the emergency, subject to conditions to be defined by the ERC; Provided, that the procurement of emergency power supply shall not be entitled to any form of subsidy[.]

16. Moreover, Section 6 of this Honorable Commission's Resolution No. 6, Series of 2023 (the "**CSP Guidelines**")⁸ provides the following guidelines on the procurement of EPSAs:

Section 6. Emergency Power Supply Agreement — The DU may engage in negotiated procurement of an Emergency Power Supply Agreement (EPSA) under the circumstances contemplated in Section 2.3.5 of the DOE CSP Policy.

The DU and the supplier of emergency power may immediately execute and implement the said EPSA provided the following conditions are present:

- (a) the cooperation period of such EPSA shall have a maximum and non-extendible period of one (1) year from its execution;
- (b) the interim rates to be charged under the EPSA shall be capped at the latest ERC-approved generation tariff specific for the plant, if available. Otherwise, it shall be capped at the latest ERC-approved generation tariff for the same technology. Such rates shall apply until the ERC issues its approval of the EPSA;
- (c) the DU shall, within five (5) calendar days from the occurrence of the Force Majeure or Fortuitous Event, notify in writing the ERC and the DOE, as well as the NEA (in the case of ECs) and the NPC (in the case of Off-Grid areas), of such Force Majeure or Fortuitous Event which will require the emergency power supply; and
- (d) the DU and the Captive Market Supplier shall jointly file with the ERC the application for approval of the

⁸ Entitled *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*.

said EPSA in accordance with the timeline prescribed in Section 23 of these Guidelines.

Procurement of emergency power supply shall not be entitled to any form of subsidy.

17. The Applicants respectfully submit that, based on the Statement of Facts pleaded above and the foregoing provisions of the DOE CSP Policy and CSP Guidelines, all the conditions for the execution, implementation, and approval of the Subject EPSA are present:

17.1. The Contract Period of the Subject EPSA (*i.e.*, from March 15, 2026 up to March 14, 2027) has a maximum and non-extendible period not exceeding one (1) year;

17.2. The interim rates to be charged under the Subject EPSA are capped at the latest ERC-approved generation tariff specific for the Power Plant.

17.3. Within five (5) calendar days from the occurrence of the FM/FE, INEC notified in writing this Honorable Commission, the DOE, and NEA of the FM/FE which requires the emergency power supply; and

17.4. The Applicants have jointly filed this Application for approval of the Subject EPSA within thirty (30) days from the occurrence of the FM/FE.

18. The Applicants respectfully submit that OINEC's failure to secure a PAO and COC and consequent inability to commence power supply to INEC under their PSA and the increased volatility in the WESM due to current geopolitical tensions and the armed conflict in the Middle East are considered FM/FE because these events could neither be attributable to INEC in anyway nor foreseen by it and are completely beyond INEC's control.

19. Section 3.8. of the DOE CSP Policy defines FM/FE as "*any extraordinary event not foreseeable or avoidable, or to an event that could not be foreseen, **or which, though***

foreseen, is inevitable and independent of human will or the DU's participation, whether by active intervention, neglect or failure to act."⁹ The Supreme Court, as early as the case of **Murillo vs. Mendoza**,¹⁰ in resolving events which would constitute as force majeure likened it to addressing the question of whether unforeseen acts arose wherein no fault or negligence from those involved intervened.

20. OINEC's failure to timely supply INEC with power under their PSA is attributable solely to the fault of OINEC, who failed to secure its COC.¹¹ This circumstance is neither attributable to INEC in anyway nor foreseen by it and are completely beyond INEC's control. INEC had every right to expect that OINEC could deliver on its commitment under their PSA.

21. Because of OINEC's failure to secure a PAO and COC and consequent inability to commence power supply to INEC, INEC's baseload supply portfolio for 2026 now has a deficiency of 10 MW. Without the Subject EPSA, INEC will be constrained to purchase electricity at volatile WESM prices which are prone to even more heightened volatility because of the current state of the global economy.

22. During the emergency board meeting held on March 7, 2026, the Board of Directors of INEC discussed that the circumstances heightened the urgent need to procure emergency power supply to ensure continuous, reliable, and adequate supply of electricity within its franchise area, especially in anticipation of the upcoming summer months. Accordingly, the Board of Directors of INEC declared the occurrence of an FM/FE.

