



Market Surveillance Committee Quarterly Retail Market Assessment Report

26 June to 25 September 2021

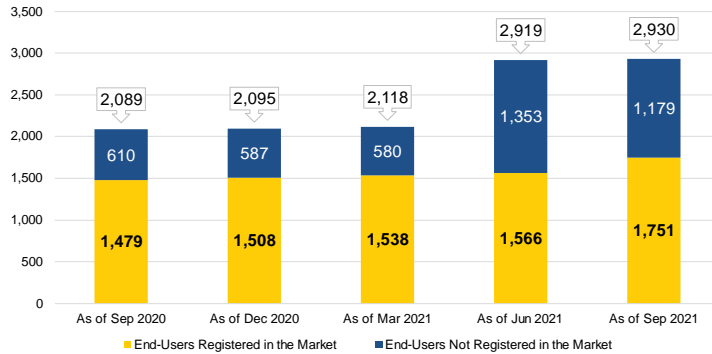
DECEMBER 2021

This Report is prepared by the
Philippine Electricity Market Corporation –
Market Assessment for the
Market Surveillance Committee

The information contained in this document is based on data that are subject to continuous verification by the Philippine Electricity Market Corporation (PEMC).
The same information is subject to change as updated figures come in.

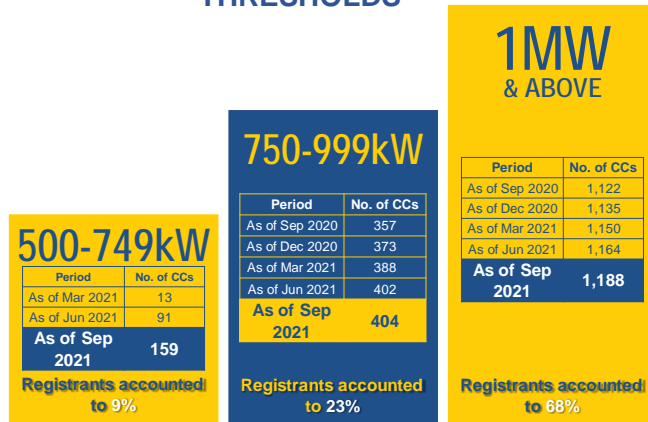
CONTESTABLE CUSTOMER PROFILE

QUARTERLY CUMULATIVE NUMBER



- Additional 185 registered Contestable Customers equivalent to a 12% increase from Q2-2021
 - 60% market participation rate from eligible consumers
- Note: Increase in unregistered consumers due to new market threshold (500kW-749kW) starting 26 February 2021*

THRESHOLDS



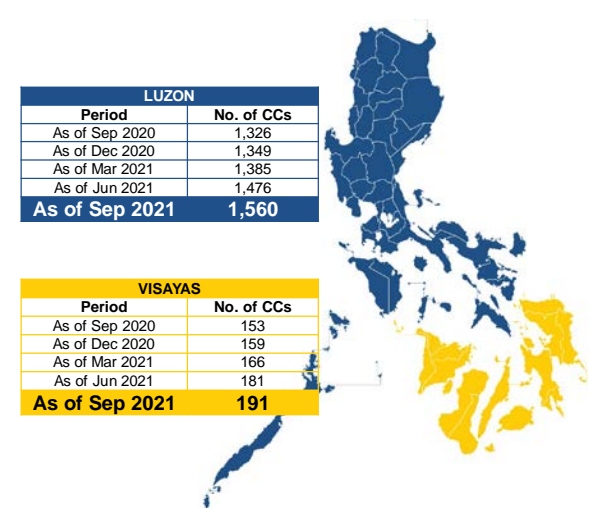
- Steady increase in participation in various thresholds
- The ERC has lowered the threshold starting 26 Feb resulting to 159 additional registrants

PER RETAIL ACTIVITY



47% Contestable Customers were engaged in industrial activities, 53% were in commercial activities

PER LOCATION



89% of Contestable Customers were located in Luzon, the rest were Visayas-based

Note: RCOA is only implemented in regions with WESM operations

BY AVERAGE CONSUMPTION

Region	1 MWh and below	Above 1 MWh to 5 MWh	Above 5 MWh to 10 MWh	Above 10 MWh to 15 MWh	Above 15 MWh to 20 MWh	Above 20 MWh to 50 MWh	Sub-Total Per Region
LUZON	62.19%	22.73%	2.68%	0.63%	0.57%	0.29%	89.09%
VISAYAS	8.79%	1.77%	0.11%	0.00%	0.11%	0.11%	10.91%
Sub-Total Per Level of Average Energy Consumption	70.99%	24.50%	2.80%	0.63%	0.69%	0.40%	100.00%

