Republic of the Philippines
ENERGY REGULATORY COMMISSION
1 Jade Drive, Ortigas Center, Pasig City

IN THE MATTER OF THE APPLICATION FOR THE APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT (EPSA) BETWEEN GREEN CORE GEOTHERMAL INC. (GCGI) AND ILOILO III ELECTRIC COOPERATIVE, INC. (ILECO III) WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION,

ERC CASE NO. 2026-185 - RC
November 03, 2026

GREEN CORE GEOTHERMAL INC. (GCGI) AND ILOILO III ELECTRIC COOPERATIVE, INC. (ILECO III),

Applicants.

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JOINT APPLICATION
(With Motion for Confidential Treatment of Information)

Applicants **GREEN CORE GEOTHERMAL INC.** ("**GCGI**") and **ILOILO III ELECTRIC COOPERATIVE, INC.** ("**ILECO III**") (collectively, the "**Applicants**"), through the undersigned counsel and unto this Honorable Commission, most respectfully state:

PARTIES

1. Co-applicant GCGI is a power generation company duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the 9/F Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City 1604, Philippines.

Attached are GCGI's Amended Articles of Incorporation, latest By-Laws, and latest General Information Sheet (GIS).[1] GCGI is represented by its Vice-President, Gabriel S. Vergara, who has been authorized by its Board of Directors to file the Joint Application, as evidenced by the Secretary's Certificate dated 28 July 2026.[2]

2. Co-Applicant ILECO III is a distribution utility ("**DU**"), a non-stock, non-profit electric cooperative duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at Brgy. Preciosa, Sara, Iloilo.

Attached is ILECO III's Certificate of Registration issued by the National Electrification Administration ("**NEA**").[3] ILECO III is represented by its General Manager, Atty. James G. Balsomo II, and has been authorized by its Board of Directors to file the Joint Application, as evidenced by Resolution No. 150, Series of 2026.[4]

3. The Applicants may be served with notices and other processes of this Honorable Commission through their respective counsels at the addresses indicated herein.

4. Pursuant to Rule 20(B) of the 2020 Revised Energy Regulatory Commission ("**ERC**") Rules of Practice and Procedure ("**ERC Rules**"), and other pertinent rules and regulations, this Joint Application is being submitted to this Honorable Commission for approval of the Emergency Power Supply Agreement dated 21 July 2026 between GCGI and ILECO III (the "**EPSA**").

NATURE OF THE APPLICATION

5. The Joint Application for Approval of the EPSA is being submitted to the Honorable Commission for its review and approval pursuant to Republic Act No. 9136, or the Electric Power Industry Act of 2001 ("**EPIRA**"), Sections 25 and 45(b); Implementing Rules and Regulations, Rule 5, Section 4(e) and Rule 11, Section 5; ERC Rules of Practice and Procedure, Rule 20(B), and other pertinent rules and regulations.

6. Pursuant to ERC Resolution No. 7, Series of 2026, or the Amended Implementing Guidelines for Procurement, Execution, and Evaluation of Power Supply Agreements Entered Into by Distribution Utilities for the Supply of Electricity to their Captive Market ("**2026 Amended ERC CSP Guidelines**"), the conduct of a competitive selection process ("**CSP**") shall be required to procure power supply intended to meet the electricity

[1] A copy of GCGI's Secretary's Certificate certifying true and correct the attached Amended Articles of Incorporation (AAOI), Bylaws, and latest General Information Sheet (GIS) is attached as **Annex "02"**.
[2] A copy of GCGI's Secretary's Certificate dated 28 July 2026, designating Mr. Gabriel S. Vergara as authorized representative and authorizing him to execute and sign Verification and Certification against Forum Shopping for the subject Joint Application is attached as **Annex "E"**.
[3] A copy of ILECO III's Certificates of Registration issued by the NEA is attached as **Annex "02-A"**.
[4] A copy of ILECO III's Board Resolution No. 150, Series of 2026 is attached as **Annex "E-1"**.

demand of the distribution utility's[5] captive market.[6] However, a CSP shall not be required under limited instances specified in Section 2.3 of Department of Energy ("**DOE**") Department Circular No. DC 2023-06-00021 ("**2023 DOE CSP Circular**") and Section 3 of DOE Department Circular No. DC 2025-10-0022 ("**2025 DOE Circular**").[7]

7. The instances where the conduct of CSP shall not be required include the negotiated procurement of emergency power supply wherein the agreement shall have a maximum and non-extendible period of one (1) year from its execution.

8. This Joint Application is for the review and approval of the EPSA between GCGI and ILECO III.

STATEMENT OF FACTS

9. ILECO III was granted the exclusive franchise to own and operate a system for the distribution of electricity in the Municipalities of Anilao, Ajuy, Banate, Balasan, Barotac Viejo, Batad, Carles, Concepcion, Estancia, Lemery, San Dionisio, San Rafael, and Sara in the Province of Iloilo (the "**Franchise Area**") pursuant to Presidential Decree No. 269. Based on its assessment of its power supply requirements, ILECO III determined that an interim emergency power supply was necessary to ensure the continuous, reliable, and adequate supply of electricity within its Franchise Area.