23. Thus, the Applicants negotiated procurement of emergency power supply due to the occurrence of FM/FE. As

⁹ *Emphasis supplied.*

¹⁰ G.R. No. L-46020, December 8, 1938.

¹¹ See the Honorable Commission's *Resolution* No. 17, series of 2023, entitled "A *Resolution Adopting the 2023 Revised Rules for the Issuance of Certificates of Compliance (COCs) for Generation Facilities*", Section 3.1.2. provides, among others, that "the person or entity owning the Generation Facility is understood to be the person or entity owning the Generation Facility is understood to be the person or entity having legal title to the same. **In such case, such person or entity shall apply for the COC or PAO** x x x". [Emphasis supplied]

a result of their negotiations, the Applicants executed the Subject EPSA on March 11, 2026.

24. Considering that the FM/FE in this case occurred on March 7, 2026, the Applicants respectfully submit that this Application is timely filed.

The Salient Features of the Subject EPSA

25. The Subject EPSA contains the following salient provisions:

25.1. ***Supply of Contract Capacity and Contract Energy.*** During the Contract Period, and provided that Closing shall have occurred, TLI shall make available the Contract Capacity and Deliver the Contract Energy, and INEC shall receive and pay for the Contract Capacity and Contract Energy, from the Power Plant to INEC during the Billing Periods specified in Schedule 4.1 (Delivery Schedule), at the Metering Points specified in item 2, Schedule 3.1(b) (General Conditions), and at the rates specified in Schedule 6.1.2 (Rate Schedule); provided that, at the option of TLI, the Contract Capacity or the Contract Energy may be delivered from the power plants owned and/or operated by any of its affiliates (if any), WESM, or any other supplier, and the same shall be deemed Delivered from the Power Plant; provided further that, TLI shall not be obligated to make available the Contract Capacity and Deliver the Contract Energy following the date of termination or expiration of this Agreement.¹²

Schedule 4.1 – Delivery Schedule

Billing Month	Contract Capacity (in kW)	Monthly Minimum Contract Energy per Billing Period (in kWh)	Monthly Maximum Contract Energy per Billing Period (in kWh)
March 15, 2026 to March 25, 2026	10,000	2,640,000	2,640,000

¹² See Subject EPSA (**Annex A**), Article 6.1.

Billing Month	Contract Capacity (in kW)	Monthly Minimum Contract Energy per Billing Period (in kWh)	Monthly Maximum Contract Energy per Billing Period (in kWh)
March 26, 2026 to April 25, 2026	10,000	7,440,000	7,440,000
April 26, 2026 to May 25, 2026	10,000	7,200,000	7,200,000
May 26, 2026 to June 25, 2026	10,000	7,440,000	7,440,000
June 26, 2026 to July 25, 2026	10,000	7,200,000	7,200,000
July 26, 2026 to August 25, 2026	10,000	7,440,000	7,440,000
August 26, 2026 to September 25, 2026	10,000	7,440,000	7,440,000
September 26, 2026 to October 25, 2026	10,000	7,200,000	7,200,000
October 26, 2026 to November 25, 2026	7,000	5,208,000	5,208,000
November 26, 2026 to December 25, 2026	7,000	5,040,000	5,040,000
December 26, 2026 to January 25, 2027	5,000	3,720,000	3,720,000
January 26, 2027 to February 25, 2027	5,000	3,720,000	3,720,000
February 26, 2027 to March 14, 2027	10,000	4,080,000	4,080,000

Note: Contract Capacity per interval shall refer to the Contract Capacity per interval for each Billing Month indicated in Schedule 4.1-Delivery Schedule which INEC is contractually entitled to receive at any given hour. For the avoidance of doubt, the capacity to be declared per 5-minute interval is equal to the Contract Capacity divided by twelve (12).

25.2. **Contract period.** From March 15, 2026 up to March 14, 2027.¹³

25.3. **Electricity Fees.** The Applicants have agreed that TLI's supply of Contract Energy to INEC under the EPSA shall be at the fees determined in accordance with Schedule 6.1.2 - Rate Schedule, which provides:

$$\text{Electricity Fees} = (\text{Rate} \times \text{CC} \times \text{BPH} \times \text{Adj}) + \text{E}$$

Where:

Rate = 5.5718 PhP/kWh

CC = the monthly contracted capacity corresponding to the current Billing Period as stated in Schedule 4.1 - Delivery Schedule.

