

Power Supply Procurement Plan 2020

MERALCO

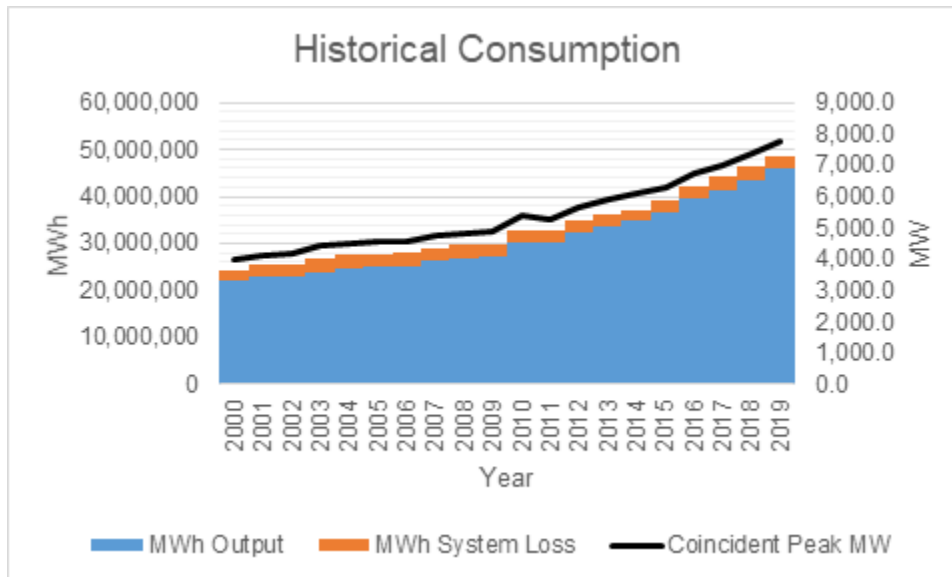
Historical Consumption Data

	Coincident Peak MW	MWh Offtake	WESM	MWh Input	MWh Output	MWh System Loss	Load Factor	Discrepancy	Transm'n Loss	System Loss
2000	3,999.31	24,428,481	0	24,428,000	21,941,952	2,486,048	70%	0.00%	0.00%	10.18%
2001	4,139.88	25,410,366	0	25,410,000	22,770,071	2,639,929	70%	0.00%	0.00%	10.39%
2002	4,201.93	25,715,347	0	25,715,000	22,924,619	2,790,381	70%	0.00%	0.00%	10.85%
2003	4,420.00	26,833,888	0	26,833,888	23,922,003	2,911,881	69%	0.00%	0.00%	10.85%
2004	4,487.60	27,835,479	0	27,835,479	24,744,690	3,090,786	71%	0.00%	0.00%	11.10%
2005	4,588.00	27,774,992	0	27,774,992	24,939,797	2,835,195	69%	0.00%	0.00%	10.21%
2006	4,567.04	27,986,984	5,681,108	27,986,984	25,159,217	2,827,766	70%	0.00%	0.00%	10.10%
2007	4,774.29	29,104,342	4,496,980	29,104,342	26,296,099	2,808,249	70%	0.00%	0.00%	9.65%
2008	4,789.54	29,621,736	2,569,396	29,621,736	26,873,155	2,748,581	71%	0.00%	0.00%	9.28%
2009	4,910.19	29,921,964	3,845,076	29,921,964	27,346,292	2,575,671	70%	0.00%	0.00%	8.61%
2010	5,374.37	32,643,172	4,616,104	32,643,172	30,050,680	2,592,492	69%	0.00%	0.00%	7.94%
2011	5,283.41	32,790,050	2,419,617	32,790,683	30,380,008	2,410,674	71%	0.00%	0.00%	7.35%
2012	5,632.90	34,992,326	2,258,449	34,992,326	32,528,644	2,463,681	71%	0.00%	0.00%	7.04%
2013	5,927.72	36,270,635	1,948,906	36,270,635	33,761,691	2,508,944	70%	0.00%	0.00%	6.92%
2014	6,121.26	37,113,945	1,091,874	37,113,945	34,706,133	2,407,812	69%	0.00%	0.00%	6.49%
2015	6,298.44	39,154,405	1,986,149	39,154,405	36,619,770	2,534,635	71%	0.00%	0.00%	6.47%
2016	6,747.94	42,276,963	4,501,279	42,276,963	39,590,456	2,686,507*	72%	-0.06%	0.00%	6.35%*
2017	6,973.36	44,050,065	5,106,569	44,050,065	41,448,752	2,601,313*	72%	0.06%	0.00%	5.91%*
2018	7,398.82	46,189,266	5,770,850	46,189,267	43,570,228	2,619,039*	71%	0.02%	0.00%	5.67%*
2019	7,740.31	48,652,799	4,206,824	48,652,799	45,958,473	2,694,326*	72%	-0.07%	0.00%	5.54%*

*Inputted correct annual MWh and percentage figures for System Loss. PSPP worksheet contained 12-month moving averages.

Peak Demand increased from 3,999 MW in 2000 to 7,740 MW in 2019 with a CAGR of 3.54%. MWh Offtake increased from 24,428,481 MWh in 2000 to 48,652,799 MWh in 2019 with a CAGR of 3.69%. Within the same period, Load Factor ranged from 69% to 72%.