10. GCGI owns and operates the Tongonan Geothermal Power Plant, with an installed capacity of approximately 123 megawatts ("**MW**"), located in Kananga, Province of Leyte, and the Palinpinon Geothermal Power Plant, with an installed capacity of approximately 172.50 MW, located in Valencia, Province of Negros Oriental. The plants generate renewable energy for sale to DUs, electric cooperatives, and retail electricity suppliers.

11. Currently, ILECO III maintains an existing supply agreement for a contracted capacity of 19.5 MW. However, such contracted capacity has become insufficient to meet ILECO III's power supply requirements, thereby necessitating the procurement of an interim power supply.

12. In compliance with its procurement obligations under applicable NEA guidelines,[8] ILECO III undertook preparatory steps for the conduct of a competitive selection process, including the submission of its Terms of Reference and related requirements to the NEA. NEA, however, advised that the procurement be undertaken instead through an Aggregated Competitive Selection Process ("**ACSP**"), consistent with its obligation to ensure a timely,

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[5] DU or Distribution Utility refers to any Electric Cooperative, private corporation, government-owned utility, or existing local government unit, with an exclusive franchise or is authorized by law to distribute electricity to end-users.
[6] 2026 Amended ERC CSP Guidelines, Section 4.
[7] 2026 Amended ERC CSP Guidelines, Section 5.
[8] NEA Memorandum No. 2017-019.

transparent, competitive, and efficient procurement of power supply for the concerned electric cooperatives. As of the filing of this Joint Application, the ACSP has already awarded the contract to the winning bidders, and ILECO III has signed the consequent power supply agreements ("**PSAs**") on 9 September 2026. ILECO III and its new suppliers are in the process of completing the requirements for the submission of the application for the approval of the power supply agreements with the ERC.

13. Pending the commencement of supply under the PSAs resulting from the ACSP, ILECO III addressed its power supply requirements through purchases from the Wholesale Electricity Spot Market ("**WESM**").

14. Regrettably, significant generation outages and inadequate operating reserves resulted in recurring Yellow Alert and Red Alert conditions in the Visayas Grid, as declared by the National Grid Corporation of the Philippines ("**NGCP**"). These conditions, in turn, resulted in extraordinary increases and volatility in WESM prices and corresponding increases in generation charges.

15. The persistence of these conditions was further demonstrated by NGCP's issuance of a Yellow Alert Notice for the Visayas Grid on 15 June 2026, covering the period from 1700H to 2100H. The advisory identified substantial forced outages and derated generating capacities, resulting in significantly reduced available reserves and continued uncertainty as to the restoration of normal grid operations. [9]

16. Consequently, ILECO III's continued exposure to the WESM subjected the DU and its consumers to exceptionally high electricity procurement costs, thereby materially affecting ILECO III's ability to discharge its duty under the EPIRA to supply power in the least-cost manner to its captive customers. In particular, the average WESM generation cost increased from approximately PhP5.00/kWh in April 2026 to approximately PhP14.00/kWh in May 2026, while ILECO III's IEMOP bill increased from PhP29,285,706.71 in April 2026 to PhP117,446,764.08 in May 2026, representing an increase of approximately 301%.

17. The foregoing circumstances, particularly the prolonged reliance on the WESM pending the start of supply from the PSAs from the concluded ACSP, together with the resulting severe generation deficiencies, inadequate operating reserves, and extraordinary volatility in WESM prices, were beyond ILECO III's control and constitute the force majeure or fortuitous event (the "**Fortuitous Event**") contemplated under the 2026 Amended ERC CSP Guidelines. In view thereof, ILECO III sought an interim emergency power supply through an EPSA to mitigate its exposure to volatile and unpredictable

[9] A copy of the NGCP Yellow Alerts on 15 June 2026 is attached as **Annex "I",**

WESM prices and ensure the continuous, reliable, and reasonably priced delivery of electricity within its Franchise Area.

18. In letters dated 15 June 2026, ILECO III promptly notified in writing the DOE, ERC, and NEA[10] of the occurrence of the Fortuitous Event and its need for an additional interim power supply. The ERC acknowledged the Notice on 17 June 2026.[11]

19. Pursuant to the 2026 Amended ERC CSP Guidelines, ILECO III conducted a Negotiated Procurement for an EPSA to address the resulting supply deficiency and ensure reliable and adequate supply of electricity in the least-cost manner within its Franchise Area.[12] It invited qualified generation companies to submit proposals for the supply of two (2) MW of baseload emergency power for a period of six (6) months from the initial date of delivery, with a Contract Utilization Factor (CUF) and Minimum Energy Offtake (MEOT) equivalent to one hundred percent (100%) of the contracted energy.[13]

20. Following the issuance of invitations to qualified generation companies, ILECO III received proposals from the following: (1) Energy Development Corporation (EDC) / GCGI; (2) FDC Misamis Power Corporation (FDCMPC); and (3) Palm Concepcion Power Corporation (PCPC). Panay Energy Development Corporation (PEDC), although invited to submit a proposal, did not submit one.