BPH = $int \times n$

where:

int = the number of trading intervals per day

n = the number of days for the current Billing Period

$$\text{Adj} = \sum_{j=1}^n \sum_{i=1}^{int} \frac{ACC_{ij}}{CC \times int \times n}$$

where:

ACC_{ij} = CC less affected capacity due to Force Majeure and Outage within the Allowable Downtime for interval i and day j

int = as previously defined

n = as previously defined

E = All existing and future taxes, fees and imposts (including increases, or adjustments on existing taxes, fees and

¹³ See Subject EPSA (**Annex A**), Article 4.1.

imposts), such as but not limited to real property taxes, excise taxes, and other future charges imposed on the Power Plant for the generation of electricity, in Philippine Pesos.

Adjustments:

a.) Service Interruption Adjustment:

If INEC is only able to take Energy at a level below the Contract Energy due to the failure of the Transmission System, the Minimum Contract Energy shall be adjusted to reflect the hours of such transmission service interruption. For this purpose, INEC shall deliver to TLI documentation from the NGCP establishing the occurrence of the service interruption not later than five (5) days before the end of the Billing Period during which such interruption occurred. If INEC shall be affected by any service interruption during the five-day period preceding the end of a Billing Period, INEC shall deliver the NGCP supporting documentation to TLI as soon as reasonably practicable after receipt thereof, and TLI shall credit INEC with the adjustment in the next succeeding Billing Statement.

25.4. ***Reduction in Contract Capacity.***

During the implementation of Retail Competition and Open Access, Green Energy Option Program, and similar policies or rules allowing for end-users' choice of supplier, INEC shall be entitled to reduce its Contract Capacity, subject to the following conditions:¹⁴

25.4.1. The reduction in the Contract Capacity shall be to the extent that the need for such reduction is the result of the transfer of INEC's contestable market customers, provided that the reduction shall not exceed the ratio the Contract Capacity bears against the INEC's total capacity among all of the INEC's suppliers;¹⁵ and

25.4.2. INEC shall send a written request to TLI at least thirty (30) days before the date of

¹⁴ See Subject EPSA (**Annex A**), Article 6.7.

¹⁵ See Subject EPSA (**Annex A**), Article 6.7.1.

effectivity of the requested reduction in the Contract Capacity.¹⁶

25.5. **Outage Allowance.** TLI is entitled to (a) Scheduled Outage allowance not to exceed 669.6 hours; and (b) Unscheduled Outage allowance not to exceed 403.2 hours, both on a full load equivalent basis.¹⁷ During Scheduled and Unscheduled Outages, within the allowance, INEC shall source replacement power. If any Scheduled or Unscheduled Outages occur beyond the allowance, TLI shall be responsible for sourcing replacement power and shall charge INEC the rates based on Schedule 6.1.2 of the Subject EPSA.¹⁸

25.6. **Billing and Payment of Fees.** TLI shall deliver to INEC a Billing Statement setting out the Electricity Fees due on account of Contract Capacity and all Energy Delivered during each Billing Period on or before the seventh (7th) day of the Payment Month.¹⁹

If INEC fails to pay the Electricity Fee or any other amounts payable by it under this Agreement in full, including full payment of VAT due (if any) and all applicable taxes thereon, on the Payment Date, it shall pay a penalty of one percent (1%) per month (a fraction of a month to be considered one month) based on the amount due, from the date when such payment is due until the date such amount is received in full by TLI.²⁰

Furthermore, if INEC fails to pay these fees or other amounts, TLI shall have the right to (i) draw against the security deposit; (ii) temporarily reduce or suspend its obligation to generate and sell electric power to INEC without need of notice; (iii) rescind or terminate the Subject EPSA; (iv) declare fees and charges as due and payable; (v) set-off any due and outstanding obligation owed by TLI to INEC; and/or (vi) exercise INEC's rights

¹⁶ See Subject EPSA (**Annex A**), Article 6.7.2.

¹⁷ See Subject EPSA (**Annex A**), Schedule 3.1(b), Item 4.

¹⁸ See Subject EPSA (**Annex A**), Article 6.8.

¹⁹ See Subject EPSA (**Annex A**), Article 7.1.1.