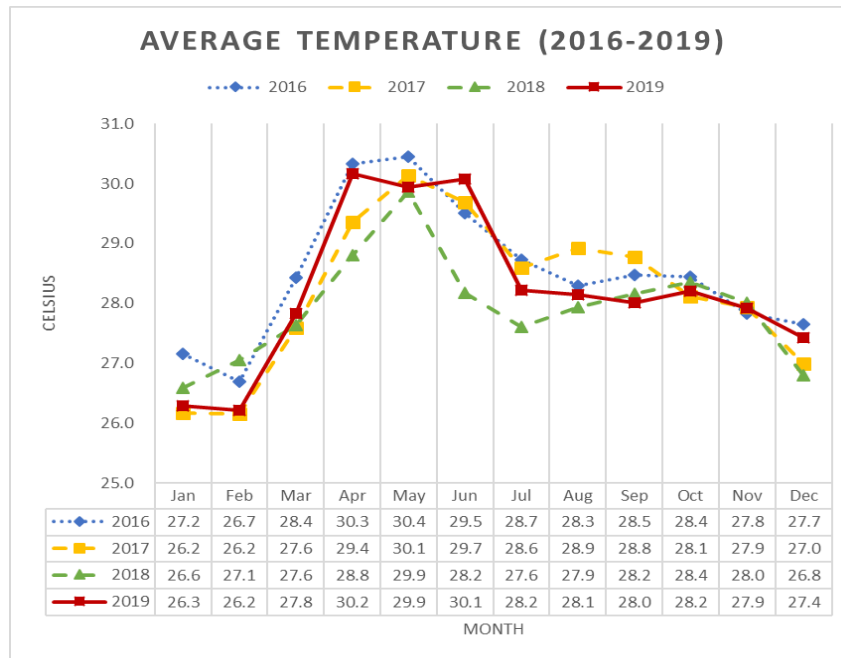
Focusing on last year's performance, Peak Demand increased by 4.6% compared to the previous year. In comparison, Luzon grid peak demand was estimated reach 11,344 MW in 2019, a 4.3% increase over 2018's 10,876 MW. However, it is worth noting that the Luzon grid system peak demand would have been higher by about 130 MW (6.4% higher than previous year's peak demand) had there been no implementation of the interruptible load program (ILP) on June 21, 2019.



MWh Sales, excluding wheeled energy from generator wheeling customers, increased from 2018 to 2019 at a rate of 5.5%, which was faster than 2000-2019 CAGR of 4.0%.

Analyzing the different customer segments, non-residential segments registered modest growth, with commercial and industrial customer classes growing at 5.6% and 3.1%, respectively. Commercial sales growth was driven by the (i) real estate sub-sector due to office space take up by IT-BPM (Business Process Management) and offshore gaming industries, (ii) retail trade sub-sector, with ramp-up of existing mixed-use malls, and (iii) hotels due to steady increase in foreign tourism and significant growth from domestic tourism. Industrial sales growth was driven by manufacturers of non-metallic materials, rubbers and plastics, and food and beverage. The semiconductor sub-sector, which was a growth driver in past years, showed a slight year-on-year decline.

Residential sales, on the other hand, grew by 7.6% with the ramp up of existing customers and newly energized accounts, with residential customer count expanding by 4.2%. Residential energy consumption was also boosted by lower inflation rates averaging at 2.5% and the downward trend in generation charges. More significantly, residential sales growth was driven by increased usage of cooling loads due to the higher than usual temperature, particularly between April and June 2019. PAGASA reported that “slightly warmer to warmer than average surface air temperatures were observed in most parts of Luzon and Mindanao.” The highest daytime temperature (37.2°C) in Metro Manila was recorded in NAIA, Pasay City on April 18, followed by Port Area, Manila (37°C) on June 18 and NAIA (36.4°C) on May 16. Meanwhile, the highest nighttime temperature was recorded in Sangley Point, Cavite at 29.8°C on June 3 and at 29.6°C on May 19, followed by NAIA (28.9°C) on April 21. These points are within Meralco’s service area. The average temperature for April 2019 was 30.2°C, which was 4.7% higher than the average temperature for April 2018. Likewise, the average temperature for June 2019 (30.1°C) was 6.7% higher than the temperature a year ago and 2% warmer than in June 2016, which was also affected by an El Niño. The average temperature for the year was 28.2°C, which was higher than 2018’s average (27.9°C).



For 2020, the level of total energy sales is expected to contract by as much as 10% due to the effect of the COVID-19 Enhanced Community Quarantine (ECQ) from March 16 to May 31. The Philippine economy is expected to contract by 0.1% in 2020, according to the April 2020 country report of the Economist Intelligence Unit (EIU). It should be noted that the EIU’s report was released before the ECQ was extended beyond May 15. For its part, the Development Budget Coordinating Council (DBCC) is projecting a contraction of the GDP of 2.0% to 3.4% this 2020.

With the resumption and recovery of economic activity, from 2021 to 2029, total energy sales growth is expected to grow by about 3% per year. As provided in the forecast model, sales growth after the disruption caused by the coronavirus pandemic is expected to be driven by moderate economic growth and addition to the customer base.

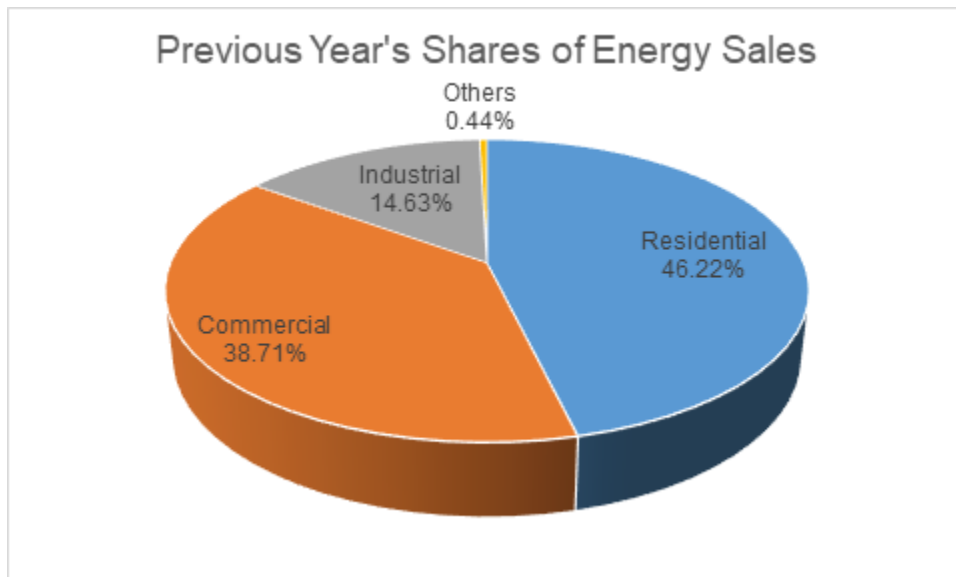
The long-term increase in consumption though may be tempered by customer responses to public policies on the promotion of renewable energy (RE) resources and energy efficiency (EE) measures. From 2013 the total number of customers under the Net Metering Program in MERALCO’s area has increased exponentially totaling 2,502 in December 2019 with an aggregate capacity of 16.919 MWp. There are also about 39 “zero-export” commercial and industrial customers with capacity of 15.3161 MW registered with MERALCO as of December 2019. Customers that have their own solar PV installations draw less energy from the distribution utility. With the continued promotion of RE, growth of such customers is expected to hold back energy sales growth for MERALCO.

