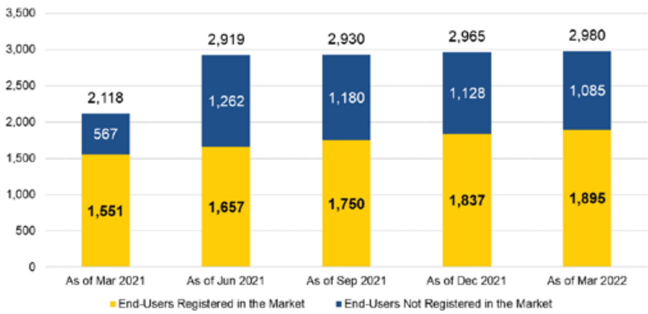
CONTESTABLE CUSTOMER PROFILE

QUARTERLY CUMULATIVE NUMBER



- Additional 58 registered Contestable Customers equivalent to an 3.2% increase from Q3-2021
- 64% market participation rate from eligible consumers

Note: Increase in unregistered consumers due to new market threshold (500kW-749kW) starting 26 February 2021

PER RETAIL ACTIVITY

COMMERCIAL

Period	No. of CCs
As of Mar 2021	829
As of Jun 2021	883
As of Sep 2021	923
As of Dec 2021	966
As of Mar 2022	**1,001**

INDUSTRIAL

Period	No. of CCs
As of Mar 2021	722
As of Jun 2021	774
As of Sep 2021	828
As of Dec 2021	871
As of Mar 2022	**894**

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

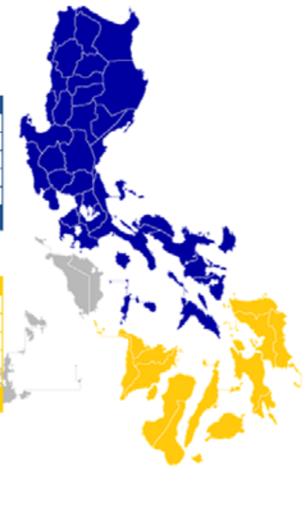
PER LOCATION

LUZON

Period	No. of CCs
As of Mar 2021	1,385
As of Jun 2021	1,476
As of Sep 2021	1,559
As of Dec 2021	1,614
As of Mar 2021	**1,666**

VISAYAS

Period	No. of CCs
As of Mar 2021	166
As of Jun 2021	181
As of Sep 2021	191
As of Dec 2021	223
As of Mar 2022	**229**



88% of Contestable Customers were located in Luzon, while the remaining 12% Visayas-based

Note: RCOA is only implemented in regions with WESM operations

THRESHOLDS

500-749kW

Period	No. of CCs
As of Mar 2021	13
As of Jun 2021	91
As of Sep 2021	159
As of Dec 2021	223
As of Mar 2022	**258**

Registrants accounted to 14%

750-999kW

Period	No. of CCs
As of Mar 2021	388
As of Jun 2021	402
As of Sep 2021	404
As of Dec 2021	410
As of Mar 2022	**423**

Registrants accounted to 22%

1MW & ABOVE

Period	No. of CCs
As of Mar 2021	1,150
As of Jun 2021	1,164
As of Sep 2021	1,188
As of Dec 2021	1,204
As of Mar 2022	**1,214**

Registrants accounted to 64%

Steady increase in participation in various thresholds

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%▼	-	0.11%▲	0.11%	10.91%▼
Sub-Total Per Level of Average Energy Consumption	70.99%▲	24.50%▼	2.80%▲	0.63%▲	0.69%▲	0.40%	-
Percent Change from the previous quarter	0.55%▲	0.87%▼	0.24%▲	0.09%▲	0.09%▲	0.09%▼	

- The number of Contestable Customers which had average energy consumption of 1MWh and below by the end of first quarter has continuously increased due to high entry of participants in the new threshold. These figures generally remained substantially unchanged compared to the previous quarter.
- So far, there has not been a recorded average consumption above 50MWh.