- Increase in the number of Contestable Customers which had average energy consumption of 1MWh and below by the end of second quarter, due to high entry of participants in the new threshold
- So far, there has not been a recorded average consumption above 50MWh

SUPPLIER PROFILE

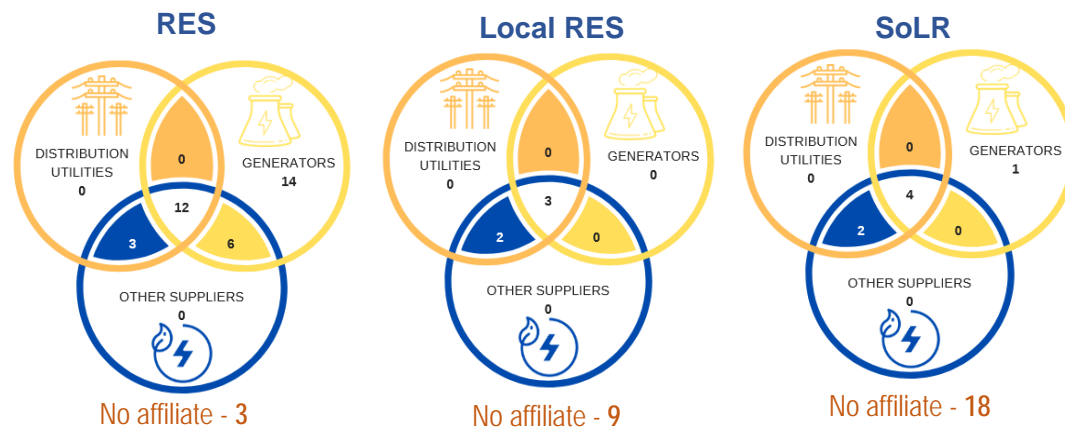
QUARTERLY CUMULATIVE NUMBER

No new additional Supplier registered for the Q3 of 2021.

	Licensed/Authorized	Registered	With Active Contract
RES	43	38	32
LRES	28	14	4
SoLR	47	25	0

List of registered Suppliers are provided as Annex A

SUPPLIER AFFILIATION



Majority of the Suppliers are affiliated with generator participants

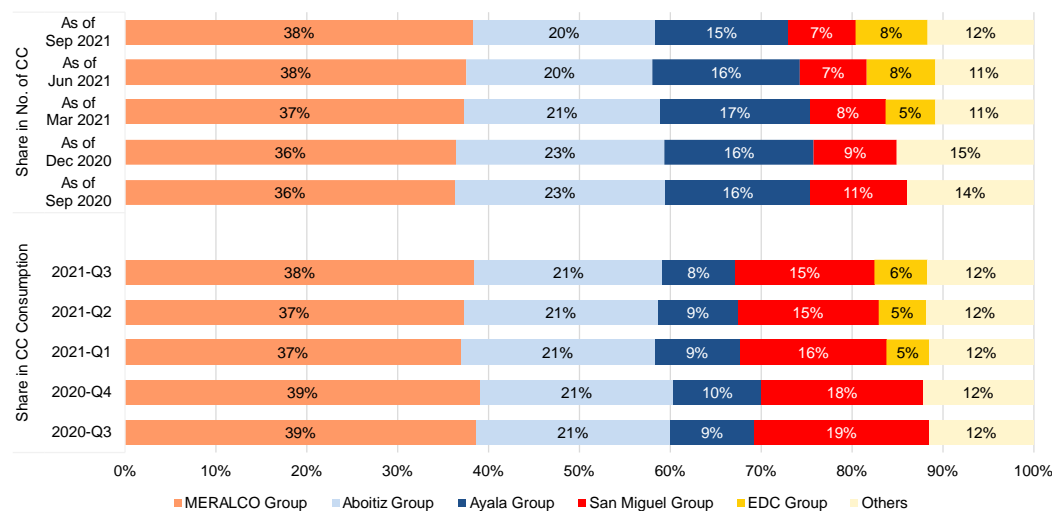
Note: Affiliations based on available information from the ERC as of December 2021

SHARE IN CONTESTABLE CUSTOMER (BY NUMBER AND CONSUMPTION)