21. On 1 July 2026, ILECO III's Technical Working Group (TWG) evaluated the proposals submitted by the participating generation companies and submitted its Evaluation of Offers, Rate Impact Analysis, and Recommendation for the Board's approval.

22. On 2 July 2026, ILECO III issued Board Resolution No. 148, Series of 2026, acknowledging and approving the results of the due diligence conducted by the DU and declaring the same to serve as the official basis for determining the proposal most advantageous to the DU.[14] On the same date, ILECO III issued Board Resolution No. 149, Series of 2026, declaring GCGI as the winning proponent for the negotiated procurement of emergency power supply and authorizing the DU to negotiate the final terms and conditions of the EPSA.[15]

23. Accordingly, ILECO III also issued Board Resolution No. 150, Series of 2026, approving, among others, the execution of an EPSA with

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[10] A copy of the ILECO III Notice of Force Majeure / Fortuitous Event dated 15 June 2026 addressed to ERC, DOE, and NEA is attached as **Annex "J" and series**.
[11] A copy of the ERC Letter dated 17 June 2026, acknowledging ILECO III's Notice of Force Majeure / Fortuitous Event, is attached as **Annex "L"**
[12] A copy of the ILECO III Board Resolution No. 124, Series of 2026 dated 22 June 2026 is attached as **Annex "M"**.
[13] A copy of ILECO III's Letter Request for Proposal for EPSA dated 23 June 2026 is attached as **Annex "N"**.
[14] A copy of the ILECO III Board Resolution No. 148, Series of 2026 dated 2 July 2026 is attached as **Annex "O"**.
[15] A copy of the ILECO III Board Resolution No. 149, Series of 2026 dated 2 July 2026 is attached as **Annex "P"**.

GCGI and designating ILECO III's General Manager and/or Board President to execute the EPSA on behalf of the DU.[16]

24. On 8 July 2026, ILECO III furnished the ERC, DOE, and NEA with Supplemental Notices providing additional information and updates concerning the Fortuitous Event and its intention to undertake the Negotiated Procurement of Emergency Power Supply.[17]

25. In the Supplemental Notices, ILECO III emphasized that the primary and proximate cause necessitating the Negotiated Procurement was the recurring declaration of Yellow Alert and Red Alert conditions in the Visayas Grid, which resulted in severe generation deficiencies, inadequate operating reserves, and extraordinary volatility in WESM prices. ILECO III further explained that these conditions were beyond its control, as it neither owns nor operates generation facilities and has no control over the availability of generating units, transmission constraints, or the operational condition of the Visayas Grid.

26. ILECO III likewise noted that, based on NGCP advisories, the Visayas Grid had been experiencing almost daily Yellow Alert and Red Alert conditions since May 2026, arising from numerous forced outages, derated generating capacities, and limited operating reserves, with no certainty as to when normal operating conditions would be restored.

27. On 9 July 2026, ILECO III issued a Notice to Award in favor of GCGI.[18]

28. Following negotiations between the Applicants, GCGI and ILECO III executed the subject EPSA on 21 July 2026.[19]

29. On 24 July 2026, ILECO III commenced drawing power from GCGI in accordance with the duly executed EPSA.

30. In view of the foregoing, herein Applicants respectfully file this Joint Application seeking the approval of the EPSA between ILECO III and GCGI.

31. The Applicants initiated the filing of this Joint Application on 19 August 2026, within thirty (30) calendar days from the execution of the EPSA, in accordance with the 2026 Amended ERC CSP Guidelines,[20] through the

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[16] *See* Annex "E-1".
[17] A copy of the Supplemental Notices dated 8 July 2026 to ERC, DOE, and NEA is attached as **Annex "Q" and series**.
[18] A copy of the Notice of Award dated 6 July 2026 is attached as **Annex "R"**.
[19] A copy of the duly executed EPSA dated 21 July 2026 is attached as **Annex "01"**.
[20] 2026 Amended ERC CSP Guidelines, Section 26. The provision states:

> Section 26. Filing of the Application – The PSA or EPSA application shall be a joint responsibility of the DU and the Winning Bidder (or Captive Market Supplier, in the case of EPSAs). Within thirty (30) calendar days from execution of the PSA or EPSA, the parties thereto shall initiate the filing of their joint application with the ERC in accordance with Sections 23 and 25 hereof.

submission of the ERC Pre-filing Form and Minimum Pre-filing Requirements.[21]

