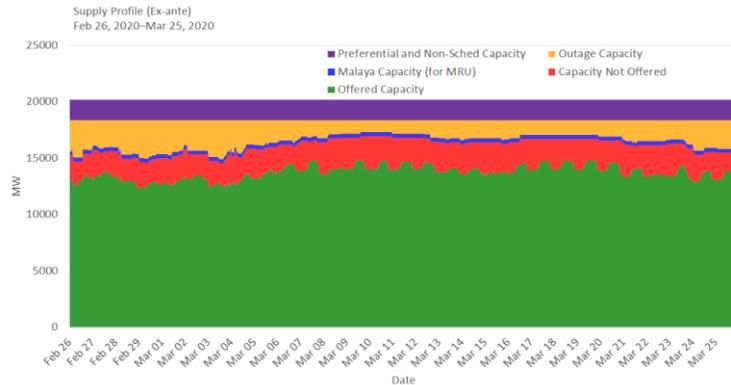


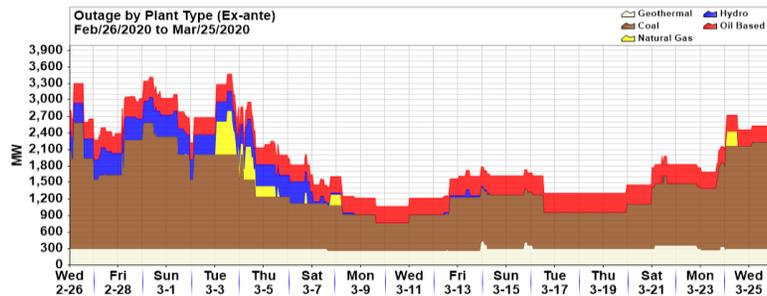
HIGHLIGHTS

- A wide supply margin averaging at 3,057 MW was observed in the March 2020 billing month. This was the highest monthly average supply margin since 2014. This was higher by 19 percent than February 2020 figures and higher by 86 percent than March 2019 figures.
- The onset of the hot dry season drove a higher average value for the demand and the reserve schedule, at 10,800 MW in the March 2020 billing month compared to last billing month's 10,578 MW. This was despite the decrease in demand during the latter half of March due to the Community Quarantine in Metro Manila that started on 15 March and the Enhanced Community Quarantine in Luzon that started on 17 March (to contain the spread of the coronavirus disease). This month's average was likewise lower compared to 10,838 MW in March 2019.
- The WESM registered capacity stood at 20,172 MW by the end of the billing month.
- The outage capacity averaged 1,951 MW. About 59% of which involved coal plants while about 69% were forced outages.
- The average effective supply was higher this month at 13,857 MW from 13,138 MW in the previous month and 12,481 MW in the previous year.
- The average GWAP in the March 2020 billing month was recorded at PhP 2,386/MWh, which was lower than PhP 3,156/MWh in February and PhP 4,921/MWh in March 2019 (related to the limited economic activity in the latter part of the March 2020 billing month).
- The secondary price cap was not imposed during the March 2020 billing month.
- The top 5 major participant groups accounted for about 79% of the average offered capacity. The Herfindahl-Hirschman Index (HHI) by major participant grouping indicated a moderately concentrated market based on the registered capacity.

SUPPLY PROFILE



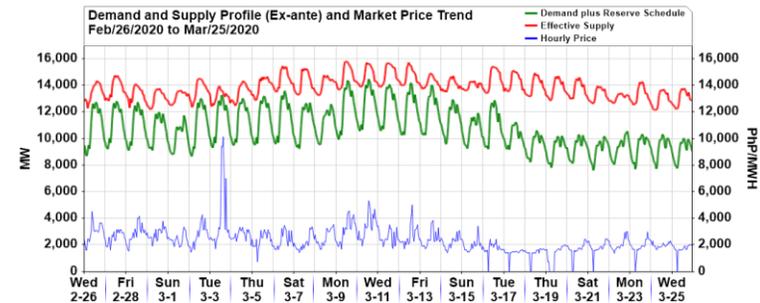
OUTAGE CAPACITY BY PLANT TYPE



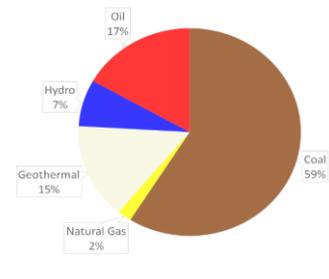
SUMMARY (SUPPLY, DEMAND, RESERVE SCHEDULE AND PRICE)