Similarly, EE measures have the effect of reducing MERALCO’s energy sales. Based on a qualitative survey conducted in September 2018, around 79% of large customers (i.e. demand of at least 500 kW) in MERALCO’s area have implemented EE measures either through process changes, adoption of efficient technologies and solutions, or both. In addition, from only 8 in 2010 there are now 114 buildings in MERALCO’s area with LEED (Leadership in Energy and Environmental Design) or BERDE (Building for Ecologically Responsive Design Excellence) Certification. These customers can readily comply with target energy consumption reductions provided in the Energy Efficiency and Conservation Law.

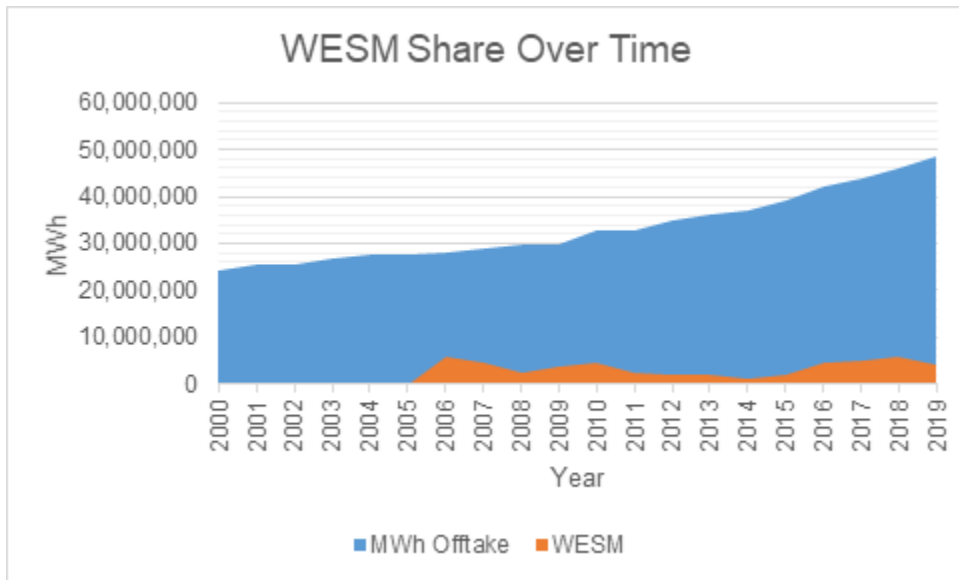
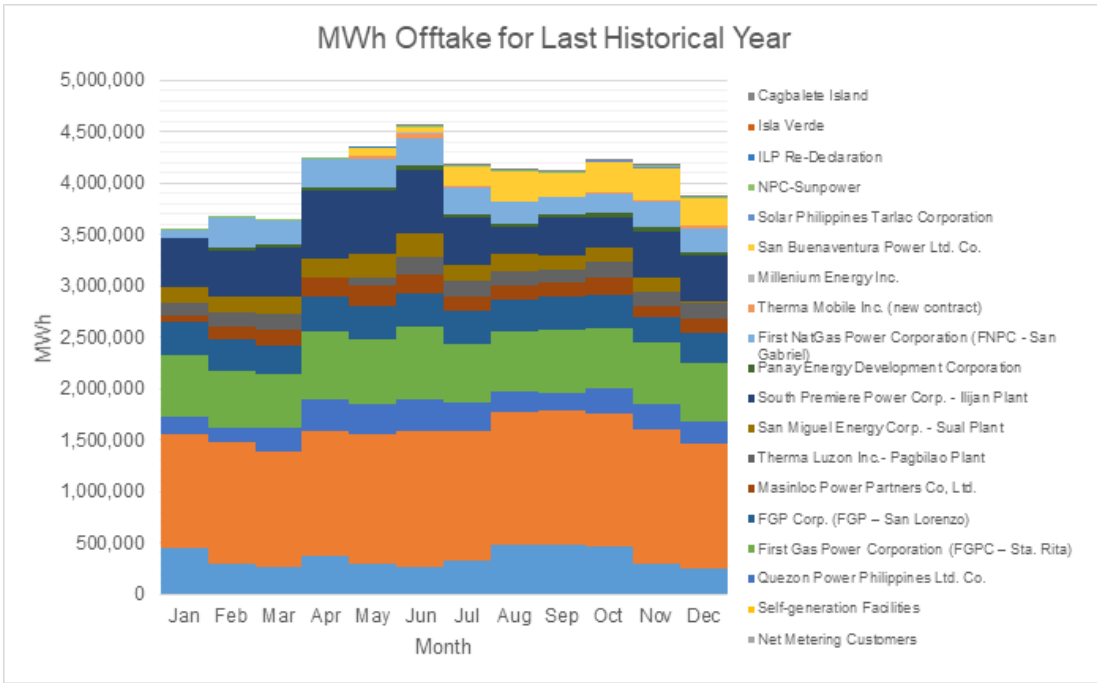
Factoring in the dampening effect of RE and EE policies on energy sales growth, a moderate growth outlook for the economy in the medium-term and MERALCO's customer base yields an average of 3% increase per year on total energy sales.



Historically, overall system loss significantly decreased from 10.18% in 2000 to 7.94% in 2010. In 2019, system loss continued to drop to 5.54% from 5.67% in the previous year --well below the imposed cap.



