



# **Market Surveillance Committee Quarterly Retail Market Assessment Report**

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**26 March 2022 – 25 June 2022**

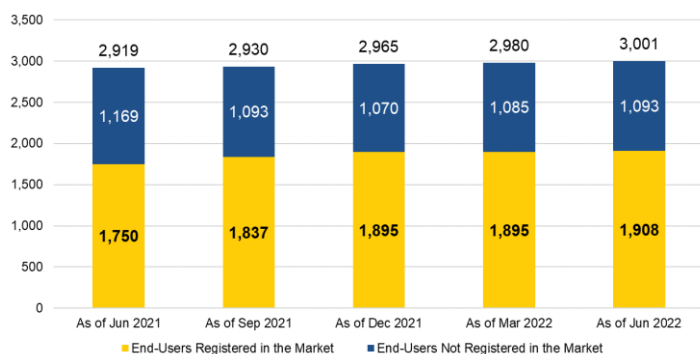
**August 2022**

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

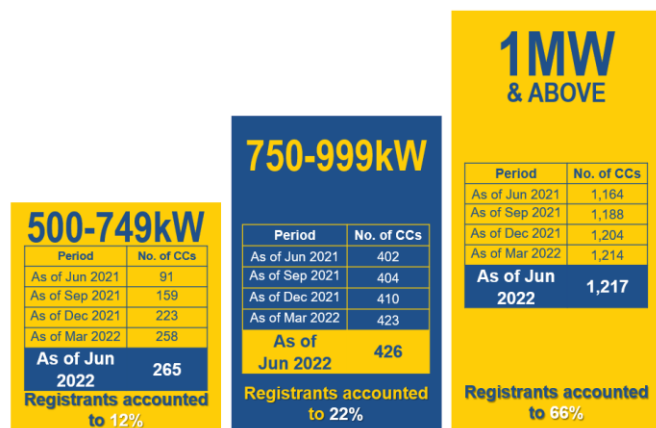
### YEARLY CUMMULATIVE NUMBER



- Additional 13 registered Contestable Customers equivalent to an **0.69% increase** from Q1-2022
- 64%** market participation rate from eligible consumers

<sup>1</sup> Based on latest available Competitive Retail Electricity Market Report of ERC (as of May 2022)

### THRESHOLDS



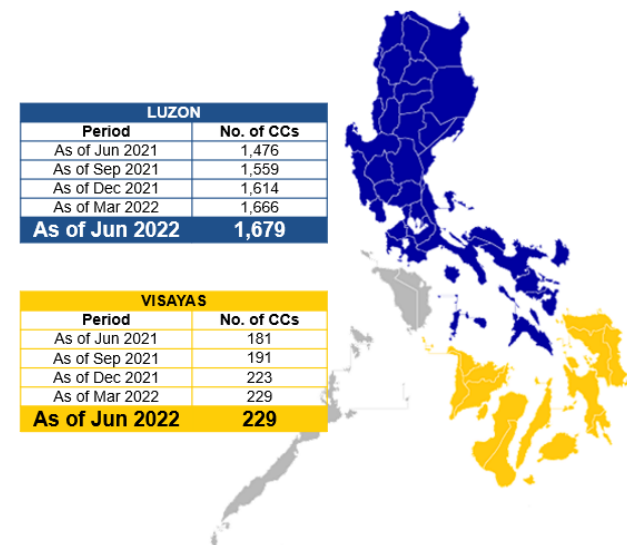
Steady increase in participation for various thresholds

### PER RETAIL ACTIVITY



Steady percent share participation for industrial and commercial CCs. **53%** Contestable Customers were engaged in **commercial activities**, **47%** were in **industrial activities**

### PER LOCATION



Steady percent share in terms of no. of CC per grid. **88%** of Contestable Customers were located in **Luzon**, while the remaining 12% Visayas-based  
Note: RCOA is only implemented in regions with WESM

### 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	58.69% ▼	25.12% ▲	2.72% ▲	0.78% ▲	0.37% ▼	0.37% ▲	88.04% ▼
VISAYAS	9.45% ▲	2.14% ▲	0.16% ▲	0.05% ▲	0.10% ▼	0.05% ▼	11.96% ▲
Sub-Total Per Level of Average Energy Consumption	68.15% ▼	27.26% ▲	2.87% ▲	0.84% ▲	0.47% ▼	0.42% ▲	100.00%
Percent Change from the previous quarter	2.84% ▼	2.76% ▲	0.07% ▲	0.21% ▲	0.22% ▼	0.02% ▲	-

- The number of Contestable Customers which had average energy consumption of 1MWh and below decreased by the end of second quarter in view of increasing no. of CC which had an average energy consumption of 1MWh to 5MWh. The slight shift to the energy consumption is attributable to the summer season that set off the increase in their consumption.
- So far, there has not been a recorded average consumption above 50MWh.