Particulars		Current Month	Previous Month	Same Month, Prev. Year	Percent Change From	
					Prev. Month	Same Month, Prev. Year
GWAP (PhP/MWh)	max	13,548.87	9,627.96	33,080.91	40.72%	-59.04%
	min	0.00	1,219.93	1,476.18	-100.00%	-100.00%
	ave	2,386.42	3,155.66	4,921.21	-24.38%	-51.51%
Effective Supply (MW)	max	15,837.22	14,516.25	13,974.11	9.10%	13.33%
	min	12,181.15	11,721.84	10,627.75	3.92%	14.62%
	ave	13,857.14	13,137.83	12,481.13	5.48%	11.02%
System Demand (MW)	max	13,162.35	11,895.43	12,049.86	10.65%	9.23%
	min	6,899.68	7,045.26	7,077.95	-2.07%	-2.52%
	ave	9,758.80	9,547.97	9,801.06	2.21%	-0.43%
Demand + Reserve Schedule (MW)	max	14,502.45	13,216.33	13,322.26	9.73%	8.86%
	min	7,632.65	7,915.46	7,923.20	-3.57%	-3.67%
	ave	10,799.84	10,577.69	10,837.58	2.10%	-0.35%
Supply Margin (MW)	max	5,107.51	4,325.35	3,509.57	18.08%	45.53%
	min	326.91	759.15	13.91	-56.94%	2250.18%
	ave	3,057.30	2,560.14	1,643.55	19.42%	86.02%