SUPPLIER PROFILE

QUARTERLY CUMULATIVE NUMBER

There changes in terms of licensed and registered Suppliers per category during the year 2022 Q1 are as follows:

Delisted RES

- Millennium Power RES, Inc (12 January 2022) – Registration Cessation
- Solvre, Inc. (Solvre) – Non-renewal of RES License

Newly Licensed RES

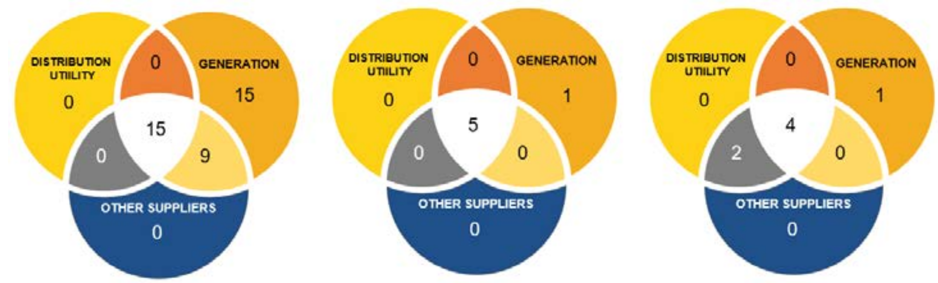
- Asiapac Green Renewable Energy Corp. (Asiapac) – January 26, 2027

	Licensed/Authorized	Registered	With Active Contract
RES	44	36	31
LRES	28	15	4
SoLR	47	25	0

List of registered Suppliers are provided as Annex A

SUPPLIER AFFILIATION

RES | Local RES | SoLR



No Affiliate – 5 | No Affiliate – 22 | No Affiliate – 40

- Majority of the Suppliers are **affiliated with generator market participants**
- Suppliers were likewise affiliated with DUs and other Suppliers, or a combination thereof in the market

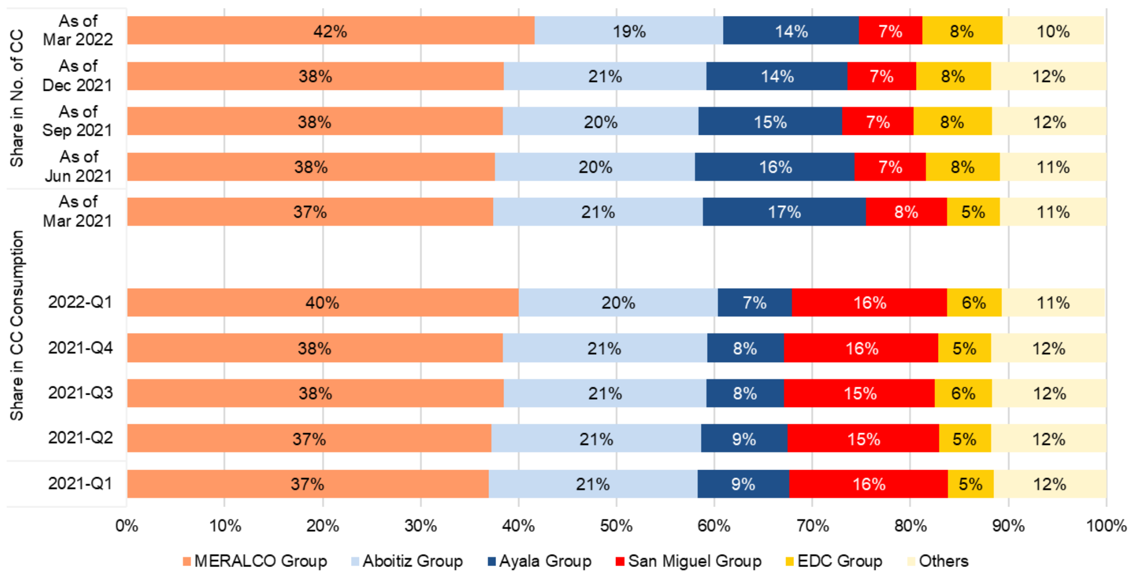
Note: Affiliations based on available information from the ERC as of May2021

SHARE IN CONTESTABLE CUSTOMER (BY NUMBER AND CONSUMPTION)

MERALCO Group remained the top entity with 42% share in terms of no. of CC and 40% share in terms of CC consumption. The continuous increase in the no. of registered CCs served by MERALCO, of around 67% of the newly registered CC, coupled with the volume of CCs which switched to MERALCO, resulted to a significant decline to the shares of other groups.