## SUPPLIER PROFILE

### YEARLY CUMULATIVE NUMBER

No significant changes in terms of licensed and registered Suppliers per category during Q2-2022.

#### Delisted RES

- Solvre, Inc. (Solvre) – Registration Cessation due to expiration of RES License

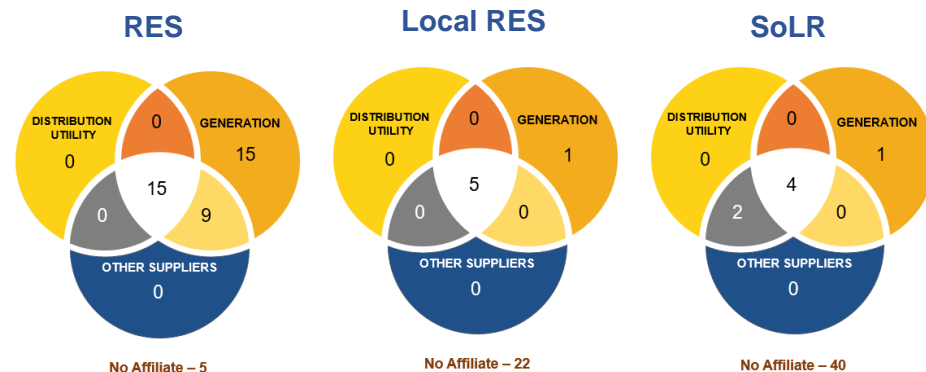
#### Newly Registered RES

- Rockport Power Inc. – 10 June 2022
- Megawatt Solutions Inc. – 10 June 2022

	Licensed/Authorized	Registered	With Active Contract
<b>RES</b>	<b>44</b>	<b>37</b>	<b>30</b>
<b>LRES</b>	<b>28</b>	<b>15</b>	<b>3</b>
<b>SoLR</b>	<b>47</b>	<b>25</b>	<b>0</b>

List of registered Suppliers are provided as **Annex A**

### ACTIVE SUPPLIERS



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

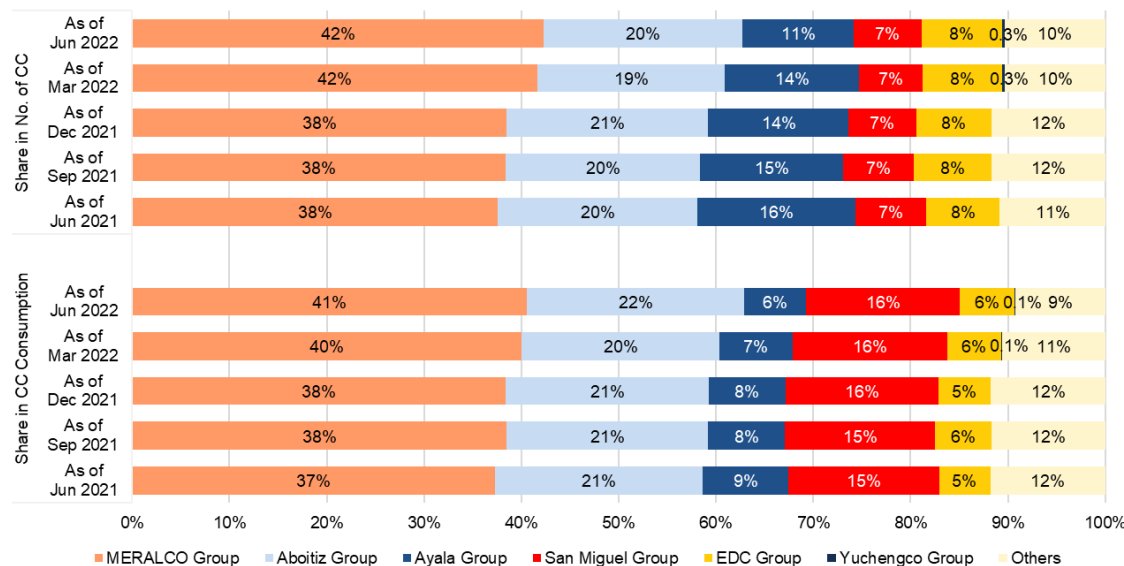
Note: Affiliations based on available information from the ERC as of July 2021

### SHARE IN CC (BY NUMBER AND CONSUMPTION)

**MERALCO Group** remained the top entity with 42% share in terms of no. of CC and 41% share in terms of CC consumption. The steady high percent share in the no. of registered CCs served by MERALCO and continuous regular switching of CCs to MERALCO group (23 CCs for this quarter), affected the shares of other groups.