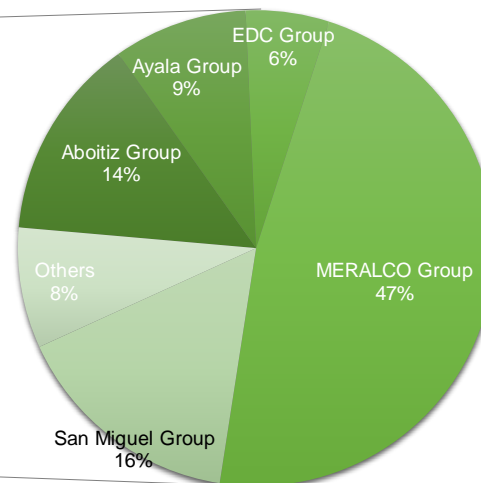
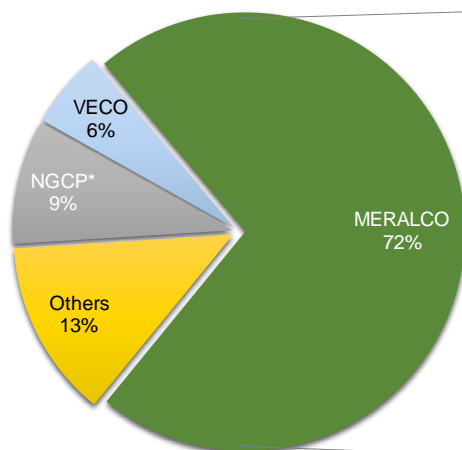
MERALCO Group remained the top entity on both measures (number of engaged CCs and total consumption) at **38%**, which is attributable to **increasing participation** in the **new threshold level** and with the leniency in the government's implementation of protocols thereby allowing more economic activities in the load center, respectively. Being the largest service provider for the end-users and having direct and first access to most eligible consumers may have played a role in the preference of consumers towards contracting with MERALCO RES services.

EDC Group's Contestable Customer increased consumption at **6%** while retaining the same share in number of engaged consumers. Meanwhile, **San Miguel Group's** share **had decreasing trend** over the periods considered

Other groups experienced **minimal changes** in shares, both in Contestable Customers engaged and total consumption



MARKET STRUCTURE FRANCHISE AREA

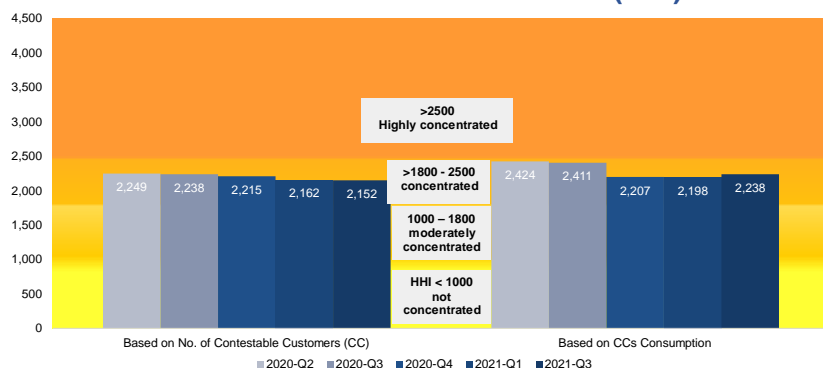


List of registered DUs and ECs are provided as *Annex B*

- With the more lenient protocols implemented in the NCR, **MERALCO Franchise Area** recorded **72%** of the total consumption of CCs for Q3-2021 to be consumed in that area
- About **9%** of total consumption were Directly-Connected to the grid while the remaining **19%** were scattered among other franchise areas

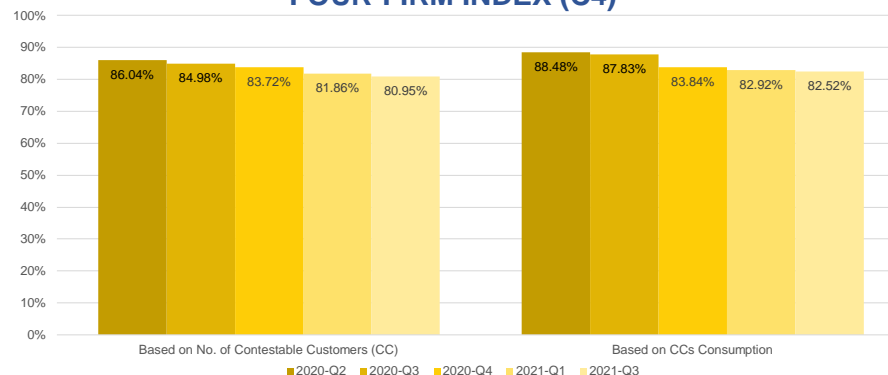
Inside MERALCO franchise area, **47%** were served by the **MRLCOLRE** and its affiliates, while other Suppliers experienced **minimal changes** in shares

HERFINDAHL-HIRSCHMAN INDEX (HHI)



Q3-2021 remained a **Concentrated Market** both in terms of share in number of Contestable Customers and energy consumption, but generally with **declining pattern** signalling towards an improving competition for the market.

