



REGIONAL PROJECT MONITORING COMMITTEE XI

1st Quarter CY 2014 Field Monitoring Report

Joint RPMC XI–IDC XI Monitoring Visit to the Tudaya 1 and 2 Hydro-Electric Power Plant Projects and the 300 MW Coal-Fired Power Plant Project
26 February 2014

The Regional Project Monitoring Committee (RPMC) XI and the Infrastructure Development Committee (IDC) XI monitored the 6.7 MW Tudaya 1 and 7.0 MW Tudaya 2 Hydro-Electric Power Plant (HEPP) Projects in Sibulan, Sta Cruz, Davao del Sur, and the 300 MW Circulating Fluidized-Bed Coal-Fired Power Plant Project located at the boundary of Sta. Cruz, Davao Del Sur and Toril, Davao City on 26 February 2014. The one-day joint monitoring activity was proposed by the IDC XI and supported by the RPMC XI in December 2013.

The RDC XI Acting Chairperson and RPMC XI Chairperson RD Maria Lourdes D. Lim led the activity. The members of the RPMC XI who joined in the activity were Engr. Alexander Cabalda, representing the Department of Budget and Management (DBM) XI, Ms. Marites Cabueñas, representing the Presidential Management Staff–Regional Field Unit (PMS RFU) XI and Ms. Dolores Alegarbes, RPMC XI/RDC XI Private Sector Representative (PSR). On the part of the IDC XI, Chairperson Vice-Governor Manuel E. Zamora led the Committee with fourteen (14) of its members that included Engr. Carolina R. Angel, OIC-RM of the National Housing Authority XI and Atty. Christian Santillan, Ports District Manager of the of the Philippine Ports Authority Port Management Office - Southern Mindanao.

The Hedcor's Tudaya 1 and 2 HEPP Projects were visited in the morning which started with a project briefing provided by Mr. Rolando Pacquiao, Hedcor Vice President for Mindanao Operations, while the Therma South Inc. Coal-Fired Power Plant Project was visited in the afternoon with a project briefing conducted by Mr. Wilfredo Rodolfo III, the Aboitiz Power Corporate Communications Manager for Mindanao.

The members of the two Committees noted the physical progress and appreciated the special features of the power plant facilities, as well as assessed the actual social and environmental situation in the projects areas.

The RDC XI has been supportive of the two ongoing private investments as it shall contribute to achieving sufficiency and reliability in the supply of power in Davao Region, and for the island of Mindanao. While the development of the two power generating facilities was initiated by the private-sector, the investments were identified priority requirement of Davao Region.

**Tudaya 1 and 2 Hydro-Electric Power Plant Projects***Information Gathered and Observations Made*

The Tudaya 1 and Tudaya 2 HEPP Projects are investments of Hedcor Inc., a subsidiary of Aboitiz Power which handles hydro power development, with a designed generation capacity of 6.7 megawatts and 7.0 megawatts, respectively. Upon completion, the two power facilities shall contribute and add up to Hedcor's current supply of 47 MW from its existing seven (7) run-of-river plants in Davao City and Davao del Sur, bringing up its total capacity to 61 MW.

Project Information:

Tudaya 1 HEPP

Capacity	:	6.7 Megawatts
Annual Generation	:	37.33 GWhr
Host Communities	:	Barangay Sibulan, Sta. Cruz, Davao del Sur, Barangay Kapatagan, Digos City
Investment	:	PhP 1.165 billion
Target Project Completion	:	1st quarter of 2014

Tudaya 2 HEPP

Capacity	:	7 Megawatts
Annual Generation	:	40.49 GWhr
Host Communities	:	Barangay Astorga, Sta. Cruz, Davao del Sur
Investment	:	PhP 1.224 billion
Target Project Completion	:	1st quarter of 2014

The power facilities are run-of-the-river (ROR) type located at the upstream and downstream of Sibulan River in Sta. Cruz, Davao del Sur, and at the vicinity of the existing 42.4 MW Sibulan HEPP. The facilities include an intake weir, short tunnel, surface pipeline, desander, headpond, high pressure surface penstock, surface power plant, substation, switchyard, and transmission line.

The Tudaya 1 HEPP is expected to deliver generated electricity to Davao Light and Power Company (DLPC) which serves Davao City and four adjacent municipalities/cities in Davao del Norte Province. The power that will be generated from the Tudaya 2 HEPP is contracted with the Davao del Sur Electric Cooperative (DASURECO) which serves the entire Province of Davao del Sur.

*Economic and Other Benefits Generated and/or Provided to the Host Communities*Economic Benefits:

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|-----------------------|---|------------------|
| a) Community Shares | : | PhP 4.2 million |
| b) Government Shares | : | PhP 3.5 million |
| c) ER 1-94 Fund Share | : | PhP 740 thousand |
| d) Business Tax | : | PhP 2 million |
| e) Real Property Tax | : | PhP 25.8 million |



Other benefits given to the host communities and surrounding areas of the project:

- a) Local employment close to 800 during construction and about 30 during operation.
- b) Land rental fees as additional income to the residents
- c) Improved infrastructure
- d) Watershed management of about 1,000 hectares forestland in the surrounding areas of the HEPPs

Status of Implementation

As of the time of visit, the projects are substantially completed, with its civil works are on schedule and are targeted to be completed within the 1st Quarter of 2014.