Moreover, the increase of percent share both no. of CC and CC consumption of Aboitiz Group was attributable to the volume of CC switch to Aboitiz Group (51 regular switch). Meanwhile the decrease in percent share both in the no. of CC and CC consumption of Ayala Group was also attributable to the volume of CCs that switch from the Ayala Group to another (44 regular switch).

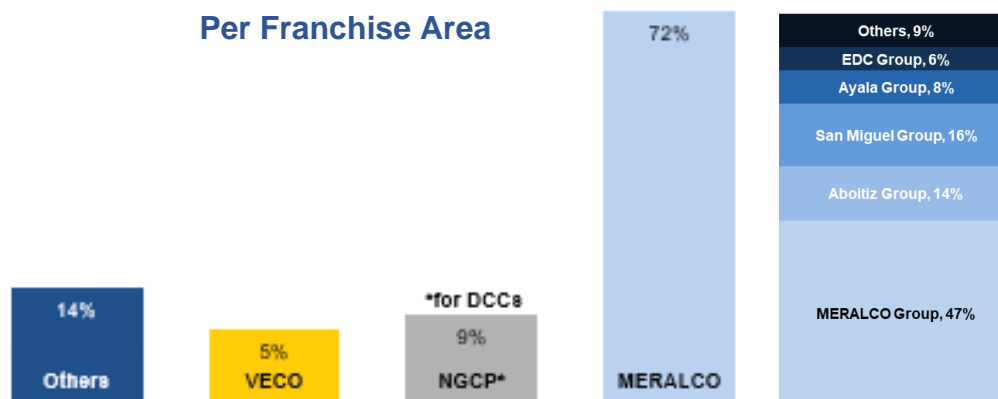
The San Miguel group retained its percent share and remained to be the Supplier with the highest ratio share in terms of no. of engaged CC and CC consumption which signifies high-consuming participants despite serving small number of end-users.



## 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-Q2 which 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%** consumptions were under the other franchise areas.

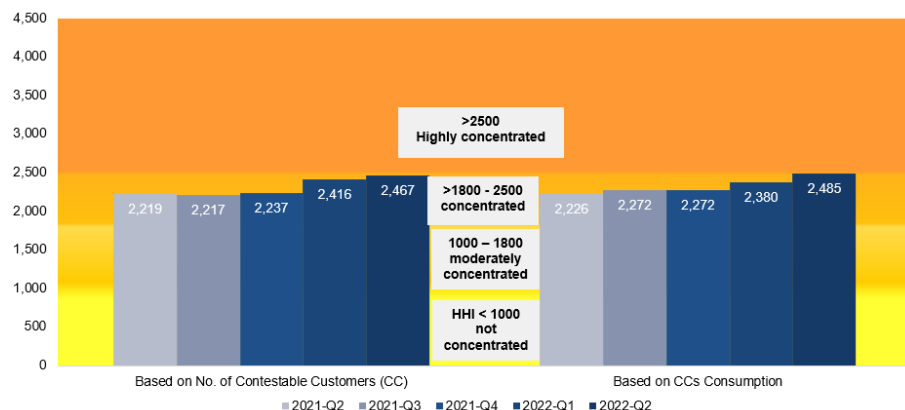
### Per Franchise Area



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

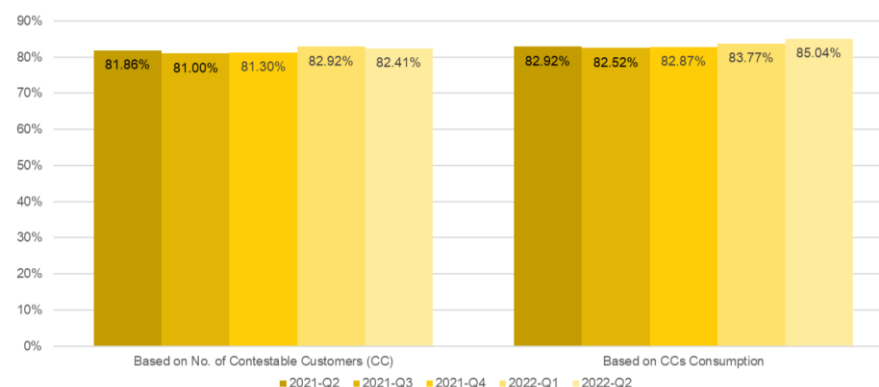
List of registered DUs and ECs are provided as **Annex B**