Residential customers accounted for 92.14% of total connections and 46.22% of captive energy sales in 2019. Meanwhile, commercial and industrial captive customers accounted for 38.71% and 14.63% of captive energy sales in 2019, respectively, mainly due to the migration of some of commercial and industrial customers to the contestable market.

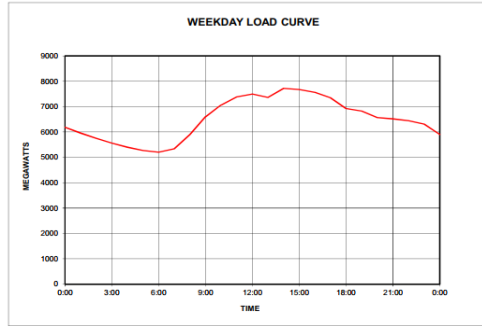


Previous Year's Load Profile

2019 Actual Hourly Load Profiles, MW

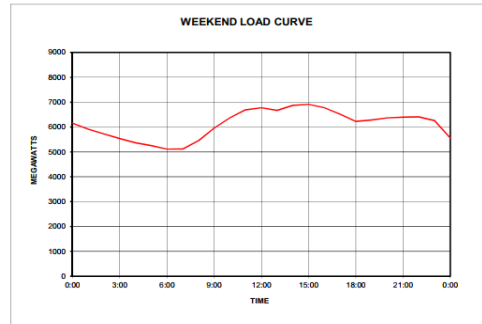
TYPICAL WEEKDAY
MAY 15, 2019, WEDNESDAY

TIME	LOAD (MW)
0:00	6,184
1:00	5,956
2:00	5,752
3:00	5,566
4:00	5,396
5:00	5,271
6:00	5,205
7:00	5,339
8:00	5,901
9:00	6,605
10:00	7,067
11:00	7,383
12:00	7,497
13:00	7,364
14:00	7,722
15:00	7,672
16:00	7,561
17:00	7,356
18:00	6,922
19:00	6,827
20:00	6,568
21:00	6,517
22:00	6,446
23:00	6,310
0:00	5,900



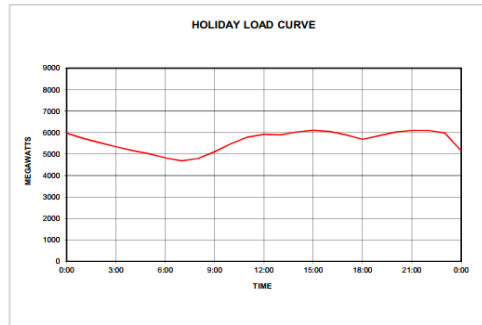
TYPICAL WEEKEND
MAY 18, 2019, SATURDAY

TIME	LOAD (MW)
0:00	6,158
1:00	5,916
2:00	5,723
3:00	5,534
4:00	5,365
5:00	5,256
6:00	5,115
7:00	5,120
8:00	5,453
9:00	5,961
10:00	6,379
11:00	6,695
12:00	6,773
13:00	6,668
14:00	6,877
15:00	6,913
16:00	6,773
17:00	6,521
18:00	6,225
19:00	6,284
20:00	6,370
21:00	6,398
22:00	6,408
23:00	6,267
0:00	5,562



TYPICAL HOLIDAY
MAY 1, 2019, WEDNESDAY

TIME	LOAD (MW)
0:00	5,974
1:00	5,734
2:00	5,533
3:00	5,345
4:00	5,164
5:00	5,014
6:00	4,822
7:00	4,681
8:00	4,796
9:00	5,108
10:00	5,486
11:00	5,793
12:00	5,921
13:00	5,890
14:00	6,033
15:00	6,103
16:00	6,050
17:00	5,889
18:00	5,684
19:00	5,857
20:00	6,020
21:00	6,098
22:00	6,097
23:00	5,984
0:00	5,150



MERALCO's system peak demand in 2019 reached 7,740 MW, 4.61% higher than the 7,399 MW in the previous year.

Metering Point	Substation MVA	Substation Peak MW
Please see remarks		

Forecasted Consumption Data

		Coincident Peak MW	Contracted MW	Pending MW	Planned MW	Retail Electricity Suppliers MW	Existing Contracting Level	Target Contracting Level	MW Surplus / Deficit
2020	Jan	6,743.00	2,647.13	2,152.00	0.000	2,157.54	58%	105%	213.67
	Feb	6,786.00	2,647.13	2,266.00	0.000	2,111.26	57%	105%	238.38
	Mar	7,614.00	2,647.13	2,556.00	0.000	2,268.97	50%	97%	-141.91
	Apr	5,506.00	2,647.13	2,156.00	0.000	1,246.44	62%	113%	543.56
	May	6,504.88	2,647.13	2,208.00	0.000	1,465.58	53%	96%	-184.17
	Jun	6,534.35	2,647.13	2,318.00	0.000	1,389.32	51%	97%	-179.91
	Jul	6,627.86	2,647.13	2,678.00	0.000	1,458.40	51%	103%	155.67
	Aug	6,857.17	2,647.13	2,678.00	0.000	1,469.76	49%	99%	-62.29
	Sep	6,574.23	2,577.13	2,678.00	70.000	1,378.03	50%	102%	128.93
	Oct	7,067.67	2,577.13	2,678.00	70.000	1,514.48	46%	96%	-228.07
	Nov	7,395.86	2,577.13	2,678.00	70.000	1,527.47	44%	91%	-543.26
	Dec	7,108.70	2,577.13	2,678.00	70.000	1,362.17	45%	93%	-421.40
2021	Jan	5,994.90	2,677.13	2,513.00	70.000	1,610.30	61%	120%	875.53
	Feb	5,829.66	2,677.13	2,513.00	70.000	1,318.36	59%	117%	748.82
	Mar	5,806.06	2,677.13	2,513.00	70.000	895.90	55%	107%	349.97
	Apr	6,992.25	2,677.13	2,513.00	70.000	1,534.73	49%	96%	-197.40
	May	7,800.75	2,677.13	2,513.00	70.000	2,274.39	48%	95%	-266.23
	Jun	7,599.12	2,677.13	2,513.00	70.000	2,028.08	48%	94%	-310.91
	Jul	6,975.53	2,677.13	2,253.00	70.000	1,587.59	50%	93%	-387.82
	Aug	6,900.78	2,677.13	2,253.00	70.000	1,727.93	52%	97%	-172.73
	Sep	6,961.76	2,677.13	2,253.00	70.000	2,014.40	54%	101%	52.76
	Oct	6,752.26	2,677.13	2,253.00	70.000	1,588.47	52%	97%	-163.67
	Nov	6,883.07	2,677.13	2,253.00	70.000	1,832.95	53%	99%	-50.00
	Dec	6,514.23	2,677.13	2,253.00	70.000	1,623.16	55%	102%	109.05
2022	Jan	6,239.17	2,677.13	2,253.00	70.000	1,673.44	59%	110%	434.39
	Feb	6,066.74	2,677.13	2,253.00	70.000	1,369.07	57%	106%	302.45