The Ayala, San Miguel, and EDC group essentially retained their respective shares in both measures of Contestable Customers engaged and total consumption

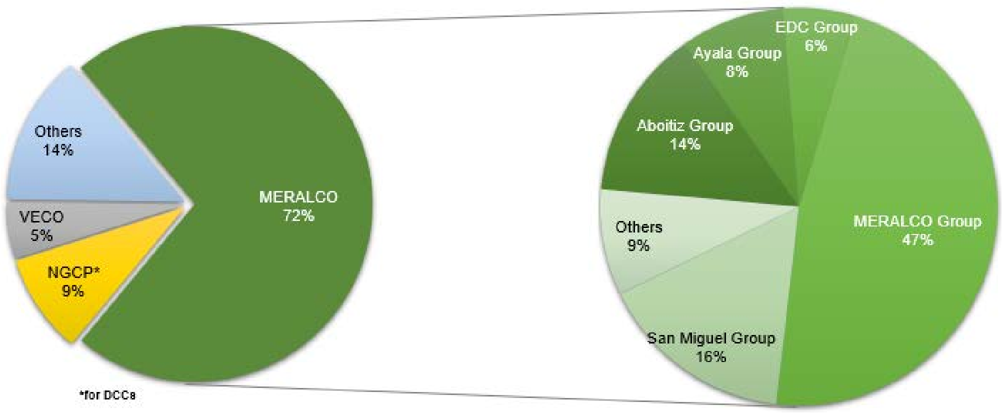
The San Miguel group remain to be the highest ratio share in terms of no. of engaged CC and CC consumption which connotes high-consuming participants despite serving small number of end-users.



MARKET STRUCTURE

FRANCHISE AREA

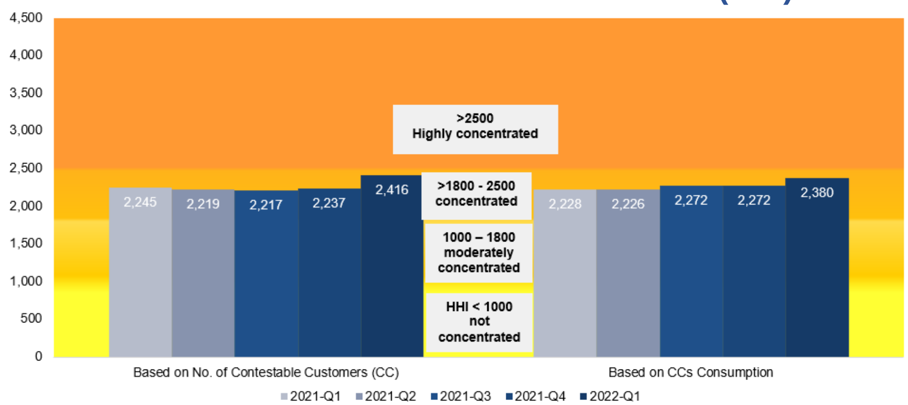
- **MERALCO**, being the largest service provider for end-users in the country, recorded 72% of the total consumption of CCs for 2022-Q1 was served inside its **Franchise Area**
- About 5% of the total consumption was under **VECO Franchise Area** and 9% of total consumption came from **Directly-Connected Customers** to the grid while the remaining 14%