## HERFINDAHL-HIRSCHMAN INDEX (HHI)



- 2022-Q2 remained a Concentrated Market both in terms of share in no. of Contestable Customers and energy consumption.
- The increase of **MERALCO** and **Aboitiz** groups share for both no. of CC and CCs consumption contributed to the increase in market concentration from previous quarter.
- The increase in HHI is consistent with the increase of **MERALCO** and **Aboitiz** groups in terms of share of CC and CCs consumption in the retail market.

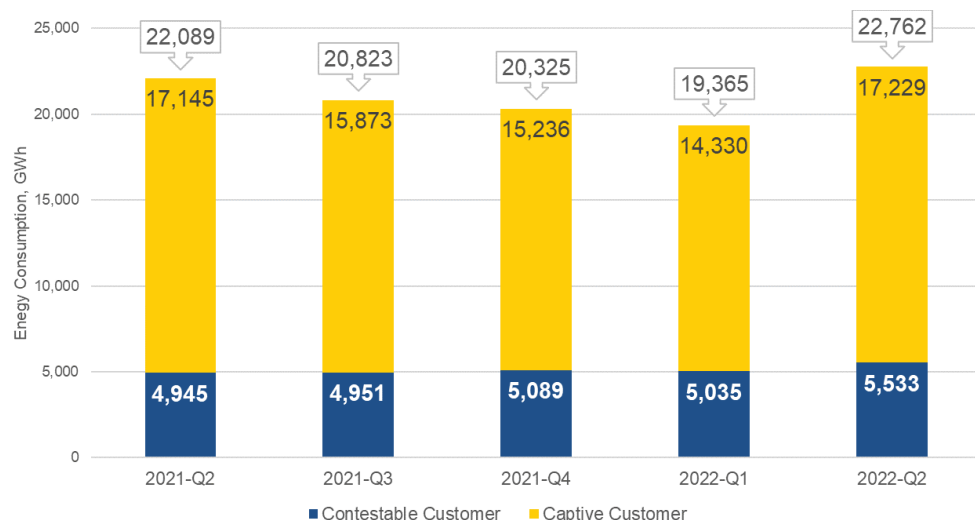
## FOUR-FIRM INDEX (C4)



C4 values remained high at **above 80%** both in terms of share in no. 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 and Aboitiz groups which may indicate preference to services being offered as evidenced by multiple switches to MERALCO and Aboitiz.

## MARKET PERFORMANCE

### TOTAL ENERGY CONSUMPTION



Change in Consumption		
	Year-on-Year, %	Quarter-on-Quarter, %
System	3.04%	17.54%
Captive Consumer	0.49%	20.23%
Contestable Consumers	11.89%	9.88%

During the period in review, the market generally saw a **positive trend (increasing)** for both Contestable and Captive customers' consumption in comparison to the previous quarter and previous year. The huge increase in quarter-on-quarter was expected due to the hot season experienced during the Q2 of each year. Moreover, the year-on-year increase indicates the economic growth as a result of less stricter level protocol by the government.