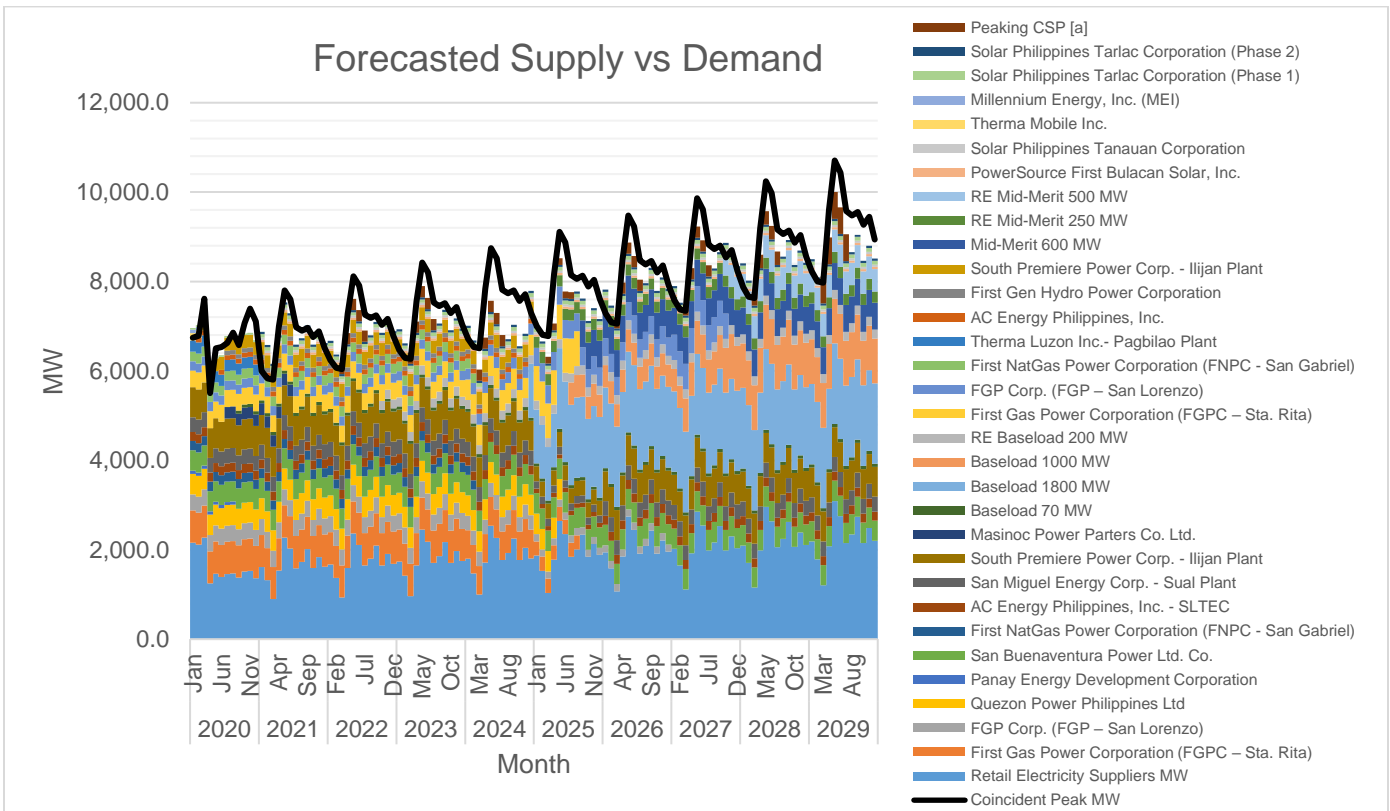
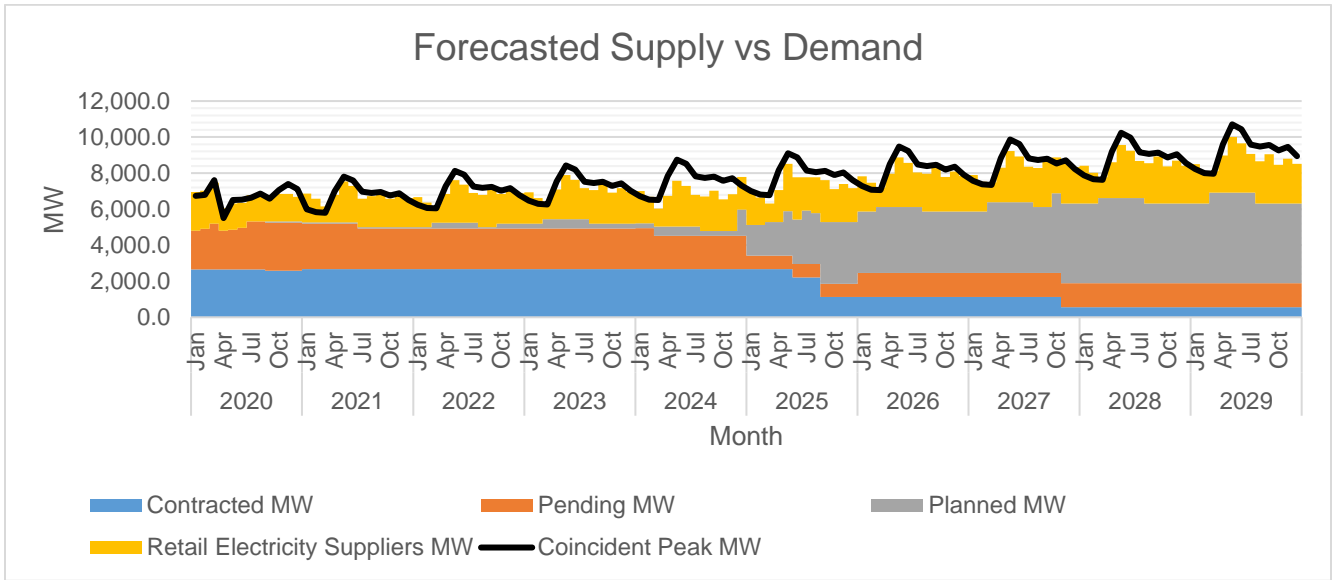
		Coincident Peak MW	Contracted MW	Pending MW	Planned MW	Retail Electricity Suppliers MW	Existing Contracting Level	Target Contracting Level	MW Surplus / Deficit
	Mar	6,042.90	2,677.13	2,253.00	320.000	929.90	52%	103%	137.12
	Apr	7,277.06	2,677.13	2,253.00	320.000	1,594.08	47%	92%	-432.86
	May	8,118.00	2,677.13	2,253.00	320.000	2,363.34	47%	91%	-504.54
	Jun	7,908.17	2,677.13	2,253.00	320.000	2,106.98	46%	91%	-551.06
	Jul	7,259.76	2,677.13	2,253.00	320.000	1,649.24	48%	94%	-360.40
	Aug	7,182.28	2,677.13	2,253.00	70.000	1,795.73	50%	93%	-386.43
	Sep	7,244.99	2,677.13	2,253.00	70.000	2,093.24	52%	97%	-151.62
	Oct	7,027.65	2,677.13	2,253.00	270.000	1,650.53	50%	97%	-176.99
	Nov	7,163.79	2,677.13	2,253.00	270.000	1,905.03	51%	99%	-58.63
	Dec	6,779.38	2,677.13	2,253.00	270.000	1,686.24	53%	102%	106.99
2023	Jan	6,471.28	2,677.13	2,253.00	270.000	1,733.11	57%	110%	461.96
	Feb	6,292.43	2,677.13	2,253.00	270.000	1,417.35	55%	107%	325.04
	Mar	6,267.71	2,677.13	2,253.00	520.000	961.60	50%	103%	144.02
	Apr	7,547.78	2,677.13	2,253.00	520.000	1,650.17	45%	92%	-447.48
	May	8,420.00	2,677.13	2,253.00	520.000	2,448.01	45%	91%	-521.87
	Jun	8,202.36	2,677.13	2,253.00	520.000	2,182.09	44%	91%	-570.15
	Jul	7,529.84	2,677.13	2,253.00	520.000	1,707.42	46%	94%	-372.29
	Aug	7,449.47	2,677.13	2,253.00	270.000	1,859.49	48%	93%	-389.86
	Sep	7,514.51	2,677.13	2,253.00	270.000	2,168.20	50%	97%	-146.18
	Oct	7,289.09	2,677.13	2,253.00	270.000	1,708.89	48%	93%	-380.07
	Nov	7,430.29	2,677.13	2,253.00	270.000	1,972.93	49%	95%	-257.24
	Dec	7,031.58	2,677.13	2,253.00	270.000	1,746.10	51%	98%	-85.36
2024	Jan	6,718.75	2,677.13	2,263.00	270.000	1,796.74	54%	106%	288.11
	Feb	6,533.07	2,677.13	2,263.00	270.000	1,468.83	53%	103%	145.88
	Mar	6,507.40	2,677.13	1,835.00	520.000	995.41	49%	91%	-479.86
	Apr	7,836.42	2,677.13	1,835.00	520.000	1,709.97	44%	82%	-1,094.32
	May	8,742.00	2,677.13	1,835.00	520.000	2,538.28	43%	81%	-1,171.59
	Jun	8,516.04	2,677.13	1,835.00	520.000	2,262.17	43%	80%	-1,221.74
	Jul	7,817.79	2,677.13	1,835.00	520.000	1,769.46	44%	83%	-1,016.21