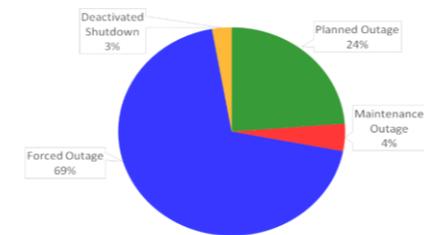
SUPPLY, DEMAND AND PRICE



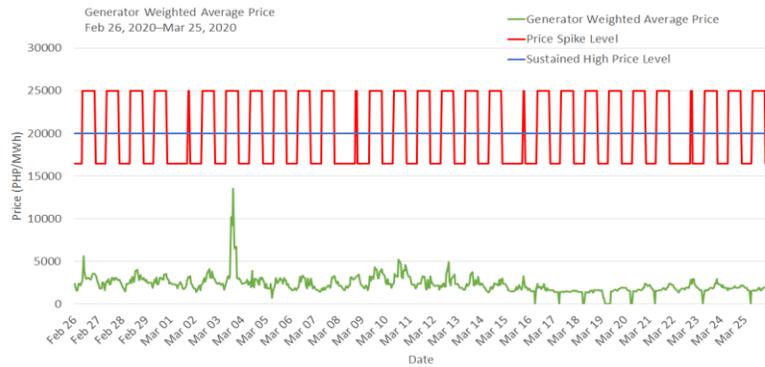
OUTAGE CAPACITY BY PLANT TYPE



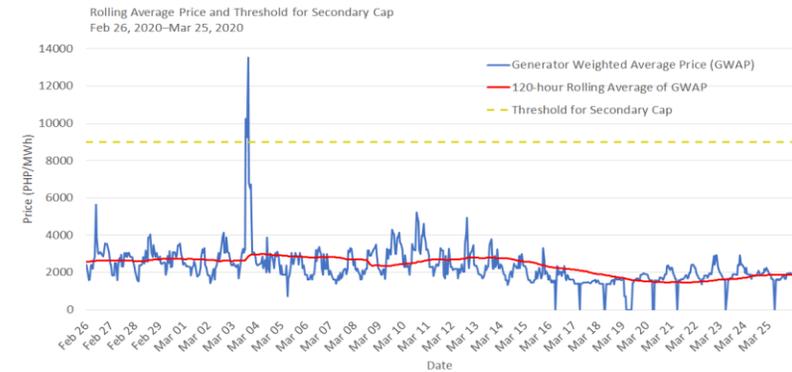
OUTAGE CAPACITY BY OUTAGE CATEGORY



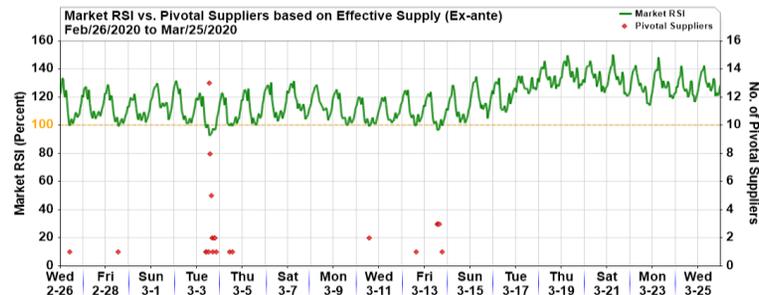
GENERATOR WEIGHTED AVERAGE PRICE



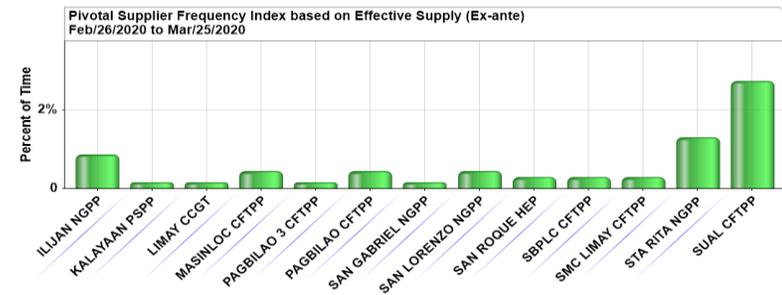
SECONDARY CAP



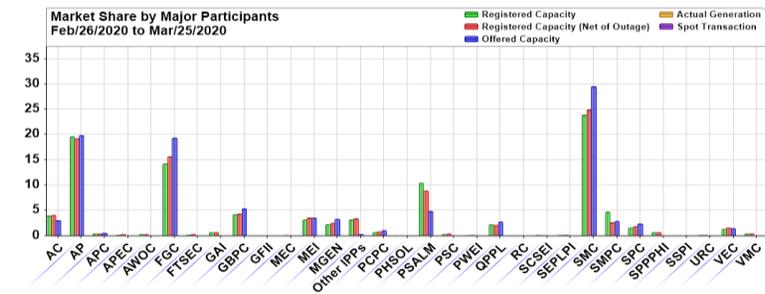
MARKET RSI VS PIVOTAL PLANTS



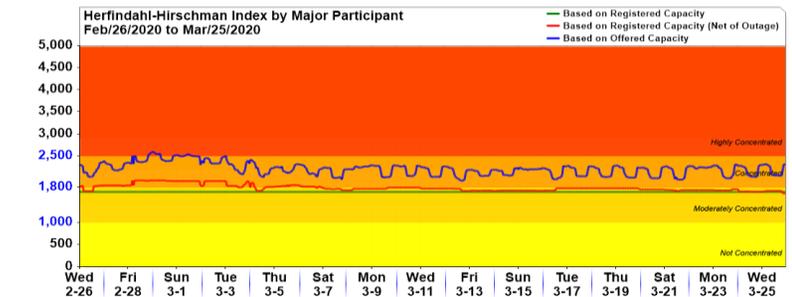
PSI



MARKET SHARE



HERFINDAHL-HIRSCHMAN INDEX



GLOSSARY OF TERMS

HERFINDAHL-HIRSCHMAN INDEX (HHI) - is a commonly accepted measure of market concentration that takes into account the relative size and distribution of participants in the market. The HHI is a number between 0 and 10,000, which is calculated as the sum of squares of the participant's market share. The HHI approaches zero when the market has very large number of participants with each having a relatively small market share. In contrary, the HHI increases as the number of participants in the market decreases, and the disparity in the market shares among the participants increases. The following are the widely used HHI screening numbers: (1) less than 1,000 - not concentrated; (2) 1,000 to 1,800 - moderately concentrated; (3) greater than 1,800 - concentrated; and (4) greater than 2,500 - highly concentrated.