SALIENT FEATURES OF THE EPSA

32. The EPSA between ILECO III and GCGI contains the following salient features:

ARTICLE 1
DEFINITION OF TERMS AND INTERPRETATION

1.1 **Definitions**. Unless otherwise required by the context in which any defined term appears, the following defined terms shall have the meanings specified in this Section:

x x x

1.1.13 "**Contract Period**" means the period from Supply Commencement Date up to the earlier of: (i) six (6) Billing Periods from Supply Commencement Date; and (ii) issuance of ERC approval of the pertinent power supply of Buyer in relation to the NEA Joint Competitive Selection Process for the aggregated baseload supply of Luzon and Visayas on-grid electric cooperatives in 2026;

1.1.37 "**Power Plants**" refers to the approximately one hundred twenty three (123) MW Tongonan Geothermal Power Plant located in the province of Leyte and the sixty (60) MW Palinpinon Geothermal Power Plant located the province of Negros Oriental, owned and operated by Seller.

x x x

ARTICLE 2
The Transaction

2.1 **Transaction**. The transaction ("**Transaction**") pertains to the Supply of electricity by Seller to Buyer, and the purchase by Buyer of the same from Seller, throughout the Contract Period, under the terms and conditions specified in this Agreement.

2.2 **Responsibilities of Seller**. In addition to its other responsibilities herein:

2.2.1 Seller shall Supply and deliver to Buyer up to the Contract Capacity from (a) the Power Plants through the Delivery Point, or (b) Other Sources, using the facilities of TRANSCO or its concessionaire, at the sole discretion of Seller, in accordance with

[21] A copy of the proof of timeliness of the filing is attached as **Annex "S"**.

prudent utility practice, Applicable Laws, and the terms and conditions of this Agreement.

2.2.2 Seller shall comply with all Applicable Requirements throughout the Contract Period which are required for the performance of its obligations hereunder.

2.2.3 Seller shall provide all necessary and reasonable assistance to Buyer in the application for the approval of this Agreement before the ERC.

2.3 **Responsibilities of Buyer**. In addition to its other responsibilities herein:

2.3.1 In every Billing Period, Buyer shall take delivery of and purchase the Contract Capacity and the associated MMCE; provided that Buyer shall have no obligation to purchase and/or accept delivery of electricity hereunder following the date on which a Termination Notice is validly issued in accordance with the provisions of this Agreement.

2.3.2 Buyer shall provide all necessary and reasonable support and assistance to Seller to comply with its obligation under this Agreement.

2.3.3 Buyer shall comply with all Applicable Requirements throughout the Contract Period which are required for the performance of its obligations hereunder.

2.4 **Cooperation**.

2.4.1 The Parties shall mutually collaborate and cooperate with each other and act promptly and in good faith in order to achieve the objectives of the Agreement.

x x x

ARTICLE 4
Supply and Purchase of Electricity

4.1 **Supply of Electricity**. Beginning on Supply Commencement Date, Seller shall Supply and deliver to Buyer up to the Contract Capacity from the Power Plants for every Trading Interval. The Parties agree that Seller shall have no obligation to Supply more than the Contracted Capacity. Buyer shall purchase and Seller shall Supply, for each Billing Period, energy up to the Contract Capacity in accordance with Schedule 1.

4.2 **Purchase of Electricity**. Buyer shall take delivery and purchase the Contract Capacity at the Contract Price.

x x x

4.5 **Plant Outage Allowance and Replacement Power**.

4.5.1 Seller shall have the right to suspend or reduce the level of operation of the Power Plants for Planned Outages and Unplanned Outages in each calendar year, which shall not exceeding the allowable planned and unplanned outages for similar plant technology under ERC Resolution No. 23, Series of 2026 ("**Plant Outage Allowance**").

4.5.2 Replacement Power

4.5.2.1. Within Plant Outage Allowance, the procurement of any Replacement Power shall be the responsibility of Buyer. During such period within Plant Outage Allowance, Buyer shall source Replacement Power from Other Sources, at its own expense

4.5.2.2. Beyond the Plant Outage Allowance, 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 including line rental charges, if applicable, shall be (i) the actual cost of Replacement Power or (ii) the approved rate for the Agreement, whichever is lower. In the event of failure by Seller to provide Replacement Power, Buyer shall source the Replacement Power at the expense of Seller.

4.5.2.3. For avoidance of doubt, in case of an Event of Force Majeure affecting Seller, Seller is not obligated to supply a portion of Contracted Capacity or Replacement Power to Buyer.

4.5.3 Any outage arising from Event of Force Majeure shall not be counted against the Plant Outage Allowance

ARTICLE 5
Reduction in Contract Capacity

5.1 Should there be a reduction in the capacity required by Buyer due to:

a. switching of Buyer's customers to the retail market as a result of the implementation of the Retail Competition and Open Access (RCOA) Rules, in accordance with Sections 5.2 and 5.3, or

b. switching of Buyer's customers to the Green Energy Option Program (GEOP), or

c. availment of Buyer's customers of the Net Metering Program, or

d. the implementation of any Applicable Requirement, or issuance of Governmental Authority,

the Contract Capacity may be reduced in proportion to all contracted capacities then existing from all suppliers of Buyer, provided that, in any case, Buyer shall have notified Seller in writing of the same no later than sixty (60) days prior to the implementation of such reduction in Contract Capacity. Buyer shall not be considered to be in default or be made to pay electricity fees for the Contract Capacity that it can no longer accept as a result of any of the foregoing circumstances.

x x x

ARTICLE 6
Monthly Fees, Taxes, Fees and Other Charges
Billing and Payment

6.1 **Monthly Fee**. For each Billing Period within the Contract Period, Buyer shall pay Seller a Monthly Fee calculated in accordance with Schedule 2.