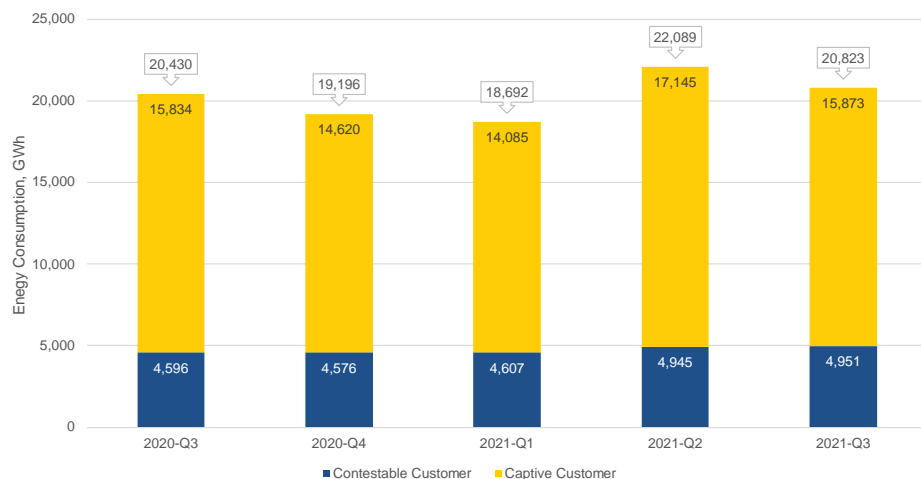
FOUR-FIRM INDEX (C4)



C4 values remained high at **above 80%** both in terms of share in number of Contestable Customers and energy consumption for the covered period, and in the same manner with HHI, had a **decreasing trend** which also indicates improvement in market competition. The result of the four-firm index likewise clarifies that the slight uptick in the concentration based on consumption using the HHI did not come from the top 4 participants with the greatest share in terms of consumption.

MARKET PERFORMANCE

TOTAL ENERGY CONSUMPTION – SYSTEM



Changes in Consumption

System	Year-on-Year, %	Quarter-on-quarter, %
System	1.92	(5.73)
Captive Consumers	0.25	(7.42)
Contestable Consumers	7.71	0.12

In general, the consumption of the consumers during the period in review, notably decreased compared to the previous quarter which may be attributed to the on-set of rainy season and the cold season on the latter part of the year, causing the diminished consumption. Meanwhile, in terms of comparison with the previous year, there has been recorded growth in consumption suggesting activity from consumers.

Looking closely to the performance of the Contestable Customers, it has been noted that there was a valuable increase in the consumption therein, which signals higher economic activities compared to the previous year. From the summer season, where consumption is expected to be high, CCs also experienced increase in consumption which further proves higher activities.

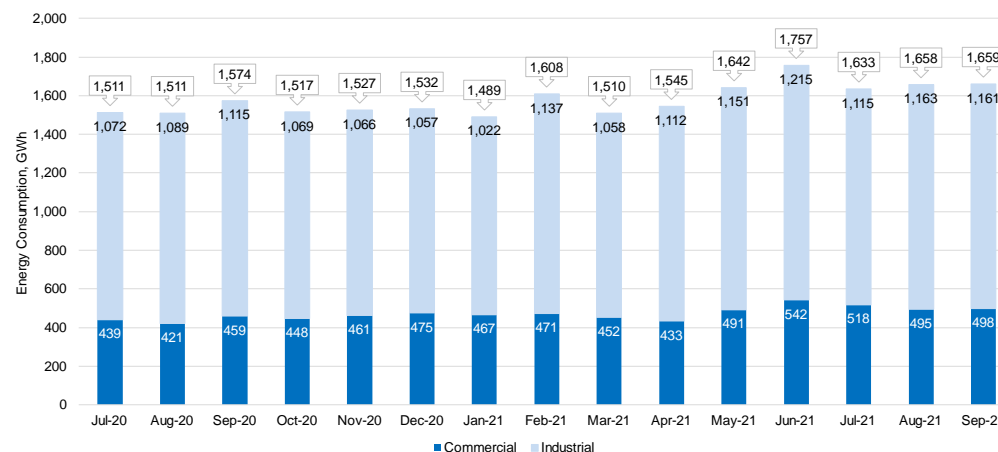
TOTAL ENERGY CONSUMPTION – INDUSTRY TYPE

Industrial Contestable Customers

- Higher level of consumption was observed for the entire Q3 of 2021 as compared to 2020 and also the rest of 2021 data, with the exception of June, even amidst the continuous implementation of quarantine protocols
- Among the contributory factors were the entry of participants in the new thresholds and continuous or expanded operations of essential businesses in the fight with the pandemic