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

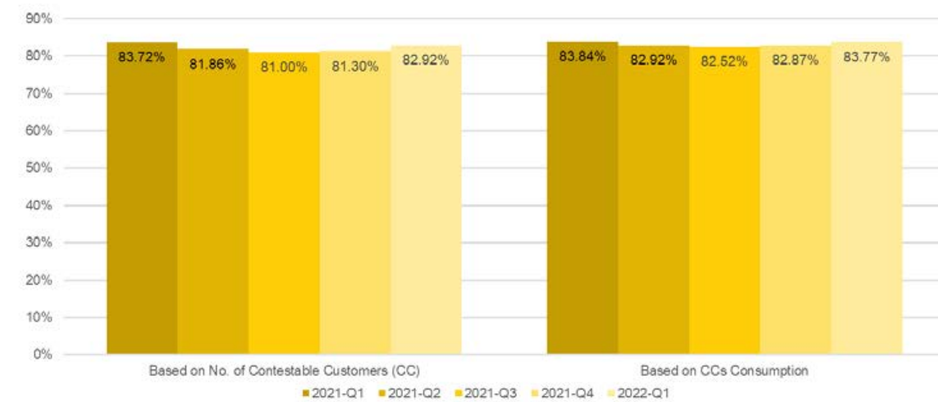
List of registered DUs and ECs are provided as Annex B

HERFINDAHL-HIRSCHMAN INDEX (HHI)



- 2022-Q1 remained a Concentrated Market both in terms of share in number of Contestable Customers and energy consumption.
- The increase of **MERALCO** group share for both no. of CC and CCs consumption contributed to the increase in market concentration from previous quarter.
- This is consistent with the increase of MERALO group in terms of share of CC and CCs consumption in the retail market.

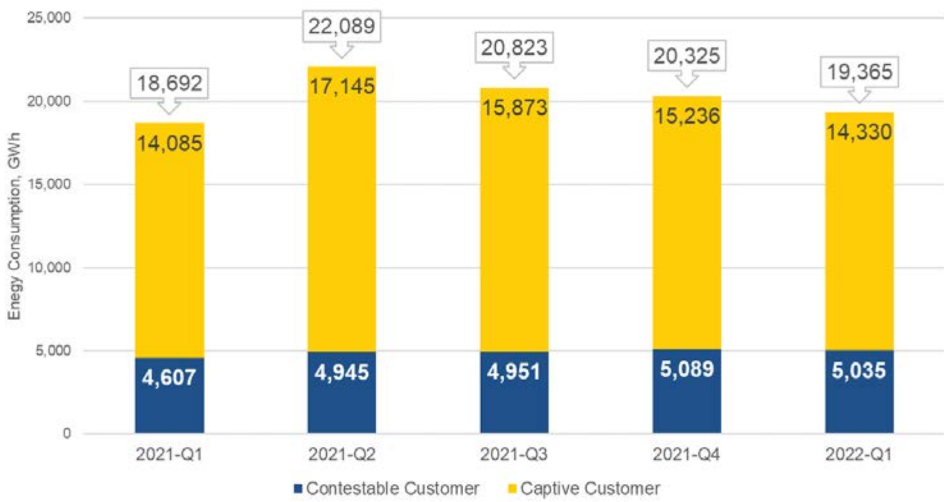
FOUR-FIRM INDEX (C4)



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 an **increase** in its values which also indicates an oligopoly competition in the retail market. This is attributable to the increase in no. of CC and CCs consumption under MERALCO group which may indicate preference to services being offered as evidenced by multiple switches to MERALCO and new registrations under the same.

MARKET PERFORMANCE

TOTAL ENERGY CONSUMPTION – SYSTEM



Change in Consumption		
	Year-on-Year, %	Quarter-on-Quarter, %
System	3.60%	(4.72%)
Captive Consumer	1.74%	(5.95%)
Contestable Consumers	9.29%	(1.06%)

During the period in review, the market generally saw a **decrease in consumption** compared to the previous quarter, but a rather **significant increase** when compared to the previous year. The decrease in the consumption in the first quarter is mainly because of the cold weather and holidays which extends until the month of January. The devastation of Typhoon Odette has also been apparent until the start of February.