		Coincident Peak MW	Contracted MW	Pending MW	Planned MW	Retail Electricity Suppliers MW	Existing Contracting Level	Target Contracting Level	MW Surplus / Deficit
	Aug	7,734.36	2,677.13	1,835.00	270.000	1,927.47	46%	82%	-1,024.76
	Sep	7,801.88	2,677.13	1,835.00	270.000	2,248.13	48%	86%	-771.63
	Oct	7,567.84	2,677.13	1,835.00	270.000	1,771.12	46%	82%	-1,014.59
	Nov	7,714.44	2,677.13	1,835.00	270.000	2,045.32	47%	84%	-886.99
	Dec	7,300.48	2,677.13	1,835.00	1,470.000	1,809.91	49%	109%	491.56
2025	Jan	7,000.81	2,677.13	735.00	1,720.000	1,869.26	52%	100%	0.57
	Feb	6,807.34	2,677.13	735.00	1,720.000	1,527.49	51%	97%	-147.72
	Mar	6,780.58	2,677.13	735.00	1,870.000	1,033.94	47%	92%	-464.52
	Apr	8,165.40	2,677.13	735.00	1,870.000	1,778.14	42%	83%	-1,105.14
	May	9,109.00	2,677.13	735.00	2,470.000	2,641.18	41%	91%	-585.70
	Jun	8,873.55	2,217.13	735.00	2,470.000	2,353.44	34%	83%	-1,097.99
	Jul	8,145.99	2,217.13	735.00	2,970.000	1,840.17	35%	94%	-383.70
	Aug	8,059.05	2,217.13	735.00	2,820.000	2,004.96	37%	95%	-281.97
	Sep	8,129.42	1,122.06	735.00	3,420.000	2,339.23	19%	91%	-513.13
	Oct	7,885.54	1,122.06	735.00	3,420.000	1,842.05	19%	87%	-766.43
	Nov	8,038.30	1,122.06	735.00	3,420.000	2,127.84	19%	89%	-633.41
	Dec	7,606.97	1,122.06	735.00	3,420.000	1,882.65	20%	92%	-447.26
2026	Jan	7,282.87	1,122.06	1,335.00	3,420.000	1,941.78	21%	110%	535.96
	Feb	7,081.60	1,122.06	1,335.00	3,420.000	1,586.16	20%	107%	381.62
	Mar	7,053.77	1,122.06	1,335.00	3,670.000	1,072.47	19%	102%	145.75
	Apr	8,494.38	1,122.06	1,335.00	3,670.000	1,846.30	17%	92%	-521.02
	May	9,476.00	1,122.06	1,335.00	3,670.000	2,744.07	17%	91%	-604.87
	Jun	9,231.06	1,122.06	1,335.00	3,670.000	2,444.71	17%	90%	-659.29
	Jul	8,474.20	1,122.06	1,335.00	3,670.000	1,910.88	17%	93%	-436.26
	Aug	8,383.75	1,122.06	1,335.00	3,420.000	2,082.44	18%	93%	-424.25
	Sep	8,456.95	1,122.06	1,335.00	3,420.000	2,430.32	19%	98%	-149.57
	Oct	8,203.25	1,122.06	1,335.00	3,420.000	1,912.98	18%	93%	-413.21
	Nov	8,362.16	1,122.06	1,335.00	3,420.000	2,210.35	18%	96%	-274.75
	Dec	7,913.45	1,122.06	1,335.00	3,420.000	1,955.39	19%	99%	-81.00

