

February 27, 2025

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Gentlemen:

We reply to your correspondence dated today (received via email yesterday at 4:04 p.m.) requesting confirmation of the information contained in the news article entitled “Meralco: Consumers save P3.88 billion from new power deal” published in the Philippine Star on February 26, 2025.

The article reported in part that:

“MANILA, Philippines — Power distributor Manila Electric Co. (Meralco) is seeking regulatory approval for an emergency power supply agreement (EPSA) that could unlock P3.88 billion in savings for consumers.

Following the termination of its 200-megawatt (MW) supply deal with ACEN Corp., Meralco sought an alternative solution by negotiating an EPSA to secure its baseload requirement.

“Last Nov. 2, ACEN ceased supplying to Meralco, covering 200 MW of its baseload capacity under the PSA that was signed last Sept. 30, 2019,” Meralco senior vice president and head of regulatory management Jose Ronald Valles said.

Given the baseload capacity shortfall, Valles said Meralco informed the Energy Regulatory Commission (ERC) of the urgent need to secure new supply, soliciting proposals from different power suppliers.

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In fact, by sourcing the capacity through the Meralco-SPI EPSA, Meralco’s average blended generation rate will be reduced by about P0.1012 per kWh, resulting in savings to consumers of about P3.882 billion,” it pointed out.



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With regard to its terminated PSA with ACEN, Meralco said the cessation of supply is “an extraordinary event, which, though foreseen, is inevitable and independent” of its involvement.

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We would like to confirm the statements attributed to Atty. Jose Ronald V. Valles, Senior Vice President and Head of Regulatory Management with the clarification that the Power Supply Agreement between ACEN Corp. and Manila Electric Company (the “Company” or “Meralco”) was signed on September 13, 2019, and the Emergency Power Supply Agreement between Meralco and Sual Power Inc. was implemented on January 28, 2025.

We trust that you find the foregoing clarification in order.

Very truly yours,



WILLIAM S. PAMINTUAN
Senior Vice President
Assistant Corporate Secretary and
Information Disclosure Officer