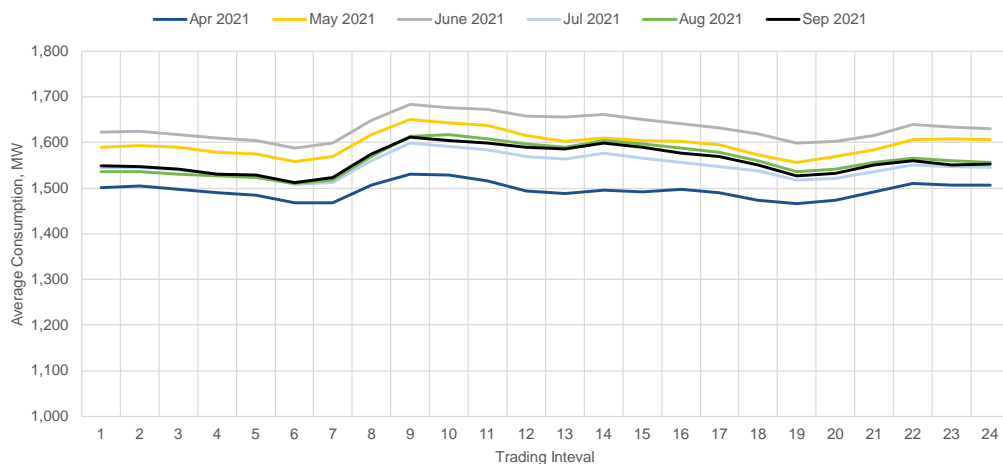
Commercial Contestable Customers

- Increase in consumption was likewise recorded for the same comparison for commercial CCs which may have been influenced by the participants in the new market threshold and the effects of relaxation in the protocols implemented by the government



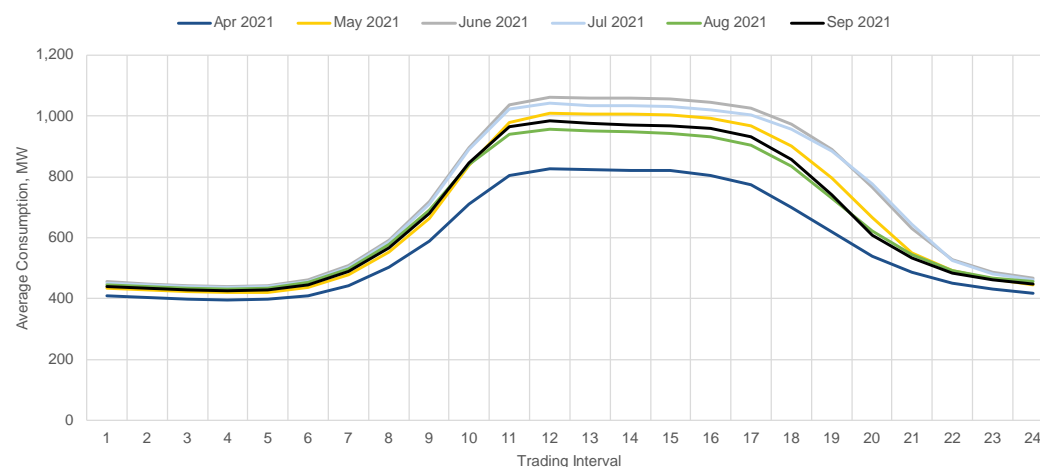
MARKET PERFORMANCE

LOAD PROFILE - INDUSTRIAL



- The load profile of the industrial CCs, although has slight variations, is **consistent** due to the nature of its **operation being continuous** – these kinds of operation tend to result to a better load factor which would then merit a more ideal counter-offer from Suppliers
- **3 consistent dips** were observed for the months in comparison which signifies that CCs were observing **three (3) breaks or exchange of shifts** among employees (0700H, 1300H, and 1900H)