The Monthly Fee may be subject to Other Charges as described in Section 6.2.

6.2 **Other Charges**.

6.2.1. The other charges ("**Other Charges**"), for the account of BUYER, shall include, among others:

a. Value Added Tax ("**VAT**") (as may be applicable);

b. Any and all power delivery charges, transmission fees, load imbalance charges and site-specific loss adjustments, ancillary services fees, and other similar charges and expenses;

c. Other similar charges, fees and expenses, owing to or as billed by the Market Operator, including line rental costs; and

d. Other charges and fees mandated by Applicable Requirements.

6.2.2. The nodal assignment for determination of the line rental costs in the WESM shall be in accordance with ***Schedule 1***.

6.2.3. For the avoidance of doubt, any Other Charges shall be without mark-up, penalty or added cost, unless any of the foregoing mark-ups, penalties or added costs are due as a direct result of Buyer's non-compliance with the terms of this Agreement.

6.2.4. Each Party shall be liable for their respective income taxes, property and local business taxes.

x x x

6.5 **Prompt Payment Discount**. Buyer shall be entitled to a prompt payment discount ("**PPD**") equivalent to:

(a) 3.2% of the invoiced amount, if payment is made in full within five (5) Days from Buyer's receipt of invoice; or

(b) 3% of the invoiced amount, if payment is made in full after five (5) Days but within seven (7) days from BUYER's receipt of invoice; or

(c) 2.8% of the invoiced amount, if payment is made in full after seven (7) Days but within ten (10) Days from BUYER's receipt of the invoice.

The PPD shall be extended by Seller to Buyer provided that Buyer has no disputed amounts or billing statements, other outstanding amounts due or unpaid, or debit memos for any charge, penalty, or interest; and has been prompt in the submission of a certificate of tax withheld at source (BIR Form 2307) due on or before the Certificate of Withholding Submission Date.

x x x

SCHEDULE 1
CONTRACT CAPACITY AND ENERGY

Billing Period	**Contract Capacity (kW)**	**Monthly Minimum Contracted Energy (kWh)**
July 26 to August 25, 2026	2,000	1,488,000
August 26 to September 25, 2026	2,000	1,488,000
September 26 to October 25, 2026	2,000	1,440,000
October 26 to November 25, 2026	2,000	1,488,000
November 26 to December 25, 2026	2,000	1,440,000
December 26 to January 25, 2027	2,000	1,488,000
Nodal Assignment for Determination of the line rental charges in WESM	Tongonan Geothermal Power Plant	

SCHEDULE 2
CONTRACT PRICE AND MONTHLY FEE

I. The Contract Price (CP)* shall be equal to:

Period	CONTRACT PRICE, Php/kWh
26 July 2026 to 25 December 2026	6.5275 (See Part II below)
26 December 2026 to 25 January 2027	To be computed using the formula in Part III below

** The Contract Price shall be subject to zero percent (0%) VAT.*

x x x

IV. Monthly Fee

Monthly Fee (PHP) = Billing Energy (kWh) x Contract Price (P/kWh)

Where:

Billing Energy = higher of: (a) the MMCE, as specified in Schedule 1, or (b) the aggregated Bilateral Contract Quantity or the energy to be declared by Seller in the WESM for the Billing Period

Contract Price = as defined in ***Schedule 2***

33. Based on the Rate Impact Study[22] conducted by ILECO III under various scenarios, specifically when the EPSA with GCGI is in effect, it can be observed that the EPSA would redound to the benefit of ILECO III and its consumers through a lower generation rate, with an average decrease of 0.6027 PhP / kWh. The EPSA significantly lowers the generation cost, leading to a reduction in the pass-through generation cost for consumers of ILECO III.

[22] A copy of the Rate Impact Study is attached as **Annex "04-B"**.