²⁰ See Subject EPSA (**Annex A**), Article 7.1.6.

with respect to its own customers to collect payments from them.²¹

INEC's Supply-Demand Scenario and Rate Impact Analysis

26. The indicative rate impact on TLI's overall generation rate with and without the additional supply from TLI is as follows:

Generation Rate Impact of Subject EPSA	
Blended generation rate without TLI	PhP5.6066/kWh
Blended generation rate with TLI	PhP5.5302/kWh
<i>Rate Impact</i>	PhP(0.0764)/kWh

27. As shown in the rate impact analysis, the implementation of the Subject EPSA will benefit INEC and its MCOs with an estimated reduction of PhP(0.0764)/kWh in the price of energy purchased.

28. In support of this Joint Application, copies of the following documents are attached as annexes:

Description of Document	Annex
Emergency Power Supply Agreement between INEC and TLI	A
FM/FE Notices	B Series
INEC Board Resolutions	C Series
INEC's Supply-Demand Scenario	D
INEC's Daily Load Curve	E
INEC's Rate Impact Simulation	F
Executive Summary of INEC and TLI's EPSA	G
Sample Bill	H

²¹ See Subject EPSA (**Annex A**), Article 7.1.6.

Description of Document	Annex
TLI's Write-up Re: Relevant technical and economic characteristics of the generation capacity	I
TLI's Coal Supply Agreement (Confidential)*	J
TLI's Coal Procurement Plan (Confidential)*	K
Sworn Statement Re - TLI's Explanation on Coal Procurement Process (Confidential)*	L
TLI's Write-Up on Non-Applicability	M
Sworn Certification (re: Implementation of the EPSA) dated March 19, 2026, with proof of e-mail service to the ERC	N
Affidavit on the Details of Force Majeure	O
Solicitation Letters	P Series

* Subject of the Motion for Confidential Treatment of Information.

ALLEGATIONS IN SUPPORT OF THE PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION

29. Section 1, Rule 4 of the Revised ERC Rules provides that a party to any proceeding before this Honorable Commission may request that documents and/or information in this Honorable Commission's possession be treated as confidential and not be disclosed.

30. In line with this, TLI prays that **Annexes J, K, and L** (collectively, the "**Confidential Documents**") and the information contained therein be treated as confidential and not be disclosed to any persons other than the officers and staff of this Honorable Commission.

31. The Confidential Documents contain information and data where TLI has actual and valuable proprietary interest to protect with respect to such information and fall within the bounds of "*trade secrets*" that are entitled to protection under the Constitution, statutes, and rules and regulations of this Honorable Commission.

32. **Annex J** (*i.e.*, TLI's Coal Supply Agreement) is TLI's contract with its fuel supplier containing the terms, including the rate, at which TLI purchases or procures fuel for the Power Plant. **Annex K** (*i.e.*, TLI's Coal Procurement Plan) contains TLI's business strategies in relation to the procurement of coal. **Annex L** (*i.e.*, TLI's Sworn Statement on its procurement process) is an affidavit containing further information on TLI's coal procurement strategies. TLI respectfully submits that all the Confidential Documents warrant confidential treatment because they contain information that is considered trade secrets.

33. In *Air Philippines Corporation vs. Pennswell, Inc.*,²² the Supreme Court held that:

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;

²² 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.²³

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

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

Thus, the Commission resolves to treat the said documents confidential and may not be publicly disclosed.²⁴

35. Thus, this Honorable Commission has recognized the importance of maintaining pricing structures as confidential to ensure the competitiveness of the generation sector. Such information, which falls within the definition of a trade secret as defined by jurisprudence, is clearly information that merits the confidential treatment provided for under Rule 4 of the Revised ERC Rules.

36. The interest of the consuming public is sufficiently protected by the review and evaluation of the rates of the

²³ *Emphasis and underscoring supplied.*

²⁴ *Emphasis supplied.*

Subject EPSA 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 this Honorable Commission through its own review and verification of TLI's operating costs and expenses.

37. TLI respectfully submits that Honorable Commission's *Matrix of Confidential and Non-Confidential Documents and Information* (the "**Matrix**") further confirms that the Confidential Documents should be treated as confidential.

37.1. **Annex J** (*i.e.*, TLI's Coal Supply Agreement) is covered by Part A(1) of the Matrix, which states that "*contracts and agreements with third parties not privy to the case*" are private documents, which should not be disclosed.