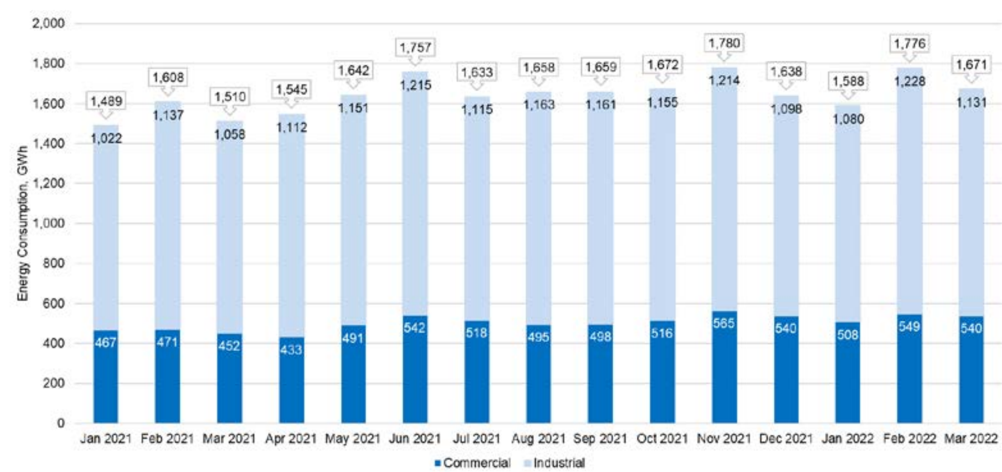
TOTAL ENERGY CONSUMPTION – INDUSTRY TYPE

Industrial Contestable Customers

- **Lower level of consumption** was observed for the entire 2022-Q1 as compared to 2021-Q4 mainly due holidays and cold weather during the quarter. However, in year-on-year comparison, an increase level of consumption was observed due to the continuous implementation of lesser strict alert level protocols by the government, allowing CCs to gradually adopt regular businesses operation. It is also worthy to note that the continuous entry of participants in the market contributed the increase in consumption.

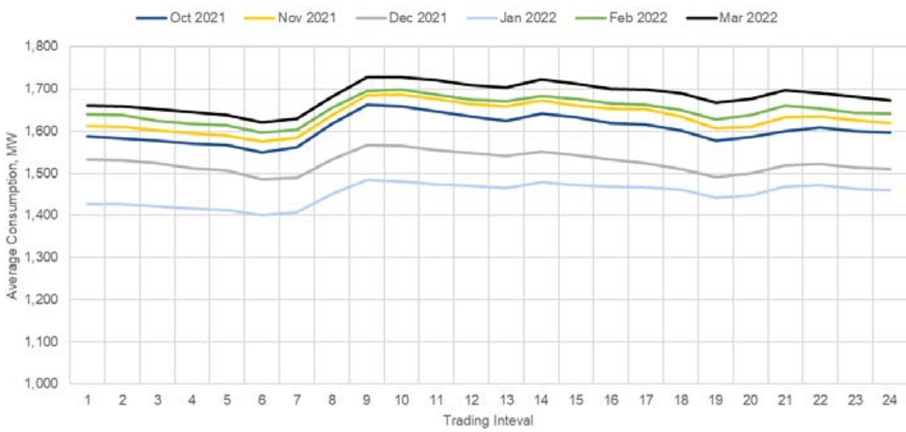
Commercial Contestable Customers

- The **shift in consumption** was likewise observed for commercial CCs due to similar reasons above.



