



SAN MIGUEL CORPORATION

July 21, 2026

Philippine Dealing & Exchange Corp.

29th Floor, BDO Equitable Tower 8751
Paseo de Roxas, Makati City 1226

Attention: **Atty. Suzy Claire R. Selleza**

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

Re : News Article in The Philippine Star on 19 July 2026 titled:
“ERC rejects Meralco-SMC power supply deal”

Gentlemen:

By way of response to the Letter-Advice, dated July 20, 2026, relating to the above-captioned subject, we advise and confirm that the Energy Regulatory Commission (“ERC”), in the Order, dated July 14, 2026, (the “Order”), denied the application for the issuance of provisional authority or interim relief filed jointly by Manila Electric Company (“Meralco”) and Sual Power, Inc. (“SPI”), requesting for temporary authority to implement the power supply agreement for the supply by SPI to Meralco of 200 MW of power pending full and final evaluation of the joint application, after considering that Meralco has a projected power surplus for 2026. The relevant portions of the Order state as follows.

“The Commission likewise reviewed the Supply-Demand Scenario of MERALCO for the year 2026, using its peak demand as per its Power Supply Procurement Plan 2025 (PSP) and considering its current and possible suppliers based on the Commission’s records, to wit:

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As reflected above, even without the supply from SPI, MERALCO projected to have a surplus of 479.25 MW for the year 2026. Approval of the subject PSA would result in an additional 200 MW of supply, increasing MERALCO’s projected surplus to a total of 679.25 MW. Hence, the Commission finds no necessity for the additional supply, considering the existing projected surplus for 2026 even without the inclusion of the subject PSA.

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Based on the foregoing, the Commission finds that the evidence presented is insufficient to establish the urgency and immediate necessity for the implementation of the subject PSA. Accordingly, the Commission shall proceed with its evaluation of the Joint Application for the issuance of final authority of the subject case.

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We trust we have addressed the inquiry made by your Office.

Very truly yours,



Virgilio S. Jacinto
Corporate Secretary

Copy Furnished:

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