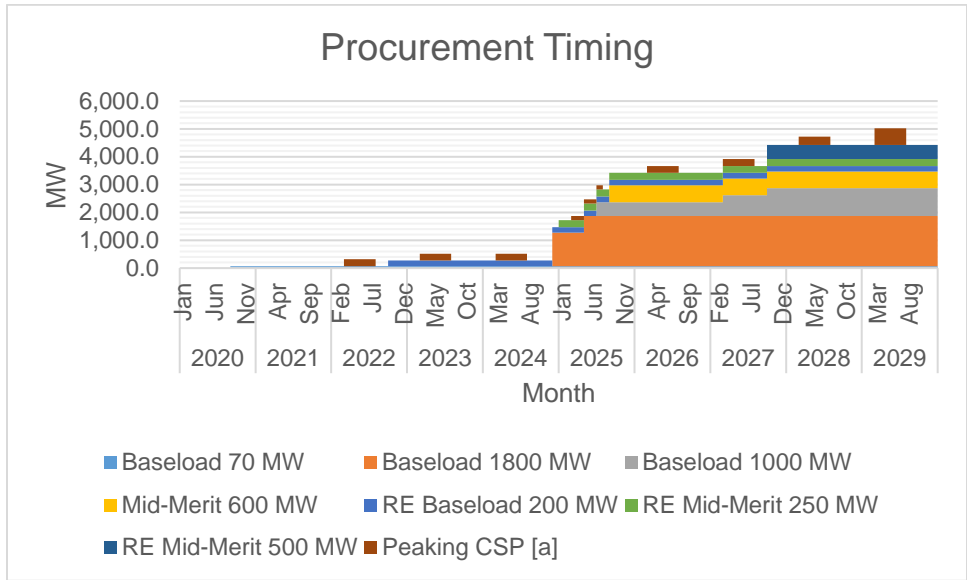
		Coincident Peak MW	Contracted MW	Pending MW	Planned MW	Retail Electricity Suppliers MW	Existing Contracting Level	Target Contracting Level	MW Surplus / Deficit
2027	Jan	7,581.08	1,122.06	1,335.00	3,420.000	2,018.45	20%	106%	314.43
	Feb	7,371.56	1,122.06	1,335.00	3,420.000	1,648.19	20%	103%	153.69
	Mar	7,342.59	1,122.06	1,335.00	3,920.000	1,113.20	18%	102%	147.67
	Apr	8,842.19	1,122.06	1,335.00	3,920.000	1,918.37	16%	92%	-546.76
	May	9,864.00	1,122.06	1,335.00	3,920.000	2,852.85	16%	91%	-634.09
	Jun	9,609.03	1,122.06	1,335.00	3,920.000	2,541.20	16%	90%	-690.77
	Jul	8,821.18	1,122.06	1,335.00	3,920.000	1,985.63	16%	93%	-458.49
	Aug	8,727.03	1,122.06	1,335.00	3,670.000	2,164.36	17%	93%	-435.61
	Sep	8,803.22	1,122.06	1,335.00	3,670.000	2,526.63	18%	98%	-149.54
	Oct	8,539.14	1,122.06	1,335.00	4,420.000	1,987.96	17%	105%	325.89
	Nov	8,704.56	555.00	1,335.00	4,420.000	2,297.59	9%	98%	-96.97
	Dec	8,237.47	555.00	1,335.00	4,420.000	2,032.29	9%	102%	104.81
2028	Jan	7,873.13	555.00	1,335.00	4,420.000	2,093.53	10%	109%	530.41
	Feb	7,655.55	555.00	1,335.00	4,420.000	1,708.94	9%	106%	363.39
	Mar	7,625.46	555.00	1,335.00	4,720.000	1,153.10	9%	102%	137.64
	Apr	9,182.83	555.00	1,335.00	4,720.000	1,988.95	8%	92%	-583.88
	May	10,244.00	555.00	1,335.00	4,720.000	2,959.39	8%	91%	-674.61
	Jun	9,979.21	555.00	1,335.00	4,720.000	2,635.71	8%	90%	-733.50
	Jul	9,161.00	555.00	1,335.00	4,720.000	2,058.84	8%	93%	-492.16
	Aug	9,063.23	555.00	1,335.00	4,420.000	2,244.59	8%	93%	-508.64
	Sep	9,142.36	555.00	1,335.00	4,420.000	2,620.95	9%	97%	-211.41
	Oct	8,868.10	555.00	1,335.00	4,420.000	2,061.40	8%	93%	-496.70
	Nov	9,039.89	555.00	1,335.00	4,420.000	2,383.02	8%	95%	-346.87
	Dec	8,554.81	555.00	1,335.00	4,420.000	2,107.60	9%	98%	-137.21
2029	Jan	8,229.74	555.00	1,335.00	4,420.000	2,185.22	9%	104%	265.48
	Feb	8,002.30	555.00	1,335.00	4,420.000	1,783.11	9%	101%	90.81
	Mar	7,970.85	555.00	1,335.00	5,020.000	1,201.81	8%	102%	140.96
	Apr	9,598.76	555.00	1,335.00	5,020.000	2,075.13	7%	92%	-613.63
	May	10,708.00	555.00	1,335.00	5,020.000	3,089.48	7%	91%	-708.52