37.2. **Annexes K and L** (*i.e.*, TLI's Coal Procurement Plan and Sworn Statement) are covered by Part A(7) of the Matrix because these documents reflect TLI's management or business strategy, specifically with respect to the procurement of fuel. The Matrix categorically provides that such documents have "*proprietary value that constitutes trade secrets.*"²⁵

38. Accordingly, one (1) copy each of the Confidential Documents is placed in a sealed envelope, with the said envelope and each page of the documents stamped with the word "*Confidential.*"

Prayer

WHEREFORE, the Applicants respectfully pray that this Honorable Commission:

1. ISSUE an Order treating the Confidential Documents (*i.e.*, **Annexes J, K, and L**) and all information contained therein as confidential, directing their non-disclosure to persons other than

²⁵ Matrix, Part A(7).

the officers and staff of the Honorable Commission, continuously protecting the said information from public disclosure by maintaining the same separate and apart from the records of the case, and ensuring that these are not divulged to unauthorized persons, pursuant to Rule 4 of the Revised ERC Rules; and

2. ISSUE a Decision approving this Joint Application and the Subject EPSA including all the rates, fees, charges, and tariff adjustment mechanisms set out therein at the rates provided in the Subject EPSA, and authorizing INEC to charge and collect the fees thereunder from its customers reckoned from the start of supply by TLI to INEC under the Subject EPSA.

The Applicants also pray for such other reliefs just and equitable under the circumstances.

The Cities of Quezon and Makati for Pasig City, March 27, 2026.

[INEC's signature page follows.]

ONGCHUAN JAVELOSA LAW OFFICES

*Counsel for ILOCOS NORTE ELECTRIC
COOPERATIVE, INC*

3 Hilltop St., Horseshoe, Quezon City, 1112

Tel. No.: (02)77968273

Email: info@ojlawoffices.com

By:

MARY FELICIA ONGCHUAN

Roll of Attorneys No. 65610

PTR No. 8400683D – 01/09/2026 – Quezon City

IBP No. 575481 – 12/29/2025 – Quezon City (2026)

MCLE Compliance No. VIII-0037376 – 04/14/2028

E-mail: fbongchuan@ojlawoffices.com

GEORGE SO CHUA, JR.

Roll of Attorneys No. 80588

PTR No. 8400682D – 01/09/2026 – Quezon City

IBP No. 511134 – 12/20/2024 – RSM

MCLE Compliance No. VIII-0024004 – 04/14/2028

E-mail: jschua@ojlawoffices.com

ROBERTO ANTON C. ADAP

Roll of Attorneys No. 84350

PTR No. 25219461A / 01-22-2026 / Cainta City

IBP No. 581198 / 12-31-2025 / RSM

MCLE Compliance No. VIII - 0038874 - 06-20-2028

Email: rcadap@ojlawoffices.com

**GATMAYTAN YAP PATACSI
GUTIERREZ & PROTACIO**

Counsel for TLI

30/F 88 Corporate Center
Sedeño corner Valero Streets
Salcedo Village, Makati City
Tel. No.: (632) 8248 5250

By:

SOPHIA P. INOTURAN

PTR No. 10470654; 1/06/2025; Makati City
IBP No. 511226; 12/21/2024; Makati Chapter
Email address: sophie.inoturan@cagatlaw.com

Roll No. 63792

MCLE Compliance No. VIII-0018083;
12/9/2024; Pasig City

MARCO P. NIGRO

PTR No. 10470660; 1/06/2025; Makati City
IBP No. 511234; 12/21/2024; PPLM Chapter
Email address: marco.nigro@cagatlaw.com

Roll No. 71064

MCLE Compliance No. VIII-0041918;
11/19/2025; Pasig City

Republic of the Philippines)
Laoag City, Ilocos Norte) S.S.

VERIFICATION AND CERTIFICATION AGAINST FORUM SHOPPING

I, **CIPRIANO E. MARTINEZ III**, of legal age, with principal office at Brgy. Suyo, Dingras, Ilocos Norte, after having been duly sworn to in accordance with law, do hereby depose and state for Ilocos Norte Electric Cooperative, Inc. that:

1. I am the **General Manager** of INEC with authority to commence, initiate, sign, and file the foregoing Joint Application with the Energy Regulatory Commission (“ERC”) for the approval of the Emergency Power Supply Agreement (“EPSA”) entered into by INEC and Therma Luzon, Inc. (“TLI”) (the “INEC-TLI EPSA” or the “EPSA”), with a prayer for confidential treatment of information (the “Joint Application”).
2. I have read the Joint Application and the allegations therein are true and correct based on my personal knowledge or the authentic records of INEC;
3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
4. The factual allegations in the Joint Application have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;
5. I or INEC have not commenced any other action or proceeding involving the same issues in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein; and
6. If I or INEC should hereinafter learn that the same or a 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 said fact within five (5) days from discovery thereof to the Honorable Commission.

