

Republic of the Philippines  
**ENERGY REGULATORY COMMISSION**  
Pasig City

**IN THE MATTER OF THE  
PETITION FOR THE  
AVAILMENT OF THE  
ENVIRONMENTAL  
CHARGE/SHARE FROM THE  
UNIVERSAL CHARGE FOR  
THE REHABILITATION AND  
MANAGEMENT OF  
WATERSHED AREAS (PLAN  
20)**

**ERC CASE NO. 2024-018 RC**

**NATIONAL POWER  
CORPORATION,**  
*Petitioner.*

X-----X

**Promulgated:**  
February 21, 2024

**NOTICE OF PUBLIC/VIRTUAL HEARING**

**TO ALL INTERESTED PARTIES:**

Notice is hereby given that on 14 February 2024, National Power Corporation (NPC) filed a *Petition* dated 23 January 2024, seeking the Commission's approval for the availment of the Environmental Charge/Share from the Universal Charge (UC-EC) for the rehabilitation and management of watershed areas (Plan 20).

The pertinent allegations of the *Petition* are hereunder quoted as follows:

1. Petitioner is a government owned-and-controlled corporation created and existing under and by virtue of Republic Act No. 6935, as amended (NPC Charter), with principal office address at NPC Office Building Complex, Quezon Avenue Corner BIR Road, Diliman, Quezon City, where it may be served with notices and other processes of the Honorable Commission;
2. Under the NPC Charter, particularly Section 3, paragraph (N), Petitioner is vested with the power to exercise complete jurisdiction and control over watersheds surrounding the reservoir of plants and/or projects it constructed;

**ERC CASE NO. 2024-018 RC**  
**NOTICE OF PUBLIC/VIRTUAL HEARING/21 FEBRUARY 2024**  
**PAGE 2 OF 7**

---

3. To further strengthen its jurisdiction and control over watersheds, Executive Order (EO) No. 224 was issued on 16 July 1987, wherein Petitioner was granted complete jurisdiction, control and rehabilitation over the following watershed areas and reservations: (1) Upper Agno Watershed Reservation as covered by Proclamation No. 548; (2) San Roque Watershed[;] (3) Angat Watershed Reservation as covered by Proclamation Nos. 505 and 599; (4) Caliraya-Lumot Watershed Reservation as covered by Proclamation No. 573; (5) Makiling-Banahaw Geothermal Reservations as covered by Proclamation No. 1111; (6) Buhi-Barit Watershed as covered by Proclamation No. 573; [and] (7) Tiwi Geothermal Reservation as covered by Presidential Proclamation No. 739;
4. Accordingly, Petitioner became responsible for the management, protection, development, and rehabilitation of the aforementioned watershed areas, including but not limited to the following: (1) Enforcement of forestry laws, rules and regulations governing the Integrated Management of Watershed Reservation under Ministry Order No. 83-01-13, Series of 1982; (2) Identification of areas which required immediate rehabilitation and development; (3) Preparation of plans and programs using the integrated multiple use concept of Watershed Management for the maximum utilization of Watershed resources; (4) Formulation and/or implementation of measures to prevent denudation of forest cover and siltation of existing reservoirs; (5) Public education and information drive to create awareness among the populace about the importance of forest resources and watershed areas; (6) Promotion of the development and conservation of existing vegetative cover; (7) Formulation of plans and development programs for resettlement and relocation; (8) Coordination with other government agencies/instrumentalities, religious and civil groups in undertaking forest conservation measures in watershed areas; (9) Afforestation, reforestation and physical rehabilitation measures in critically denuded watershed areas; (10) Development, maintenance and management of free farms within adequately vegetative watershed for the production of transmission line poles;
5. Petitioner's jurisdiction and control over watersheds was again recognized and reiterated in Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" (EPIRA) and its Implementing Rules and Regulations (IRR), particularly Section 6 (c), Rule 23 of the IRR, wherein Petitioner is mandated to continue being responsible for watershed rehabilitation and management;
6. Under the EPIRA, Petitioner is entitled to the Environmental Charge (EC) equivalent to one-fourth of one centavo per kilowatt-hour sales (P 0.0025/kWh), which forms part of the Universal Charge (UC). This environmental fund is intended solely for watershed rehabilitation and management and is being managed by Petitioner under existing arrangements. In order to avail said EC, Petitioner is required to submit to the

**ERC CASE NO. 2024-018 RC**  
**NOTICE OF PUBLIC/VIRTUAL HEARING/21 FEBRUARY 2024**  
**PAGE 3 OF 7**

---

Honorable Commission a petition for availment of the UC-EC in relation to the proposed watershed rehabilitation and management projects on or before March 15 of every year. Hence, this petition;