RATE IMPACT ANALYSIS

Power Supplier	Forecasted KwH Energy Purchased for July - December 2026Based on 2026-2035 PSPP	Amount (PhP)	Percent Share	Resulting Capacity Factor (%)	6-Month Average Rate without VAT Based on URR (Mar - Aug 2026)	Average Generation Cost (PhP/kWh)
Panay Energy Development Corp. (PEDC) - Unit 1 & 2	8,784,000.00	83,590,098.64	8%	100%	9.5162	
Green Core Geothermal, Inc. (GCGI)	24,156,000.00	157,678,290.00	23%	100%	6.5275	
Panay Energy Development Corp. (PEDC) - Unit 3	13,176,000.00	89,449,324.09	12%	100%	6.7888	
GNPower Dinginin Ltd Co. (GNPD)	8,784,000.00	49,769,660.09	8%	100%	5.6659	
Sual Power Inc. (SPI)	30,744,000.00	178,855,770.17	29%	100%	5.8176	
WESM	21,288,593.88	295,141,482.03	20%	100%	13.8638	
TOTAL	**106,932,593.88**	**854,484,625.02**	**100%**			
TOTAL/AVERAGE					**EFFECTIVE RATE**	**7.9909**

WITH GCGI

Power Supplier	Forecasted KwH Energy Purchased for July - December 2026Based on 2026-2035 PSPP	Amount (PhP)	Percent Share	Resulting Capacity Factor (%)	6-Month Average Rate without VAT Based on URR (Mar - Aug 2026)	Average Generation Cost (PhP/kWh)
Panay Energy Development Corp. (PEDC) - Unit 1 & 2	8,784,000.00	83,590,098.64	8%	100%	9.5162	
Green Core Geothermal, Inc. (GCGI)	24,156,000.00	157,678,290.00	23%	100%	6.5275	
Panay Energy Development Corp. (PEDC) - Unit 3	13,176,000.00	89,449,324.09	12%	100%	6.7888	
GNPower Dinginin Ltd Co. (GNPD)	8,784,000.00	49,769,660.09	8%	100%	5.6659	
Sual Power Inc. (SPI)	30,744,000.00	178,855,770.17	29%	100%	5.8176	
EPSA - Green Core Geothermal Inc. (GCGI)	8,784,000.00	57,337,560.00	8%	100%	6.5275	
WESM	12,504,593.88	173,361,584.66	12%		13.8638	
TOTAL/AVERAGE	**106,932,593.88**	**790,042,287.65**	**100%**		**EFFECTIVE RATE**	**7.3882**
					Decrease in PhP/ kWh	**- 0.6027**

Note: Based on the supplier's submitted True Cost Offer, exclusive of VAT, PPD, and Market Fees, with the supplier being VAT-exempt as a geothermal power generator.

34. In support of the instant Joint Application, the Applicants hereby submit the following supporting documents to the Honorable Commission to form integral parts of herein Joint Application:

34.1. In compliance with the *Minimum Pre-filing Documentary Requirements* for EPSAs under the 2026 Amended ERC CSP Guidelines:

Annex	Description of Document
"01"	Duly signed EPSA between GCGI and ILECO III
"02"	GCGI's Secretary's Certificate certifying true and correct the attached Amended Articles of Incorporation (AAOI), Bylaws, and latest General Information Sheet (GIS)
"02-A"	ILECO III's Certificates of Registration issued by the NEA
"02-B"	ILECO III's List of Officers and Board of Directors certified true and correct by the Board Secretary
"03"	ILECO III's Supply and Demand Scenario, Details of Existing Suppliers, and Contract Utilization
"03-A"	ILECO III's Average Daily Load Curve
"04"	[Confidential] GCGI's Generation Rate and Derivation: Financial model containing the derivation of rates, including the equivalent PhP/kWh

Annex	Description of Document
"04-A"	[Confidential] Sample Bill of GCGI
"04-B"	ILECO III's Rate Impact Analysis
"05"	GCGI's Provisional Authority to Operate (PAO)

34.2. In compliance with the *Other Technical Pre-filing Requirements* for the EPSAs:

Annex	Description of Document
"06"	[Confidential] Write Up for Breakdown of Project Cost and O&M Cost
"06-A"	Write Up for Basis/Rationale for Indexation
"06-B"	[Confidential] Write Up for Basis for Proposed Escalation
"06-C"	Write Up for Basis / Rationale / Derivation of Other Charges
"07"	Notarized Affidavit of Non-Applicability of Documentary Requirement
"07-A"	[Confidential] GCGI Fuel Procurement Process Certification
"08"	[Confidential] GCGI's Cost Analysis
"09"	[Confidential] GCGI's Technical and Economic Characteristics of the Facility

34.3. In compliance with the *Legal Pre-filing Requirements* for the EPSA Application:

Annex	Description of Document
"A"	Applicants' Certificates of Email Registration
"A-1"	Applicants' Pre-Filing Verified Declaration
"C"	Applicants' Signed Joint Application
"C-1"	Applicants' Verification and Certification against Forum Shopping
"D"	GCGI's Special Power of Attorney dated 12 August 2026, authorizing undersigned counsel, Puno and Puno Law Offices or any of its lawyers, to represent GCGI in the instant Joint Application
"D-1"	ILECO III's Board Resolution No. 150, series of 2026 dated 2 July 2026, authorizing undersigned counsel to represent ILECO III in the instant Joint Application