The HHI is calculated using the (i) registered capacity, (ii) registered capacity net of outage, (iii) offered capacity, (iv) metered quantity, and (v) spot transaction (metered quantity net of bilateral contract declarations).

MARKET RESIDUAL SUPPLY INDEX (Market RSI) - The RSI is a dynamic continuous index measured as ratio of the available generation without a generator to the total generation required to supply the demand. The RSI is measured for each generator. The greater the RSI of a generator, the less will be its potential ability to exercise market power and manipulate prices, as there will be sufficient capacity from the other generators. In contrary, the lower the RSI, the greater the market power of a generator (and its potential benefit of exercising market power), as the market is strongly dependent on its availability to be able to fully supply the demand. In particular, a RSI greater than 100% for a generator means that the remaining generators can cover the demand, and in principle that generator cannot manipulate market price. On the other hand, a RSI less than 100% means that the generator is pivotal in supplying the demand.

The RSI for the whole market (Market RSI) is measured as the lowest RSI among all the generators in the market. A Market RSI less than 100% indicates the presence of pivotal generator/s.

PRICE SETTING FREQUENCY INDEX (PSFI) - A generator trading node is considered as a price setter when its last accepted offer price is between 95% to 100% of its nodal price. A generating plant is considered as price setter if at least one of its trading nodes was price setter in a given trading hour. The price setters are determined from: (i) ex-ante for trading intervals without pricing error during ex-ante, (ii) ex-post with pricing error during ex-ante but without pricing error during ex-post, (iii) market re-run results for trading intervals with pricing error both in ex-ante and ex-post, and (iv) trading intervals where the price substitution methodology (PSM) was applied. For trading intervals affected by PSM, the unconstrained marginal plants are considered price setters. Further, in instances of regional price separation, price setters are determined separately for each region.

MARKET SHARE - The fraction of the total capacity or energy that a company or related group owns or controls in the market.

PIVOTAL SUPPLIER FREQUENCY INDEX (PSI) - The pivotal sply index is a binary variable (1 for pivotal and 0 for not pivotal) for each generator. The index identifies whether a generator is pivotal in supplying the demand. The PSI is calculated as the percentage of time that a generator is pivotal in a period (i.e. monthly).

CAPACITY FACTOR - The index assesses the performance of the generators in the market. A high capacity factor indicates the high utilization of the generators.

CAPACITY PROFILE - The hourly factors affecting supply, which include, among others, the offered capacity, outage capacity and ancillary services schedule.

MAJOR PARTICIPANT GROUP - The grouping of generators by ownership or control.

REGISTERED CAPACITY - The capacity registered by a generator with WESM.

REGISTERED CAPACITY (NET OF OUTAGE) - The capacity registered by a generator with WESM less capacity on outage.

OFFERED CAPACITY - The hourly offer to supply electricity submitted by a generator.

METERED QUANTITY - The hourly quantity of electricity generated by a generator.

SPOT TRANSACTION - The hourly quantity of electricity sold to the market by a generator net of bilateal contract declaration accounted for in the settlement.

ANCILLARY SERVICES SCHEDULES - The hourly quantity scheduled by the System Operator to provide regulating, contingency and dispatchable reserves.

EFFECTIVE SUPPLY - The hourly effective supply is equal to the offered capacity of all scheduled generator resources, nominated loading level of non-scheduled generating units and projected output of preferential dispatch generating units, adjusted for any security limit provided by the System Operator and other constraints considered during MMS simulation such as generator offered ramp rates. Scheduled output of plants on testing and commissioning through the imposition of security limit by SO and scheduled output of Malaya plant when it is called to run as Must Run Unit (MRU) are likewise accounted for in the effective supply.

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