7. In support of the instant Petition, Petitioner hereby submits the proposed operations plan for Calendar Year 2024 (hereinafter referred to as "Plan 20") for the availment of the UC-EC for the rehabilitation and management of the watersheds. (Attached as Annex "A" is the Executive Summary of Plan 20 which forms an integral part hereof);
8. Plan 20 is crafted in order to intensify and strengthen Petitioner's undertakings to address the issue on the uncontrolled deforestation, especially in watershed areas. For the past 22 years (2002-2024), Petitioner has embarked on non-stop greening initiatives in various watershed areas which have gained acceptance and cooperation by its stakeholders. In line with the Greening Program of the National Government, Petitioner's Watershed Management Department (WMD) and its Watershed Area Teams (WATs) are committed to reforest idle/open and denuded areas and promote the use of indigenous species (Rainforestation) in its greening projects. Alongside with the greening programs, WMD intends to raise planting stocks primarily to share and disperse to qualified beneficiaries to plant trees in their respective communities;
9. Plan 20 is composed of programs and projects specified in Section 1, Article II of the Rules and Procedures Governing the Utilization and Disbursement of UC-EC (Rules), with the proposed modes of procurement in implementing the same. In particular, Plan 20 involves the following programs and projects: (1) Watershed Protection and Law Enforcement; (2) Watershed Rehabilitation; (3) Watershed Resource Development; (4) Infrastructure; (5) Administrative and Project Operations and/or Supervision; (6) Equipment Acquisition; (7) Sustainability and Third-Party Evaluation; (8) Biodiversity and Ecotourism; [and] (9) Research Development. These programs and projects were recommended by the concerned WAT. And the same were reviewed and evaluated by the Head Office-WMD. (Attached as Annexes "D" to "P" are the proposed plans of the WATs assigned in Angat, Buhi-Barit, Caliraya-Lumot, Lake-Lanao Agus River, Magat, Mak-Ban, Pantabangan, Pulangi, San Roque, Tiwi, Upper Agno and the WMD-Head Office which forms an integral part hereof);
10. Plan 20 covers the nine (9) watersheds over which Petitioner has complete jurisdiction and control by virtue of EO 224; San Roque Watershed (Lower Agno) which is managed by Petitioner for San Roque Multi-Purpose Project by virtue of PD 2320, Pantabangan and Magat Watersheds which Petitioner has an area sharing scheme with National Irrigation Administration, and Lake Lanao-Agus River and Pulangi Watershed Area which Petitioner has a Memorandum

**ERC CASE NO. 2024-018 RC**  
**NOTICE OF PUBLIC/VIRTUAL HEARING/21 FEBRUARY 2024**  
**PAGE 4 OF 7**

---

of Agreement with the Department of Environment and Natural Resources;

11. Plan 20 still forms part of the original 5-year Comprehensive Watershed Management Plan (CWMP) which was submitted by Petitioner on 15 March 2002, and aims to continue the remaining projects and programs therein. The instant petition is premised on the said CWMP. Likewise, Plan 20 is crafted with reference to the previous proposed plans submitted for the approval of the Honorable Commission;
12. Aside from maintaining the objectives of the previous proposed plans submitted to the Honorable Commission, Plan 20 particularly seeks to attain the rehabilitation through vegetative measures of 700 hectares; reduction of sedimentation and soil erosion inside Petitioner's reforestation areas of at least 2,880 tons/year (Sapalco, S.R., 1981); increase in biodiversity in terms of species richness and flora and fauna population thru conservation and ecotourism programs; Strengthening and sustaining of 11 Bantay Watershed Task Force Group created purposely for the protection and conservation of the watershed areas;
13. Plan 20 complies with ERC Case Res. Nos. 18 Series of 2011, which requires Petitioner to conduct consultation with the Local Government Units (LGU) and LGAs where projects will be situated. Reference is made with those of the environmental projects of the LGUs and LGAs so that no duplication in the funding of projects will occur. Concerns of stakeholders were brought to the attention of concerned WAT and this serves as the latter's guide in the packaging of Plan 20. This also ensures the support of the LGUs and the local communities for the proposed project;
14. In order to attain the objectives of Plan 20, Petitioner would need to avail and utilize the funds from the UC-EC amounting to a total of THREE HUNDRED SEVENTY-TWO MILLION NINE HUNDRED SIXTY EIGHT THOUSAND ONE HUNDRED THIRTY NINE AND NINETY SEVEN CENTAVOS (PhP P372,968,139.97), as shown in the Consolidated Financial Summary attached as Annex C. This was computed based on existing rules and regulations prescribed for government projects;
17. (*sic*) In compliance with Section 2 (b), Article II of the Rules, Petitioner furnished a copy of the instant petition to the Sangguniang Panlungsod and [the] Office [of] the City Mayor of Quezon City where Petitioner principally operates, and publish[ed] the same in a newspaper of general circulation. (Attached as Annexes "Q" and "R" are proofs of service and publication of the Petition.)

WHEREFORE, premises considered, Petitioner prays that the instant petition be APPROVED by this Honorable Commission.

Petitioner prays for other just and equitable relief.