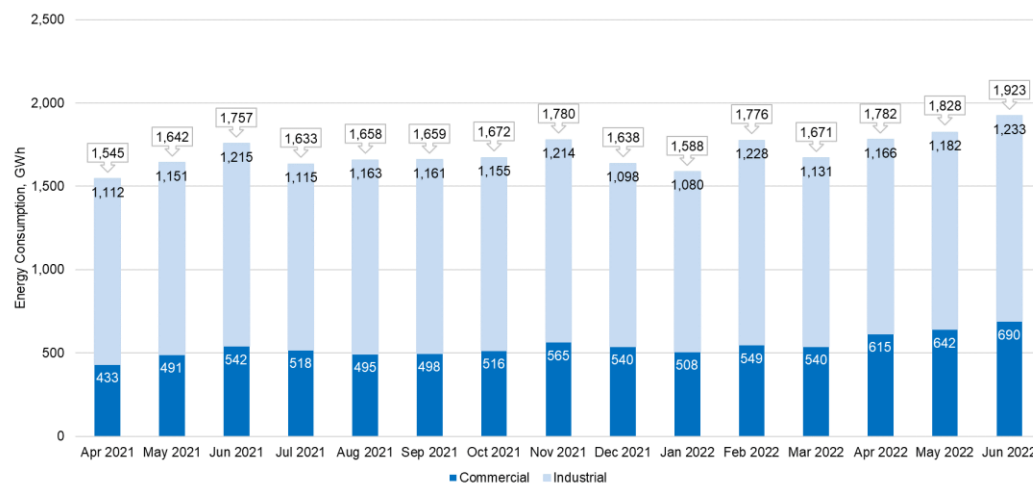
### TOTAL ENERGY CONSUMPTION – INDUSTRY TYPE

#### Industrial Contestable Customers

- **Higher level of consumption** was observed for the entire 2022-Q2 as compared to the previous year attributed by the increasing no. of registered CCs in the market. Likewise, the increase in consumption from the previous quarter is mainly attributed by the hot dry season during Q2 and the continuous implementation of less stricter level protocol by the government.
- In general, the trend for 2022-Q2 remained to be typical.

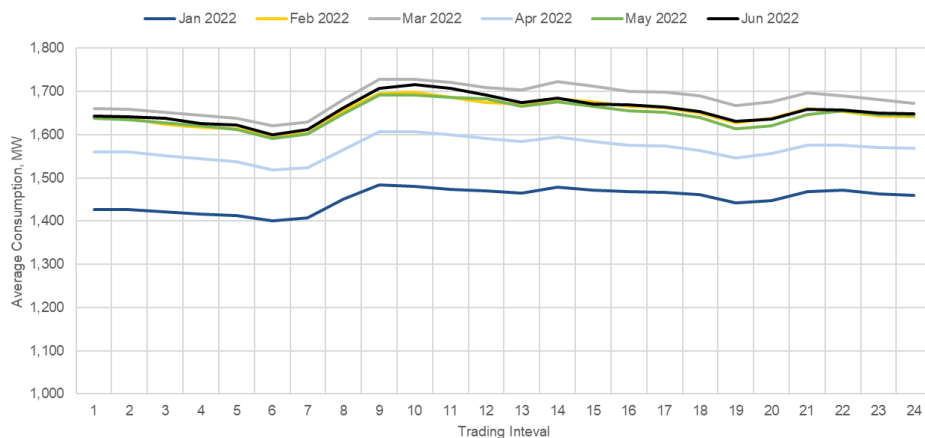
#### Commercial Contestable Customers

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



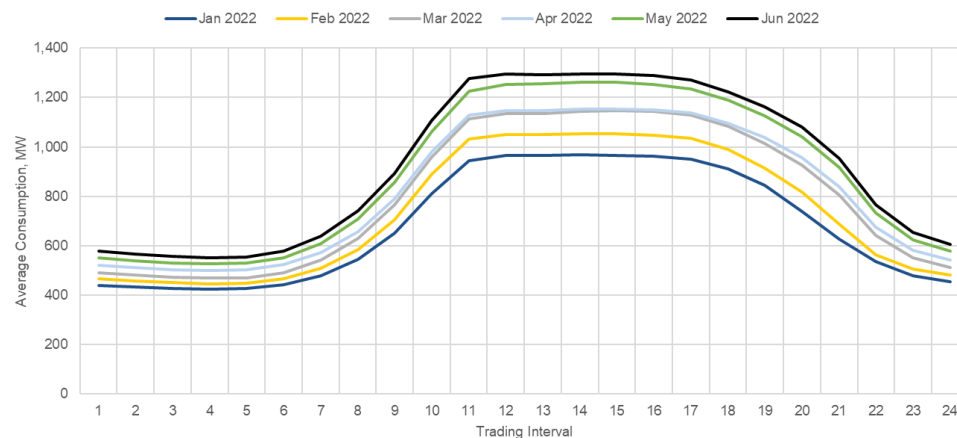
## MARKET PERFORMANCE

### LOAD PROFILE - INDUSTRIAL



- **3 consistent dips** were observed for the months in comparison which signifies observance of CCs with **three (3) breaks or exchange of shifts** among employees (0700H, 1300H, and 1900H).
- The month of April had the lowest consumption for industrial CCs for the second quarter of 2022 due the observance of holy week/holiday resulting to lesser no. of operation days similar to the January billing month.
- Generally, same levels and trends of load profiles were expected by reason of the nature of operation for industrial businesses.