Annex	Description of Document
"E"	GCGI's Secretary's Certificate dated 28 July 2026, designating Mr. Gabriel S. Vergara as authorized representative and authorizing him to execute and sign Verification and Certification against Forum Shopping for the subject Joint Application
"E-1"	ILECO III's Board Resolution No. 150, series of 2026 dated 2 July 2026, authorizing Atty. James G. Balsomo II to execute and sign Verification and Certification against Forum Shopping
"F" and series	Proof of Service to the Local Government Units (LGUs)
"G"	Affidavit of Publication.
"G-1"	Copy of the complete Newspaper issue containing the publication.
"G-2"	Copy of the page of the Newspaper issue containing the publication.
"I"	National Grid Corporation of the Philippines (NGCP) Yellow Alert dated 15 June 2026
"J"	ILECO III's Notice of Force Majeure / Fortuitous Event to the ERC dated 15 June 2026
"J-1"	ILECO III's Notice of Force Majeure / Fortuitous Event to the DOE dated 15 June 2026
"J-2"	ILECO III's Notice of Force Majeure / Fortuitous Event to the NEA dated 15 June 2026
"K"	ILECO III's Certification of Implementation dated 28 July 2026 - Affidavit on the write-up/details of Force Majeure or Fortuitous Event to support the claim of its occurrence and performance of necessary due diligence to address emergency situation

34.4. Other documents in support of this *Joint Application*:

Annex	Description of Document
"L"	ERC Letter dated 17 June 2026, acknowledging ILECO III's Notice of Force Majeure / Fortuitous Event
"M"	ILECO III Board Resolution No. 124, series of 2026, dated 22 June 2026, authorizing the cooperative to conduct a negotiated procurement of emergency

Annex	Description of Document
	power supply and to solicit proposals from generation companies
"N"	ILECO III's Letter Request for Proposals for EPSA dated 23 June 2026
"O"	ILECO III Board Resolution No. 148, series of 2026, dated 2 July 2026, acknowledging and approving the result of the conducted due diligence and declaring the same to serve as the official basis in determining the proposal most advantageous to the cooperative
"P"	ILECO III Board Resolution No. 149, series of 2026, dated 2 July 2026, declaring GCGI as the winning proponent for the negotiated procurement of emergency power supply and authorizing the cooperative to negotiate the final terms and conditions of the EPSA
"Q"	ILECO III's Supplemental Notice to ERC, providing additional information and updates on the Fortuitous Event, dated 08 July 2026
"Q-1"	ILECO III's Supplemental Notice to DOE, providing additional information and updates on the Fortuitous Event, dated 08 July 2026
"Q-2"	ILECO III's Supplemental Notice to NEA, providing additional information and updates on the Fortuitous Event, dated 08 July 2026
"R"	ILECO III's Notice to Award in favor of GCGI dated 6 July 2026
"S"	Proof of Timeliness of Filing

CONDITIONS FOR THE NEGOTIATED PROCUREMENT OF THE EPSA

35. Under the 2023 DOE CSP Circular and the 2026 Amended ERC CSP Guidelines, the following requisites and conditions need to be complied with for the negotiated procurement of EPSAs:

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 in the following order of priority: (i) specific for the plant and under the same

tariff structure; (ii) for the same technology, tariff structure, and supply type (i.e., peaking, intermediate, baseload, for RPS compliance, etc.); (iii) for the same tariff structure and supply type; Provided, 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;

d. the DU and the Captive Market Supplier shall jointly file with the ERC the application for approval of the said EPSA in accordance with the timeline prescribed in Section 26 of these Amended Implementing Guidelines; and

e. The procurement of energy power supply shall not be entitled to any form of subsidy, except as allowed under existing DOE policies.

36. In compliance with the prevailing regulations:

a. Section 1.1.13 of the EPSA provides for a Contract Period of six (6) Billing Periods from the Supply Commencement Date, or until the earlier issuance of ERC approval of the pertinent power supply agreement through the NEA Joint Competitive Selection Process. Thus, the contractual period is substantially less than one (1) year and is not extendible under the Agreement.[23]

b. The EPSA rate as agreed upon between GCGI and ILECO III and stated in Schedule 2 of the EPSA is not higher than the latest applicable ERC-approved generation tariff as approved in ERC Case No. 2013-093 RC.

c. ILECO III complied with the notification requirement by notifying the Honorable Commission, the DOE, and the NEA, through its respective letters dated 15 June 2026, of the occurrence of the Force Majeure or Fortuitous Event.[24]

d. Applicants GCGI and ILECO III are jointly filing this Joint Application for the Approval of the subject EPSA before this Honorable Commission, having initiated the filing of the Joint Application on 19 August 2026, within thirty (30) days from the

[23] *See* **Annex "01"**.
[24] *See* **Annex "J" and series**.

execution of the EPSA.[25] The Applicants likewise submitted the minimum pre-filing requirements to the ERC on 20 August 2026, within the reglementary period prescribed under the 2026 Amended ERC CSP Guidelines.

e. The EPSA does not provide for any form of subsidy.