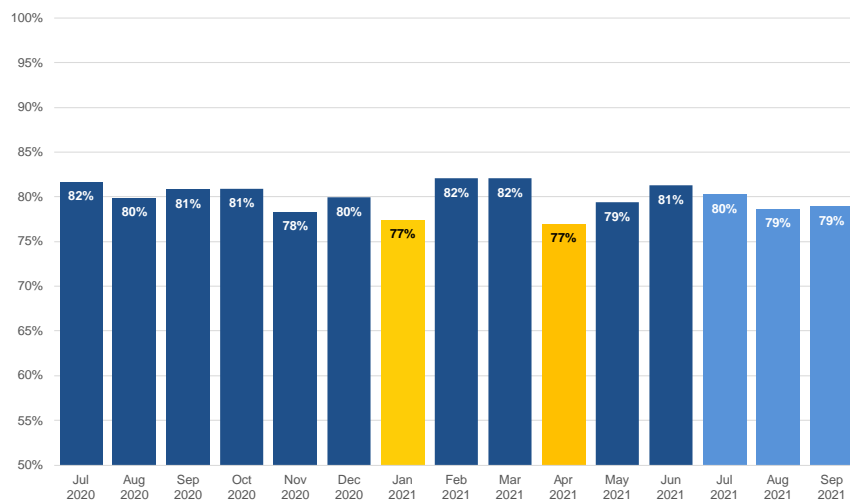
LOAD PROFILE - COMMERCIAL



- The load profile of the commercial CCs tends to provide **glaring variations** considering that these participants normally **operate during the day time** or even at **peak hours**
- The **shift in the peak demand** was still observed for the months in comparison – from the normal peak of 1000H – 2100H to **1000H – 1800H**
- The effects of the **strict quarantine measures** implemented in **April 2021** was likewise evident in the load profile of the said month, even lower than January 2021
- This was still consistent with the **limited operations** imposed on commercial

MARKET PERFORMANCE

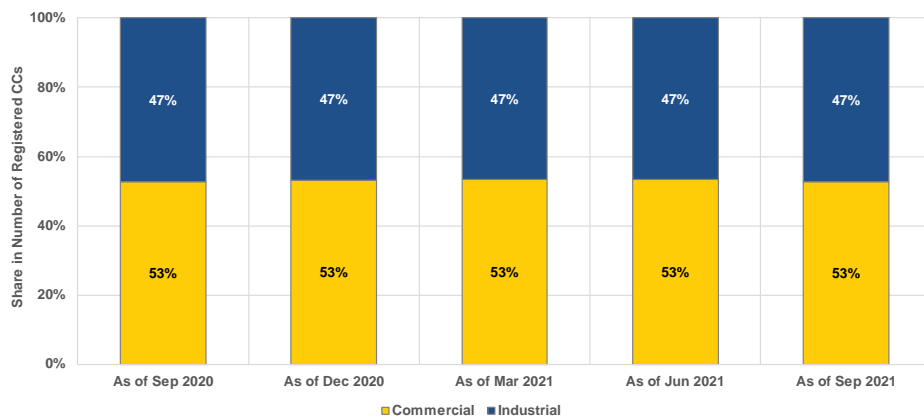
LOAD FACTOR



- The load factor for the third quarter of 2021 resulted to the usual values when compared to previous months as presented in the illustration.
- January and April 2021** were months which had the **lowest load factors** that were affected by the **sudden change in consumption** behavior of the Contestable Customers in compliance with the community quarantine imposed by the government and the expected sudden lowered demand during the long holidays
 - Load factors are calculated using the maximum consumption as compared with the total consumption for a specified time – this relationship highly affects the resulting values of load factors

RETAIL ACTIVITY

CUSTOMER PARTICIPATION



The **commercial sector** comprises more than half of the Contestable Customers' participation in the retail market, outnumbering the registered industrial Contestable Customers by a few percent.

RETAIL ACTIVITY

SWITCHING RATE

- Sixty-three (63) switches were recorded during the third quarter of 2021
- About 46% of the switches for Q3 of 2021 were between Supplier affiliates

Particulars	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021
Switching Rate (Luzon)	1.53%	1.29%	1.13%	1.13%	1.19%	0.37%	0.74%	1.03%	2.09%	1.41%	0.62%	0.88%	2.98%	0.45%	0.45%
Total No. of CCs	1,311	1,317	1,326	1,332	1,341	1,349	1,356	1,362	1,385	1,416	1,442	1,476	1,508	1,540	1,560
Total No. of CCs that Switched	20	17	15	15	16	5	10	14	29	20	9	13	45	7	7
LRES to RES	6		3	1		1	2		1		1			3	
RES to LRES				4	1	2	1	10	14	3				1	
RES to RES	14	17	12	10	15	2	7	4	14	17	8	13	45	3	7
SOLR to RES															
Switching Rate (Visayas)	0.66%	0.00%	0.65%	0.65%	0.00%	1.26%	1.85%	0.61%	4.82%	2.96%	1.12%	0.55%	2.20%	0.00%	0.00%
Total No. of CCs	152	152	153	153	155	159	162	165	166	169	179	181	182	188	191
Total No. of CCs that Switched	1		1	1		2	3	1	8	5	2	1	4		
LRES to RES															
RES to RES	2		1	1		2	3	1	8	5	2	1	4		
Switching Rate (Luzon-Visayas)	1.44%	1.16%	1.08%	1.08%	1.07%	0.46%	0.86%	0.98%	2.39%	1.58%	0.68%	0.84%	2.90%	0.41%	0.40%
Total No. of CCs	1,463	1,469	1,479	1,485	1,496	1,508	1,518	1,527	1,551	1,585	1,621	1,657	1,690	1,728	1,751
Total No. of CCs that Switched	21	17	16	16	16	7	13	15	37	25	11	14	49	7	7

OTHER ACTIVITIES

The Supreme Court of the Philippines, through its Decision in the case G.R. No. 228588, dated 02 March 2021, has resolved that the participation in the Retail Competition and Open Access (RCOA) Market is mere **voluntary** for the eligible Contestable Customers certified by the Energy Regulatory Commission.