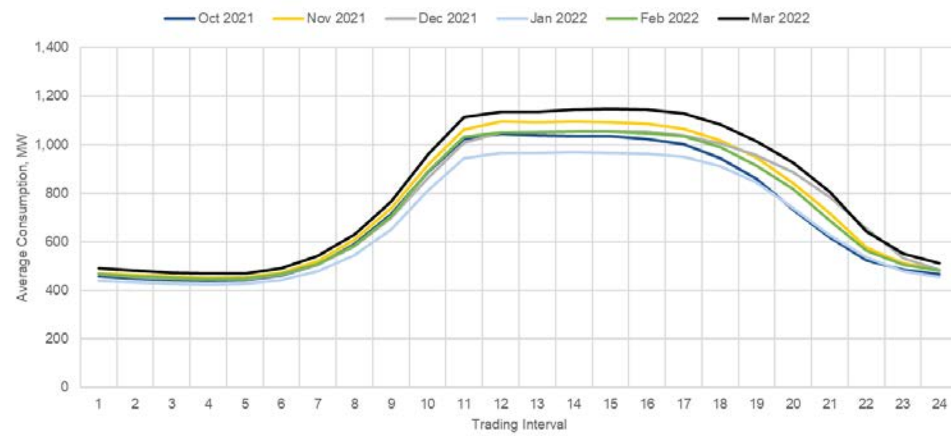
MARKET PERFORMANCE

LOAD PROFILE - INDUSTRIAL



- **3 consistent dips** were observed for the months in comparison which signifying observance of CCs to **three (3) breaks or exchange of shifts** among employees (0700H, 1300H, and 1900H)
- December and January months were expected to be the lowest consumption for industrial CCs due to holidays resulting to lesser no. of operation day.
- The rise of load demand for the month of March was expected due the start of hot dry season

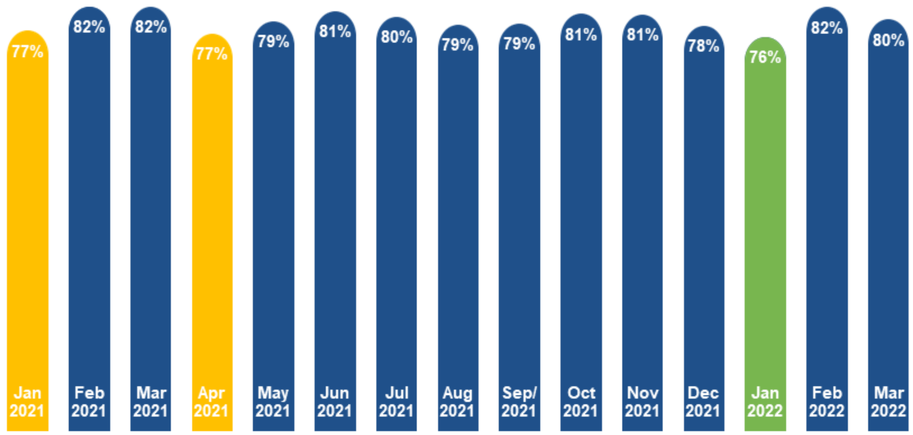
LOAD PROFILE - COMMERCIAL



- The stark contrast between daytime and nighttime consumption levels of commercial CCs still is pronounced in their load profile which tends to provide **glaring variations** considering that these participants normally **operate during the daytime** 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 **1100H – 1800H**
- The rise of load demand for the month of March was likewise related to the start of the hot dry season

MARKET PERFORMANCE

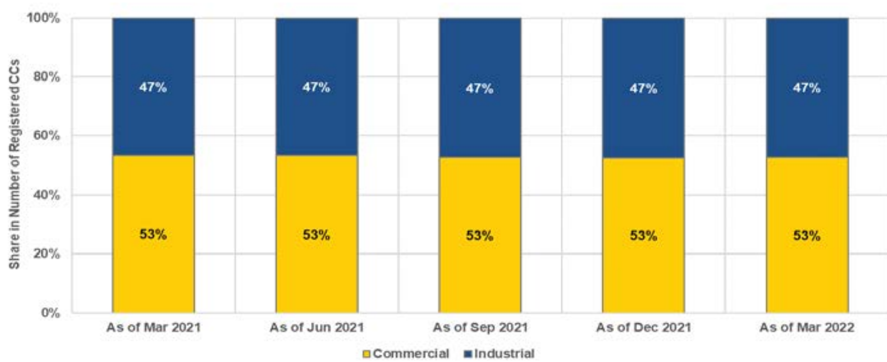
LOAD FACTOR



- The load factor for the first quarter of 2022 resulted to the usual values when compared to previous months as presented in the illustration
- **January and April 2021** were the 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 stricter community quarantine imposed by the government and the expected sudden lowered demand during the long holidays. The **January 2022** load factor was affected by the devastation of **Typhoon Odette** which was completely addressed on 17 January 2022
    - 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

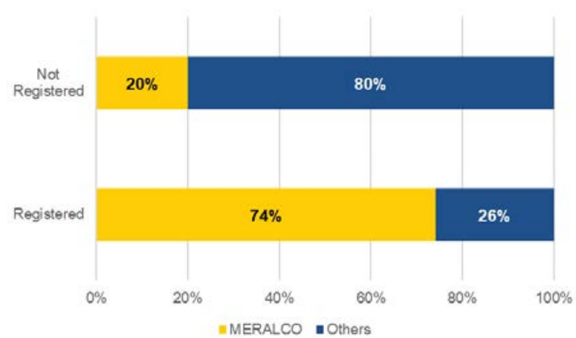
RETAIL ACTIVITY

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.