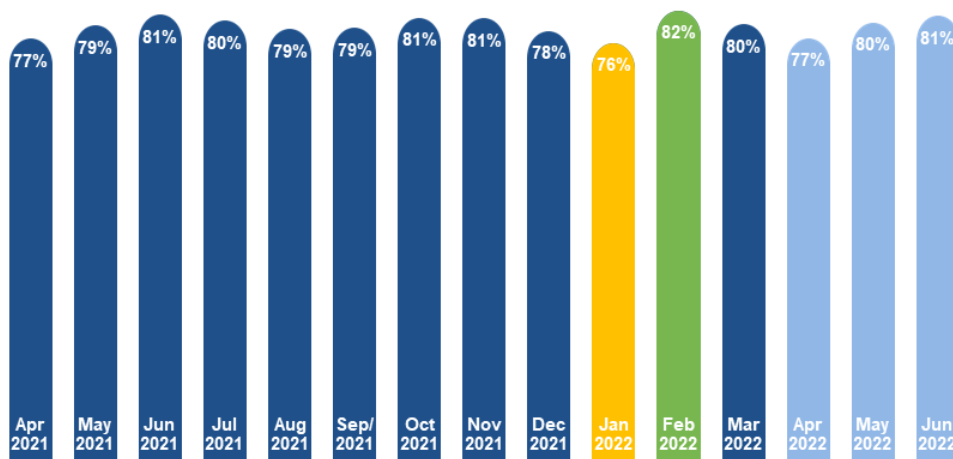
### LOAD PROFILE - COMMERCIAL



- **3 consistent dips** were observed for the months in comparison which signifies observance of CCs with **three (3) breaks or exchange of shifts** among employees (0700H, 1300H, and 1900H).
- The month of April had the lowest consumption for industrial CCs for the second quarter of 2022 due the observance of holy week/holiday resulting

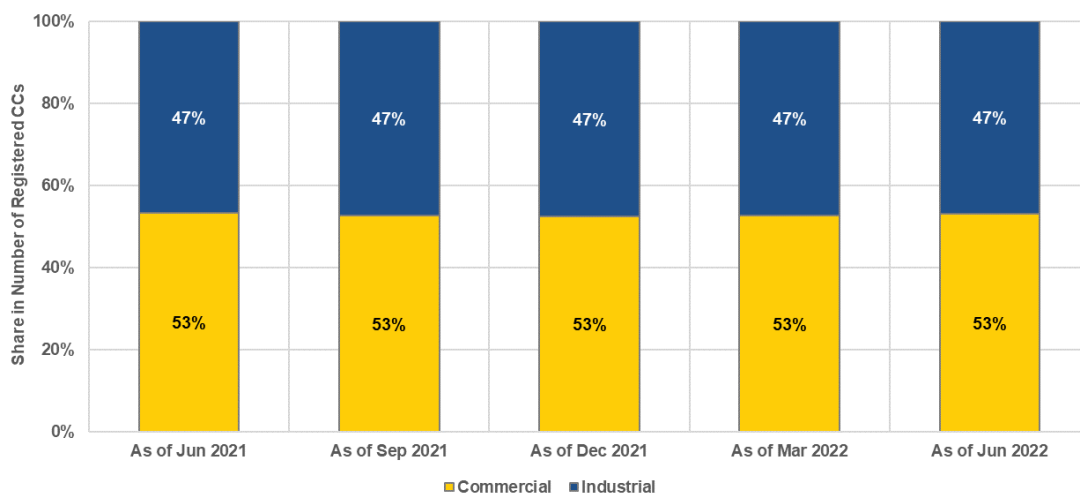
## MARKET PERFORMANCE

### LOAD FACTOR



- The load factor for the second quarter of 2022 resulted to the usual values when compared to previous months and year as presented in the illustration.
- **April** billing month had **the lowest load factor** for the second quarter due to holidays resulted to lesser no. of operation.
- **May** billing month was also affected by the National Election which tend also to affect the load profile for the same period.
  - 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.