Source: [Supreme Court Website](#)

ANNEX A – LIST OF SUPPLIERS

Category	No.	Market Participant Name	Short Name
Retail Electricity Supplier	38	Aboitiz Energy Solutions, Inc.	AESIRES
		AC Energy Philippines, Inc.	ACEPHRES
		AC Energy, Inc. (formerly AC Energy Holdings, Inc.)	ACERES
		AdventEnergy, Inc.	ADVENTRES
		Anda Power Corporation RES	ANDARES
		AP Renewables Inc.	APRIRES
		Bac-Man Geothermal, Inc.	BGIRES
		Citicore Energy Solutions, Inc.	CESIRES
		Corenergy, Inc.	CORERES
		DirectPower Services, Inc.	DIRPOWRES
		Ecozone Power Management, Inc.	EPMIRES
		EEI Energy Solutions Corporation	EEIRES
		FDC Retail Electricity Sales Corporation	FDCRESC
		First Gen Energy Solutions, Inc.	FGESRES
		Global Energy Supply Corporation	GESCRES
		GNPower Ltd. Co.	GNPLCRES
		Green Core Geothermal, Inc.	GCGIRES
		KEPCO SPC Power Corporation	KSPCRES
		Kratos RES, Inc.	KRATOSRES
		Mabuhay Energy Corporation	MECORES
		Manta Energy, Inc.	MANTARES
		Masinloc Power Partners Company Limited	MPPCLRES
		Mazzaraty Energy Corporation	MACRES
		MeridianX Inc.	MERXRES
		Millennium Power RES, Inc.	MPRIRES
		PetroGreen Energy Corporation	PGECRES
		Premier Energy Resources Corporation	PERCRES
		Prism Energy, Inc.	PRISMRES
		San Miguel Electric Corporation	SMELCRES
		SEM-CALACA RES CORPORATION	SCRCRES
		SMC Consolidated Power Corporation	SMCCPCRES
		SN Aboitiz Power- Magat, Inc.	SNAPMIRES
		SN Aboitiz Power- RES, Inc.	SNAPRES
		Solar Philippines Retail Electricity, Inc.	SPREIRES
		Solvre, Inc.	SOLVRERES
		TeaM (Philippines) Energy Corporation	TPECRES
		Therma Luzon, Inc.	TLIRES
		Vantage Energy Solutions and Management, Inc.	VESMIRES

Category	No.	Market Participant Name	Short Name
Local Retail Electricity Supplier	14	Batangas II Electric Cooperative, Inc.	BTLC2LRE
		Camarines Sur II Electric Cooperative, Inc.	CASUR2LRE
		Cebu I Electric Cooperative, Inc.	CEBEC1LRE
		Cebu II Electric Cooperative, Inc.	CEBEC2LRE
		Central Negros Electric Cooperative, Inc.	CENECOLRE
		Clark Electric Distribution Corporation LRES	CEDCLRE
		Dagupan Electric Corporation	DECORPLRE
		Ilocos Norte Electric Cooperative, Inc.	INECLRE
		Mactan Enerzone Corporation LRES	MEZLRE
		Manila Electric Company	MRLCOLRE
		San Fernando Electric Light & Power Co., Inc.	SFELAPLRE
		Subic Enerzone Corporation	SEZLRE
		Tarlac Electric, Inc.	TEILRE
		Visayan Electric Company, Inc.	VECOLRE
Supplier of Last Resort	25	Angeles Electric Corporation	AECSLR
		Balamban Enerzone Corporation	BEZSLR
		Batangas II Electric Cooperative, Inc.	BTLC2SLR
		Benguet Electric Cooperative, Inc.	BENECOSLR
		Bohol I Electric Cooperative, Inc.	BOHECO1SLR
		Bohol Light Company, Inc.	BLCISLR
		Cabanatuan Electric Corporation	CELCORSLR
		Camarines Sur II Electric Cooperative, Inc.	CASUR2SLR
		Cebu I Electric Cooperative, Inc.	CEBEC1SLR
		Cebu II Electric Cooperative, Inc.	CEBEC2SLR
		Clark Electric Distribution Corporation	CEDCSLR
		Dagupan Electric Corporation	DECORPSLR
		Ilocos Norte Electric Cooperative, Inc.	INECSLR
		Ilocos Sur Electric Cooperative, Inc.	ISECOSLR
		Isabela I Electric Cooperative, Inc.	ISLCO1SLR
		La Union Electric Cooperative, Inc.	LUELCOSLR
		Mactan Electric Company, Inc.	MECOSLR
		Mactan Enerzone Corporation	MEZSLR
		Manila Electric Company	MRLCOSLR
		Negros Oriental II Electric Cooperative, Inc.	NRECO2SLR
		Subic Enerzone Corporation	SEZSLR
		Tarlac Electric, Inc.	TEISLR
		Tarlac I Electric Cooperative, Inc.	TRLCO1SLR
		Tarlac II Electric Cooperative, Inc.	TRLCO2SLR
		Visayan Electric Company, Inc.	VECOSLR