IN WITNESS WHEREOF, I have hereunto affixed my signature this day of MAR 30 2026 at

Laoag City, Ilocos Norte

CIPRIANO E. MARTINEZ III
Affiant

SUBSCRIBED and SWORN TO before me this day of MAR 30 2026 with affiant having presented to me his _____ which will expire on 2032, as competent and reliable evidence of his identity.

Doc. No. 51;
Page No. 33;
Book No. XI;
Series of 2026.

ATTY. M

YOS SACOCO

AMWSLA Bldg. Gen. Segundo Ave., Laoag City
PTR No. 2957601/01.05.2026/Laoag City
IBP No. 573886/12.27.25/Ilocos Norte
Roll No. 95236/01.24.2025
MCLE Compliance (New Lawyer)
NOTARIAL COMMISSION No. 2025-08/
03.18.2025/L.C.



MEETING NO. 07

EXCERPT FROM THE MINUTES OF THE EMERGENCY BOARD MEETING HELD ON MARCH 10, 2026 VIA ZOOM APPLICATION.

PRESENT:

ATTY. NICK N. MALASIG II (District VIII)	President
DIR. JAIME R. GARVIDA, JR., PEE, MBA (District I)	Vice President
DIR. GREGSON E. YORO (District XI)	Secretary
ENGR. ELMER B. RESURRECCION (District IV)	Treasurer
DIR. ELY L. LAGUATAN, MBA (District II)	Auditor
DIR. NOEL R. ANDRES (District III)	P I O (on official travel)
DIR. JARIUS MARK D. NALUPTA (District V)	P I O
DIR. JOSE M. ATCHUELA, MBA (District VI)	Liaison Officer
DIR. VANESSA A. CALAJATE, RN, MBA (District VII)	Member
DIR. JULIUS C. SANTOS (District IX)	Member
DIR. JOFFREY P. SAGUID, JR. (District X)	Member
ATTY. OMAR M. MAYO	NEA Project Supervisor (on official travel)
MR. CIPRIANO E. MARTINEZ III	General Manager

“RESOLUTION NO. 2026-03-27

A RESOLUTION AUTHORIZING THE GENERAL MANAGER, MR. CIPRIANO E. MARTINEZ III, TO CAUSE THE FILING OF THE EMERGENCY POWER SUPPLY AGREEMENT (EPSA) BETWEEN THE ILOCOS NORTE ELECTRIC COOPERATIVE, INC. (INEC) AND THERMA LUZON, INC. (TLI) WITH THE ENERGY REGULATORY COMMISSION (ERC) AND TO EXECUTE ALL DOCUMENTS RELATED THERETO, INCLUDING THE VERIFICATION AND CERTIFICATION AGAINST FORUM SHOPPING

WHEREAS, the Cooperative previously declared a Force Majeure Event due to the delay in the commencement of power supply from One Ilocos Norte Energy Corporation (OINEC), which resulted in a deficiency in its expected power supply requirement;

WHEREAS, to address the resulting supply deficiency and to ensure the continuous, reliable, and adequate supply of electricity to its member-consumer-owners (MCOs), the management was authorized to solicit offers from qualified generation companies for an Emergency Power Supply Agreement (EPSA);

WHEREAS, following the solicitation of offers, the EPSA was awarded to Therma Luzon, Inc. (TLI), the only supplier to provide a proposal, and as the supplier capable of providing the required emergency power supply under terms and conditions deemed advantageous to the Cooperative;

WHEREAS, pursuant to applicable rules and regulations, the EPSA must be filed with the ERC, together with the required supporting documents;

WHEREAS, there is a need to authorize the General Manager to cause the filing of the appropriate application before the ERC and to execute all required documents in relation thereto;

WHEREFORE, on motion made by Director Noel R. Andres, seconded by Director Vanessa A. Calajate he it



ILOCOS NORTE ELECTRIC COOPERATIVE, INC.