37. Considering the foregoing, ILECO III undertook the negotiated procurement of the EPSA in accordance with the applicable requirements to address its power supply deficiency. The EPSA was implemented on 24 July 2026 to provide interim power supply to ILECO III pending the commencement of supply under the PSAs resulting from the ACSP.

ALLEGATIONS IN SUPPORT OF MOTION FOR CONFIDENTIAL TREATMENT

38. The allegations in the preceding paragraph are reproduced and incorporated herein by reference where applicable.

39. Under Rule 4 of the ERC Rules, the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential. Pursuant to such Rules, the Applicants respectfully pray for the issuance of a protective order declaring **Annexes "04", "04-A", "06", "06-B", "07-A", "08", and "09"** as confidential information, since Applicants intend to present them as evidence in the Joint Application.

40. With respect to these documents, the Applicants respectfully move that these be treated as confidential information and not be disclosed to any party for the reason that these documents contain information which are of commercially sensitive nature and may affect price offers and that such information falls within the bounds of valuable proprietary interest under "trade secrets" which are entitled to protection under the 1987 Philippine Constitution, statutes, and rules and regulations.

41. Moreover, some of these documents contain numbers, methodology, and calculations which provide valuable information and insight into how GCGI arrived at its power generation rate and would accordingly reflect GCGI's bidding strategy for distribution utilities undertaking CSPs for their power suppliers. It also contains information regarding the debt or equity ratio, capital costs, weighted average cost of capital, and fuel cost, among other information.

42. The data contained in the aforesaid documents have proprietary value that constitute trade secrets of GCGI. Thus, GCGI has actual and

[25] *See* **Annex "S"**.

valuable proprietary interest to protect the same; for if the same were disclosed, it may seriously prejudice the competitive advantage of GCGI.

43. Information which are within the definition of a trade secret, as defined by jurisprudence, is clearly information which merits the confidential treatment provided for under Rule 4 of the ERC Rules. The case of *Air Philippines Corp. v. Pennswell, Inc.*[26] states:

> A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of his employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having a commercial value. 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;
>
> (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

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

(6) the extent to which the information could be easily or readily obtained through an independent source.

44. Meanwhile, in its Decision in ERC Case No. 2015-111 RC dated 30 May 2017, the Honorable Commission explicitly held that the formulas and pricing structures of a Generation Company are confidential and must not be publicly disclosed, stating:

> In the case of PNOC RC, the documents sought to be protected from disclosure contain 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 where 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.

45. The Honorable Commission has acknowledged that maintaining the confidentiality of pricing structures is essential to preserving the competitiveness of the generation sector. Accordingly, any information that qualifies as a *trade secret*, as established by prevailing jurisprudence, warrants the confidential treatment prescribed under Rule 4 of the ERC Rules.

46. Considering the foregoing, **Annexes "04", "04-A", "06", "06-B", "07-A", "08", and "09"** are therefore entitled to the protection of confidential information provided under Rule 4 of the ERC Rules.

47. In accordance with Section 1, Rule 4 of the ERC Rules, a copy of each of the foregoing confidential documents is placed in a sealed envelope, with the envelope and each page thereof stamped with the word "Confidential", accompanied by an index enumerating the contents thereof with sufficient particularity.

PRAYER

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

(i) **ISSUE** an Order (a) **GRANTING** the *Motion for Confidential Treatment* of Confidential Documents (*i.e.*, Annexes "04", "04-A", "06", "06-B", "07-A", "08", and "09"), and all information contained therein; (b) **DIRECTING** the non-disclosure of the Confidential Documents and all information therein to persons

other than the officers and staff of the Honorable Commission; and (c) continuously **PROTECTING** the Confidential Documents and all information therein from public disclosure by maintaining the same separate and apart from the records of the case, pursuant to Section 2, Rule 4 of the ERC Rules; and

(ii) After hearing on the merits, **ISSUE** a Decision **APPROVING** the Emergency Power Supply Agreement (EPSA) dated 21 July 2026 *in toto,* thereby confirming the authority of ILECO III to charge and collect the fees from its consumers for the entire term of the subject EPSA, reckoned from the commencement of supply from GCGI.

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

Pasig City and Mandaluyong City for Pasig City, 07 October 2026.

[Signature page follows.]

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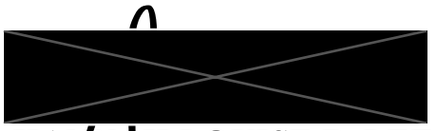

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[27]Pursuant to Office of the Court Administrator Circular No. 56-2015, hereunder are the MCLE Compliance Numbers of the undersigned Firm's name partners, to wit:

Partners	**MCLE Compliance No.**	**Validity**
Joseph Ferdinand M. Dechavez	MCLE Exemption Certificate No. VIII-Acad004390	14 April 2028
Ditas A. Lerios-Amboy	Certification No. VIII-0042308	14 April 2028
Nelson V. Evangelista	Certification No. VIII-0041847	14 April 2028