Constant percent share all throughout the year for commercial and industrial sector was observed in this report.



About 74% of registered CC in the market is under the MERALCO franchise area, while the remaining 26% were scattered among other franchise areas. On the other hand, 80% of the participants which were not yet registered are located in other franchise areas while 20% are located in the MERALCO franchise area.

RETAIL ACTIVITY

SWITCHING RATE

Particulars	Jan-21	Feb-21	Mar-21	Apr-21	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022
Switching Rate (Luzon)	**0.74%**	**1.03%**	**2.09%**	**1.41%**	**0.62%**	**0.88%**	**2.98%**	**0.45%**	**0.51%**	**0.38%**	**0.13%**	**0.06%**	**2.69%**	**0.49%**	**2.64%**
Total No. of CCs	1,356	1,362	1,385	1,416	1,442	1,476	1,508	1,540	1,559	1,570	1,590	1,614	1,638	1,646	1,666
Total No. of CCs that Switched	*10*	*14*	*29*	*20*	*9*	*13*	*45*	*7*	*8*	*6*	*2*	*1*	*44*	*8*	*44*
LRES to RES	*2*		*1*		*1*			*3*					*7*	*1*	
RES to LRES	1	10	14	3				1		3			3	3	22
RES to RES	*7*	*4*	*14*	*17*	*8*	*13*	*45*	*3*	*8*	*3*	*2*	*1*	*34*	*4*	*22*
SOLR to RES															
Switching Rate (Visayas)	**1.85%**	**0.61%**	**4.82%**	**2.96%**	**1.12%**	**0.55%**	**2.20%**	**0.00%**	**0.00%**	**0.47%**	**0.00%**	**0.00%**	**0.44%**	**0.00%**	**2.18%**
Total No. of CCs	162	165	166	169	179	181	182	188	191	212	217	223	225	228	229
Total No. of CCs that Switched	3	1	8	5	2	1	4			1			1		5
LRES to RES															
RES to RES	3	1	8	5	2	1	4			1			1		5
Switching Rate (Luzon-Visayas)	**0.86%**	**0.98%**	**2.39%**	**1.58%**	**0.68%**	**0.84%**	**2.90%**	**0.41%**	**0.46%**	**0.39%**	**0.11%**	**0.05%**	**2.42%**	**0.43%**	**2.59%**
Total No. of CCs	1,518	1,527	1,551	1,585	1,621	1,657	1,690	1,728	1,750	1,782	1,807	1,837	1,863	1,874	1,895
Total No. of CCs that Switched	13	15	37	25	11	14	49	7	8	7	2	1	45	8	49

- One Hundred Two (102) switches were recorded during the first quarter of 2022
- About 33% of the switches for Q1 of 2022 were between Supplier affiliates

OTHER RELEVANT ACTIVITIES

- On 26 January 2022, the PEMC – Rules Change Committee published a Rules Change Proposal to the PEMC website, inviting all WESM Members and interested parties to submit comments to the Proposed General Amendments to the WESM Rules, Retail Rules and Various Market Manuals on the Implementation of the Green Energy Option Program (ORCP-WR-RR-WM-RM-22-02).
- On 13 May 2022, the ERC issued a notice soliciting comments on their draft rules for electric retail aggregation program under ERC Case No. 2022-005 RM.

ANNEX A – LIST OF SUPPLIERS

Category	No.	Market Participant Name	Short Name
Retail Electricity Supplier	36	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
		PetroGreen Energy Corporation	PGECRES
		Premier Energy Resources Corporation	PERCRES
		Prism Energy, Inc.	PRISMRES
		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	15	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
		Nueva Ecija I Electric Cooperative, Inc.	NEECO1LRE
		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.	BHCO1SLR
		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