**ERC CASE NO. 2024-018 RC**  
**NOTICE OF PUBLIC/VIRTUAL HEARING/21 FEBRUARY 2024**  
**PAGE 5 OF 7**

---

The Commission hereby sets the instant *Petition* for determination of compliance with the jurisdictional requirements, expository presentation, Pre-trial Conference, and presentation of evidence on the following dates and venues, or online platform for the conduct thereof, pursuant to Resolution No. 09, Series of 2020<sup>1</sup> and Resolution No. 01, Series of 2021<sup>2</sup> (ERC Revised Rules of Practice and Procedure):

<b>Date and Time</b>	<b>Venue/Platform</b>	<b>Activity</b>
<b>14 May 2024</b> (Tuesday) at nine o'clock in the morning (9:00 A.M)	<b>Energy Regulatory Commission Hearing Room, 11<sup>th</sup> Floor, Exquadra Tower, 1 Jade Drive, Ortigas Center, Brgy. San Antonio, Pasig City</b>	Determination of compliance with jurisdictional requirements and Expository Presentation for Luzon Stakeholders
<b>21 May 2024</b> (Tuesday) at nine o'clock in the morning (9:00 A.M)	<b>Energy Regulatory Commission, Visayas Area Operations Division (VAOD), 7<sup>th</sup> Floor, Kepwealth Building, Samar Loop, Cebu Business Park</b>	Expository Presentation for Visayas Stakeholders
<b>28 May 2024</b> (Tuesday) at nine o'clock in the morning (9:00 A.M)	<b>Energy Regulatory Commission, Mindanao Area Operations Division (MAOD), 6<sup>th</sup> Floor, BIZ Bldg., c/o BORMAHECO, Inc., 209 J.P. Laurel Avenue, Bajada, Davao City</b>	Expository Presentation for Mindanao Stakeholders
<b>04 June 2024</b> (Tuesday) at nine o'clock in the morning (9:00 A.M)	<b>Microsoft Teams Application</b>	Pre-trial Conference and Presentation of Evidence
<b>11 June 2024</b>		Presentation of Evidence

<sup>1</sup> A Resolution Adopting the Guidelines Governing Electronic Applications, Filings and Virtual Hearings Before the Energy Regulatory Commission.

<sup>2</sup> A Resolution Adopting the Revised Rules of Practice and Procedure of the Energy Regulatory Commission.

**ERC CASE NO. 2024-018 RC**  
**NOTICE OF PUBLIC/VIRTUAL HEARING/21 FEBRUARY 2024**  
**PAGE 6 OF 7**

<b>Date and Time</b>	<b>Venue/Platform</b>	<b>Activity</b>
(Tuesday) at nine o'clock in the morning (9:00 A.M)		
<b>18 June 2024</b> (Tuesday) at nine o'clock in the morning (9:00 A.M)		Presentation of Evidence

Petitioner NPC is directed to attend the said hearings at the designated venues.

Any interested stakeholder may submit its comments and/or clarifications **at least one (1) calendar day** prior to the scheduled initial hearing, via electronic mail (e-mail) at [docket@erc.ph](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto: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 persons who have 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](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), a verified Petition to Intervene **at least five (5) calendar days** prior to the date of the initial hearing. The verified Petition to Intervene must follow the requirements under Rule 9 of the ERC Revised Rules of Practice and Procedure, indicating therein the docket number and title of the case and stating the following:

- 1) The petitioner's name, mailing address, and e-mail address;
- 2) The nature of petitioner's 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
- 3) A statement of the relief desired.

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](mailto:docket@erc.ph), and copy furnish the Legal Service through [legal@erc.ph](mailto:legal@erc.ph), their Opposition or Comment thereon **at least five (5) calendar days** prior to the initial hearing. Rule 9 of the ERC Revised Rules of Practice and Procedure shall govern. No particular

**ERC CASE NO. 2024-018 RC**  
**NOTICE OF PUBLIC/VIRTUAL HEARING/21 FEBRUARY 2024**  
**PAGE 7 OF 7**

---

form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

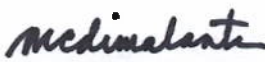
- 1) The name, mailing address, and e-mail address of such person;
- 2) A concise statement of the Opposition or Comment; and
- 3) The grounds relied upon.

All interested parties filing their Petition to Intervene, Opposition or Comment are required to submit the hard copies thereof through personal service, registered mail or ordinary mail/private courier, **within five (5) working days** from the date that the same were electronically submitted, as reflected in the acknowledgment receipt e-mail sent by the Commission.

Any of the persons mentioned in the preceding paragraphs may access the copy of the *Petition* on the Commission's official website at [www.erc.gov.ph](http://www.erc.gov.ph).

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

**WITNESS**, the Honorable Commissioners **ALEXIS M. LUMBATAN**, **CATHERINE P. MACEDA**, **FLORESINDA G. BALDO-DIGAL**, and **MARKO ROMEO L. FUENTES**, Energy Regulatory Commission, this 21<sup>st</sup> day of February 2024 in Pasig City.

  
**MONALISA C. DIMALANTA**  
*Chairperson and CEO*

  
LS: VMA/MVM/LSP