## RETAIL ACTIVITY

### SWITCHING RATE

Particulars	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
<b>Switching Rate (Luzon)</b>	<b>1.41%</b>	<b>0.62%</b>	<b>0.88%</b>	<b>2.98%</b>	<b>0.45%</b>	<b>0.51%</b>	<b>0.38%</b>	<b>0.13%</b>	<b>0.06%</b>	<b>2.69%</b>	<b>0.49%</b>	<b>2.64%</b>	<b>3.83%</b>	<b>0.83%</b>	<b>1.67%</b>
Total No. of CCs	1,416	1,442	1,476	1,508	1,540	1,559	1,570	1,590	1,614	1,638	1,646	1,666	1,672	1,677	1,679
Total No. of CCs that Switched	20	9	13	45	7	8	6	2	1	44	8	44	64	14	28
LRES to RES		1			3					7	1		2	0	5
RES to LRES	3				1		3			3	3	22	10	1	
RES to RES	17	8	13	45	3	8	3	2	1	34	4	22	52	13	23
SOLR to RES															
<b>Switching Rate (Visayas)</b>	<b>2.96%</b>	<b>1.12%</b>	<b>0.55%</b>	<b>2.20%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.47%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.44%</b>	<b>0.00%</b>	<b>2.18%</b>	<b>10.48%</b>	<b>0.87%</b>	<b>0.87%</b>
Total No. of CCs	169	179	181	182	188	191	212	217	223	225	228	229	229	230	229
Total No. of CCs that Switched	5	2	1	4			1			1		5	24	2	2
LRES to RES															
RES to RES	5	2	1	4			1			1		5	24	2	2
<b>Switching Rate (Luzon-Visayas)</b>	<b>1.58%</b>	<b>0.68%</b>	<b>0.84%</b>	<b>2.90%</b>	<b>0.41%</b>	<b>0.46%</b>	<b>0.39%</b>	<b>0.11%</b>	<b>0.05%</b>	<b>2.42%</b>	<b>0.43%</b>	<b>2.59%</b>	<b>4.63%</b>	<b>0.84%</b>	<b>1.57%</b>
Total No. of CCs	1,585	1,621	1,657	1,690	1,728	1,750	1,782	1,807	1,837	1,863	1,874	1,895	1,901	1,907	1,908
Total No. of CCs that Switched	25	11	14	49	7	8	7	2	1	45	8	49	88	16	30

- **Thirty-Four (134) regular switches<sup>2</sup>** were recorded during the second quarter of 2022
  - About **83% of the regular switches** for Q2 of 2022 were between Supplier affiliates

<sup>2</sup> Regular Switch is a commercial transfer of a Contestable Customer from one Supplier to another Supplier such as RES, LRES, or SOLR

### OTHER RELEVANT ACTIVITIES

- On 24 June 2022, the Energy Regulatory Commission (ERC) promulgated ERC Resolution No. 04, Series of 2022, entitled “A Resolution Adopting the Rules for the Electric Retail Aggregation Program”
- The Department of Energy (DOE) conducted a series of public consultation for Amendments to the WESM Rules and various Market Manual, and Creation of Retail Manual on Green Energy Option Program (GEOP) procedures for the implementation GEOP, with the following details:

Leg	Date	Venue
Luzon	19 July 2022	Metro Manila
Visayas	26 July 2022	Bacolod City
Mindanao	02 July 2022	General Santos City

## ANNEX A – LIST OF SUPPLIERS

Category	No.	Market Participant Name	Short Name
Retail Electricity Supplier	37	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
		EEL 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
		Megawatt Solutions Inc.	MWSIRES
		MeridianX Inc.	MERXRES
		Petro Green Energy Corporation	PGEORES
		Premier Energy Resources Corporation	PERCRES
		Prism Energy, Inc.	PRISMRES
		Rockport Power Inc.	RPPOWRES
		SEM-CALACA RES CORPORATION	SCRCRES
		SMC Consolidated Power Corporation	SMCCPCRES
		SN Aboitiz Power- Magat, Inc.	SNAPMIRE
		SN Aboitiz Power- RES, Inc.	SNAPRES
		Solar Philippines Retail Electricity, Inc.	SPREIRES
		TeaM (Philippines) Energy Corporation	TPECRES
		Therma Luzon, Inc.	TLIRES
		Vantage Energy Solutions and Management, Inc.	VESMIRE

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 <sup>1</sup>	National Grid Corporation of the Philippines

<sup>1</sup> For Directly Connected Contestable Customers