ANNEX B – LIST OF DISTRIBUTION UTILITIES AND ELECTRIC COOPERATIVES

No.	Short Name	Distribution Utility/ Economic Zone	No.	Short Name	Distribution Utility/ Economic Zone
1	AEC	Angeles Electric Corporation	30	LEYECO V	Leyte V Electric Cooperative, Inc.
2	AFAB	Authority of the Freeport Area of Bataan	31	LEZ	LIMA Enerzone Corporation
3	AKELCO	Aklan Electric Cooperative, Inc.	32	LUELCO	La Union Electric Cooperative, Inc.
4	ALECO	Albay Electric Cooperative, Inc.	33	MECO	Mactan Electric Company
5	ANTECO	Antique Electric Cooperative, Inc.	34	MERALCO	Manila Electric Company
6	BATELEC I	Batangas I Electric Cooperative, Inc.	35	MEZ	Mactan Economic Zone
7	BATELEC II	Batangas II Electric Cooperative	36	MORECO	MORE Electric and Power Corporation
8	BENECO	Benguet Electric Cooperative	37	NEECO I	Nueva Ecija I Electric Cooperative, Inc.
9	BEZ	Balamban Enerzone Corporation	38	NOCECO	Negros Occidental Electric Cooperative, Inc.
10	BLCI	Bohol Light Company, Inc.	39	NONECO	Northern Negros Electric Cooperative, Inc.
11	BOHECO I	Bohol I Electric Cooperative, Inc.	40	NORECO II	Negros Oriental II Electric Cooperative, Inc.
12	CAGELCO I	Cagayan1 Electric Cooperative, Inc.	41	OEDC	Olongapo Electricity Distribution Company
13	CAGELCO II	Cagayan II Electric Cooperative, Inc.	42	PANELCO III	Pangasinan III Electric Cooperative, Inc.
14	CAPELCO	Capiz Electric Cooperative	43	PECO	Panay Electric Co., Inc.
15	CASURECO II	Camarines Sur II Electric Cooperative, Inc.	44	PELCO I	Pampanga I Electric Cooperative, Inc.
16	CEBECO I	Cebu I Electric Cooperative, Inc.	45	PELCO II	Pampanga II Electric Cooperative, Inc.
17	CEBECO II	Cebu II Electric Cooperative, Inc.	46	PELCO III	Pampanga III Electric Cooperative, Inc.
18	CEDC	Clark Electric Distribution Corporation	47	PENELCO	Peninsula Electric Cooperative, Inc.
19	CELCOR	Cabanatuan Electric Corporation	48	PEZA	Philippine Economic Zone Authority
20	CENECO	Central Negros Electric Cooperative, Inc.	49	QUEZELCO I	Quezon I Electric Cooperative, Inc.
21	CENPELCO	Central Pangasinan Electric Cooperative, Inc.	50	SAMELCO I	Samar I Electric Cooperative, Inc.
22	DECORP	Dagupan Electric Corporation	51	SEZ	Subic EnerZone Corporation
23	DORELCO	Don Orestes Electric Cooperative, Inc.	52	SFELAPCO	San Fernando Electric Light and Power Company, Inc.
24	FIT	First Industrial Township Utilities, Inc.	53	SORECO II	Sorsogon II Electric Cooperative, Inc.
25	ILECO I	Iloilo I Electric Cooperative, Inc.	54	TARELCO I	Tarlac I Electric Cooperative, Inc.
26	INEC	Ilocos Norte Electric Cooperative, Inc.	55	TARELCO II	Tarlac II Electric Cooperative, Inc.
27	ISECO	Ilocos Sur Electric Cooperative, Inc.	56	TEI	Tarlac Electric, Inc.
28	ISELCO I	Isabela I Electric Cooperative, Inc.	57	VECO	Visayan Electric Company, Inc.
29	LEYECO II	Leyte II Electric Cooperative, Inc.	58	NGCP ¹	National Grid Corporation of the Philippines

¹ For Directly Connected Contestable Customers