Dingras, Ilocos Norte

inec_main@yahoo.com | www.facebook.com/INECofficial

600-4632 / 600-4631 | 0998-951-4632 / 0998-950-4632 | 0917-579-4632 / 0966-083-2442



NATIONAL ELECTRIFICATION ADMINISTRATION

57 NEA BUILDING, NIA ROAD, GOVERNMENT CENTER,
DILIMAN, QUEZON CITY, PHILIPPINES 1100
TELEPHONE No. (+632).929.1909

BOARD RESOLUTION

Form No.:

BOD-006-Ø

Page No.:

2 of 2

RESOLVED, as it is hereby resolved, to authorize the General Manager, Mr. Cipriano E. Martinez III, to cause the filing of the Emergency Power Supply Agreement (EPSA) between Ilocos Norte Electric Cooperative, Inc. (INEC) and Therma Luzon, Inc. (TLI) with the Energy Regulatory Commission (ERC) and to execute all documents related thereto, including the Verification and Certification Against Forum Shopping;

RESOLVED FINALLY, to furnish a copy of this Resolution to all concerned for their information and guidance;

UNANIMOUSLY APPROVED.”

I certify to the correctness of the foregoing resolution.

DIR. GREGSON E. YORO
Secretary

ATTESTED:

ATTY. NICK N. MALASIG II
President

NOTED:

ATTY. OMAR M. MAYO
Project Supervisor

**VERIFICATION
and
CERTIFICATION AGAINST FORUM SHOPPING**

I, **LAWRENCE M. CUA**, Filipino, of legal age, and with principal office address at 12th Floor Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Ave., Makati City after having been sworn in accordance with law, hereby depose and state that:

1. I am the authorized representative of **THERMA LUZON, INC. ("TLI")**, Co-Applicant in the above-captioned *Joint Application*, per attached Secretary's Certificate;
2. On behalf of TLI, I caused the preparation of the foregoing *Joint Application*. I have read and understood the contents of the foregoing *Joint Application* and attest that all the allegations therein are true and correct based on my own personal knowledge or authentic records. The *Joint Application* is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation. Moreover, the factual allegations in the *Joint Application* have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery.
3. Neither I nor TLI has commenced any action or proceeding involving the same issues raised in the foregoing *Joint Application* before any court, tribunal, or quasi-judicial agency, and to the best of my knowledge, no such other action or claim is pending.
4. Should I and/or TLI thereafter learn that the same or similar action or claim has been filed or is pending, I shall report such fact to this Honorable Commission within five (5) calendar days therefrom.

IN WITNESS WHEREOF, I have executed this *Verification and Certification Against Forum Shopping* this ____ day of _____ 2026.

LAWRENCE M. CUA
Authorized Representative

MAR 30 2026 **MAKATI CITY**

SUBSCRIBED AND SWORN to before me, a notary public in and for Makati City, affiant having exhibited to me his I _____, valid until _____

2034, who is personally known to me to be the same person who signed the foregoing instrument in my presence and who took an oath before me as to such instrument.

Doc. No. 1;
Page No. 2;
Book No. 22;
Series of 2026.

~~ATTY. RONALD M. MERTUZA~~
~~Public City of Makati~~
~~December 31, 2027~~
~~at No. 11-029 (2026-2027)~~
PTR No. 10763527 January 3, 2026
IBP No. 557367 Issued on November 3, 2025.
MCLE Compliance No. VIII-0040638 Roll No. 27932
Amorsolo Street, Legazpi Village
Makati City

THERMA LUZON, INC.

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

SECRETARY'S CERTIFICATE

I, **KEVIN CHRIS M. SESE**, Filipino, of legal age, with office address at 30th Floor, UnionBank Plaza Bldg., Meralco Ave. corner Onyx St., Ortigas Center, Pasig City, Philippines, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the duly elected and qualified Assistant Corporate Secretary of **THERMA LUZON, INC.** (the "Company"), a company duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Philippines;
2. At the Special Meeting of the Board of Directors held on **18 March 2026**, at which meeting a quorum was present and acting throughout, the following resolutions were unanimously passed and approved:

RESOLVED, that the Board of Directors of **THERMA LUZON, INC.** (the "Company") authorizes, as it hereby authorizes the Company to file an application before the Energy Regulatory Commission ("ERC") for the approval of the Emergency Power Supply Agreement between the Company and **ILOCOS NORTE ELECTRIC COOPERATIVE, INC. (INEC)** (the "Application") with motion for confidential treatment of information;

RESOLVED FURTHER, that the Company authorizes, as it hereby authorizes any one (1) of **ATTYS. PAUL B. SORIÑO, CELENI KRISTINE G. GUINTO, LEO ANGELO E. FORNESA, ROSANNE JELI G. MAGTAGÑOB, NIÑA DIANNE R. SANTIAGO**, or any other person appointed by any one (1) of them, or **GATMAYTAN YAP PATACSIL GUTIERREZ & PROTACIO (C&G LAW)**, or any of the firm's partners or associates, where applicable:

- a. File the Application and to represent the Company, and to appear, for or on its behalf, in all proceedings, including pre-trials, hearings, meetings and discussions before the ERC in respect of the Application, and to perform any and all acts and deeds and to submit and sign such documents and pleadings necessary to implement this authority;
- b. Act as agent, and appear on behalf, of the Company in the proceedings relating to the Application, with full power to make commitments and take positions, and to consider: (i) the possibility of an amicable settlement or a submission to arbitration, mediation or other modes of alternative dispute resolution; (ii) the simplification of the issues; (iii) the necessity or desirability of amendments to the pleadings; (iv) the possibility of obtaining stipulations or admissions of facts and of documents totally or partially to avoid unnecessary proof; (v) the limitation of the number of witnesses or time allocated to particular

witnesses and issues; (vi) the advisability of a preliminary reference of issues to a commissioner; (vii) the necessity or desirability of having an expository hearing or consumer forum; (viii) the procedures at the hearing and hearing schedule; (ix) the submission of written testimonies and exhibits to be offered and the marking thereof; (x) the agreements regarding service of documents; and such other matters that may aid in the prompt disposition of such (xi) proceedings;

- c. Negotiate, conclude, enter into and execute a compromise or amicable settlement of the Application, if appropriate, or to submit the Application to alternative modes of dispute resolution, under such terms and conditions as they may deem just and reasonable;
- d. File any appeal or represent the Company in further proceedings related to the Application; and
- e. Do and perform, for and on behalf of the Company, any act and deed relating to the Application which the Company could legally do and perform;

RESOLVED FURTHER, that in connection with the foregoing, the Company authorizes any one (1) of the following authorized representatives:

Name	Designation
Rowena Romero	Attorney-in-Fact
Ladylyn Salvanera	Attorney-in-Fact
Lawrence Cua	Attorney-in-Fact

to execute, sign, and deliver the Verifications, Certification of Non-Forum Shopping or such other documents which may be required in the filing and during the course of the Application; and/or appoint any other person to execute, sign, and deliver the foregoing documents for and on behalf of the Company;

RESOLVED FURTHER, that the Company authorizes the following:

Name	Designation
Louie Renz Sualdito	Attorney-in-Fact

to represent the Company as a witness, and/or appoint any other person to act as witness for the Company as may be necessary, during the hearing of the Application;

RESOLVED FINALLY, that the Company affirms, confirms, and ratifies all that the foregoing representatives have done in accordance with the foregoing resolutions.”

- 3. These board resolutions have not been revoked, amended, or modified, and remain valid and binding on the Company;
- 4. The foregoing statements are in accordance with the records of the Company.

MAR 24 2026

IN WITNESS WHEREOF, I have hereunto set my hand this _____ in
_____, Philippines.

KEVIN CHRIS M. SESE
Assistant Corporate Secretary

MAR 24 2026

SUBSCRIBED AND SWORN TO before me this _____ at MAKATI CITY. Affiant,
who is personally known to me, exhibited to me his Passport No _____ issued in DFA NCR East
or

Doc. No. 235
Page No. 48
Book No. 8
Series of 2026.

ATTY. ADONAI JAN R. ASLARONA
Notary Public
Until December 31, 2026
IBP O.R No. 591537/01-07-2026/Pampanga
Appointment No. M-30 (2025-2026)
Roll of Attorney No. 84603
MCLE Compliance No. VIII-0033436
PTR No. 10769145/1-06-2026/Makati City
Unit 1009 Philippine AXA Life Centre, Sen. Gil Puyat
Avenue Corner, Tindalo Street, Makati City 1286