

January 28, 2025

ATTY. SUZY CLAIRE R. SELLEZA

Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Dear Atty. Selleza:

We write in compliance with the Exchange’s request for clarification with respect to the news article in The Philippine Star on January 26, 2025 entitled “*Regulator approves EDC's P637 million transmission facility*”. The article reported in part that:

"MANILA, Philippines - Lopez-led Energy Development Corp. (EDC) has secured regulatory approval to build a P637-million transmission facility that will link its geothermal power plant in Sorsogon to the Luzon grid.

The Energy Regulatory Commission (ERC) has given EDC unit BacMan Geothermal Inc. (BG/) the green light to develop and own dedicated point-to-point limited transmission facilities for its 22-megawatt (MW) Tanawon geothermal plant.

BGI plans to integrate the geothermal facility into the grid through a 7.5-kilometer, 230-kilovolt transmission line, linking it to the National Grid Corp. of the Philippines (NGCP)'s 230-kV Daraga Substation.

The connection asset includes a switchyard and other related transmission facilities.

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In July last year, EDC switched on the 28.9-MW Palayan binary geothermal power plant in Al bay, as part of the expansion of its existing 140-MW Bacon-Manito facility.

A subsidiary of First Gen Corp., EDC has a portfolio of about 1,480-MW of installed capacity, accounting for about 20 percent of the country's total installed renewable energy capacity.”

We confirm that it was reported in the Notice of Commission Action (In Re: Regular Commission Meeting No. 118) dated 15 January 2025 that was posted by the Energy Regulatory Commission (the “Commission”) on its website, that the Commission resolved to

a subsidiary of Energy Development Corporation, to develop and own the dedicated point-to-point limited transmission facilities to connect the Tanawon Geothermal Power Plant project to the Luzon grid through the NGCP's 230kV Daraga substation. We are currently awaiting the issuance of the official decision from the Commission, in accordance with the Notice of Commission Action.

Also, the cost of construction of the connection asset is estimated to be Php673 million (vs the Php637 million in the article).

We trust that this clarification addresses your inquiry. Should you require any further information or have additional questions, please do not hesitate to contact us.

Very truly yours,



Ryan Z. Velasco

Vice President,
Corporate Information Officer,
Head of Corporate Strategy and Planning