300 MW Circulating Fluidized-Bed Coal-Fired Power Plant

Information Gathered and Observations Made

The 300 MW Coal-Fired Power Plant Project is an investment of the Therma South Inc., another subsidiary of Aboitiz Power that handles thermal power development projects. The Project is located at the boundary of Sta. Cruz, Davao Del Sur and Toril, Davao City with a designed generation capacity of 300 MW and shall use the Circulating Fluidized-Bed Coal-Fired Power Plant technology.

Project Information:

Estimated Investment Cost	:	PhP 25 billion
Capacity	:	300 Megawatts (to be generated by 2 Units x 150 MW Circulating Fluidized-Bed (CFB) Power Plant)
Facilities	:	<ul style="list-style-type: none"> • Continuous Emission Monitoring System (CEMS) • 150-meter smokestack (highest in Mindanao) • Electrostatic Precipitator • Coal Dome (first in the Philippines to cover coal and prevent pollution) • Coal Jetty and Conveyor (Fully covered) • Spring Water Catchment System for process water • Seawater Cooling System • Transmission facilities
Testing & Commissioning	:	4th Quarter 2014 – on schedule
Commercial Operations	:	1st Quarter 2015 – on schedule
Contracted Capacity:	:	255 MW of the 260 MW (contracted with various electric cooperatives / distribution utilities in Mindanao)
Estimated Physical Accomplishment	:	70%, as of January 2014

The TSI also initiated various programs and projects as part of their Corporate Social Responsibility that responded to the needs of the communities in the project area. In addition, other economic benefits generated and/or provided to the host communities were:



Other benefits given to the host communities and surrounding areas of the project:

CATEGORY	PROJECT
HEALTH	Medical and Dental Mission for Binugao and Inawayan
	Donation of Medical Equipment to Brgy. Health Centers of Binugao and Inawayan
	Capacity-building of Barangay Health Workers and Barangay Nutrition Scholars
SOCIAL	Jobs Fair
	Refurbishment of the Inawayan Mosque
	Preparatory TESDA Skills Training Project
	Provision of Solar Home Lanterns to Sibulan, Coronon and Marilog
	Donation of Submersible Water Pumps to Brgy. Binugao
EDUCATION	Construction of 3 AGAPP School Buildings
	Armchair Donations
	Construction of One Unit 3-Classroom School Building at Ma-a National High School
	Library Kit Donation to Binugao and Inawayan Elementary Schools
	Binugao Elementary School Library Repair Project
	Construction of 2-Classroom Building for Alternative Learning System
	1-room Day Care Center at Barangay Inawayan

Economic Benefits (as of September 2013):

- a) Total value of contracts awarded to local contractors: P 593 million
- b) Total value of materials and supplies sourced locally: P642 million
- c) Local property and business taxes.
- d) Contribution to ER 1-94 fund.

The findings on the compliance by TSI on the major provisions of the Environmental Compliance Certificate (ECC) issued to the Project were as follows:

- a) Organization of the Multi-Partite Monitoring Team (MMT)
- b) Health Baseline data
- c) Health Information System training
- d) Carbon Sink Management Program
- e) Noise Monitoring data
- f) Environmental Impact Study
- g) Clean Air Act
- h) Solid Waste Management Act
- i) Future projects:
 - Carbon sink expansion
 - Mangrove beach forest
 - Energy Center

The issue on the revenue-sharing between the two host-local government units on the taxes that will be generated from the operation of the coal-fired power plant was cited by Mr. Rodolfo of TSI during his project briefing to the Committees. He pointed out that project occupies a contiguous area on both sides of Barangay Binugao, Davao City, and Barangay Inawayan, Santa Cruz, Davao del Sur.



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The Committees supported the efforts of TSI to allow the concerned local government units to resolve and agree early on on the revenue-sharing to prevent a potential conflict between the two LGUs over revenue shares from the Project.

Action to be undertaken by the RPMC XI

As mandated, the RPMC XI shall closely coordinate with the IDC XI in monitoring the physical progress of the Tudaya HEPPs Project and Coal Power Plant Project of TSI including the compliance by the latter on the ECC requirements until its operational stages. The IDC XI on part, is also mandated and has committed to work on ensuring the sufficiency and reliability in the supply of power in the Region, as it has also set as its priority agenda to closely monitor the physical progress of said power facilities projects.



Photos taken at the Project Sites

I. Hedcor Sibulan Upstream and Downstream Hydroelectric Power Plant Expansion Project (Tudaya 1 and 2 HEPP)



Project briefing at Sibulan B Office



Project tour. Hedcor explaining the plant's power generation and supply.



Tudaya 2 HEPP



Group photo: RPMC XI and IDC XI with Hedcor Staff in front of the power plant.



II. Therma South Energy Project (300 MW Circulating Fluidized-Bed Coal-Fired Power Plant)



Ongoing construction of the Coal dome.

Aerial view of the ongoing construction of the coal-fired power plant.



Group photo: RPMC XI and IDC XI with TSI Staff in front TSI Office.