		Coincident Peak MW	Contracted MW	Pending MW	Planned MW	Retail Electricity Suppliers MW	Existing Contracting Level	Target Contracting Level	MW Surplus / Deficit
	Jun	10,431.22	555.00	1,335.00	5,020.000	2,751.10	7%	90%	-770.12
	Jul	9,575.95	555.00	1,335.00	5,020.000	2,148.24	7%	93%	-517.71
	Aug	9,473.74	555.00	1,335.00	4,420.000	2,342.55	8%	88%	-821.19
	Sep	9,556.46	555.00	1,335.00	4,420.000	2,736.13	8%	93%	-510.33
	Oct	9,269.78	555.00	1,335.00	4,420.000	2,151.08	8%	89%	-808.70
	Nov	9,449.35	555.00	1,335.00	4,420.000	2,487.35	8%	91%	-652.01
	Dec	8,942.30	555.00	1,335.00	4,420.000	2,199.56	8%	94%	-432.74

The Peak Demand was forecasted using the load factor approach and was projected to occur on the month of May due to seasonal increase in electricity consumption during summer months. On the other hand, monthly Peak Demand is projected to be at its lowest on the month of January due to cooler temperature. In general, Peak Demand is expected to grow at a rate of 3.3 % annually over the period of 2020-2029.



The forecasted supply considered a capacity allocation for baseload, intermediate and peaking supply requirements that would result to a least cost generation cost for MERALCO's captive customers.



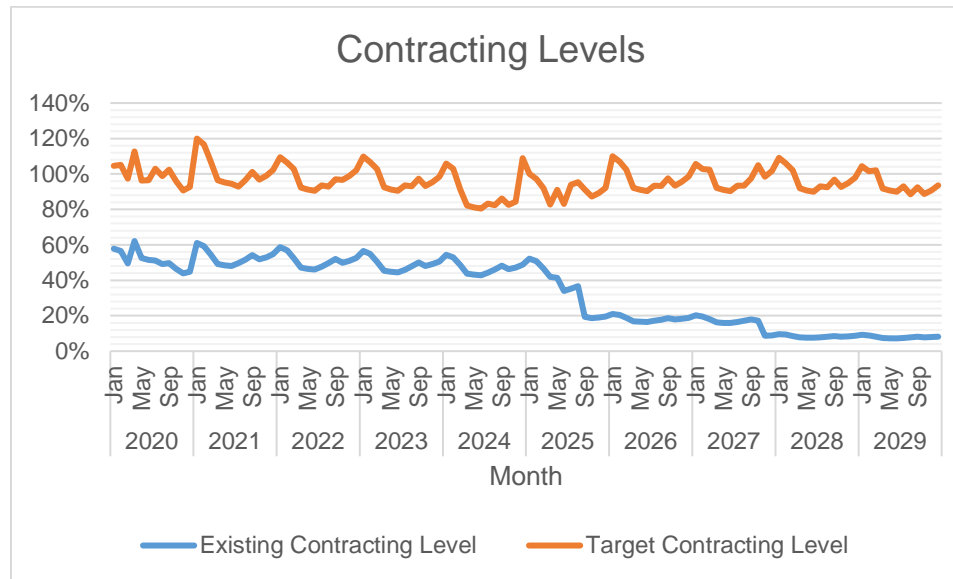
The first wave of supply procurement will be for 70 MW baseload supply, 200 MW RE baseload supply and 1,800 MW baseload supply.

Supply Label	Type	Minimum MW ^[d]	Minimum MWh/yr	PSA Start	PSA End	Publication
Baseload 70 MW	Base	70.00	537,600*	09/2020	02/2037	TBD
Baseload 1800 MW	Base	1,800.00	13,824,000*	12/2024	11/2044	TBD
Baseload 1000 MW	Base	1,000.00	7,680,000*	07/2025	06/2045	TBD
Mid-Merit 600 MW	Intermediate	600.00	2,190,240*	09/2025	08/2045	TBD
RE Baseload 200 MW	Base	200.00	1,314,000*	10/2022	09/2047	TBD
RE Mid-Merit 250 MW	Intermediate	250.00	985,500*	01/2025	12/2044	TBD
RE Mid-Merit 500 MW	Intermediate	500.00	1,976,400*	10/2027	09/2047	TBD
Peaking CSP [a]	Peaking			March	July	TBD

^[a] Peaking CSP will be contracted annually, with term of up to 5 months only (March - July).

^[d] Contracted Capacity in MW

* Indicative values based on Meralco's projection which should not be construed as the take or pay volumes.



The percent of Existing Contracting Levels shown in the graph only pertains to ERC approved contracts. This does not include those granted with provisional authority/ interim relief and with pending ERC approval. The percent of Targeted Contracting Level includes all contracted, pending and planned supplies.

Power Supply Agreements - Contracted

Case No.	Type	GenCo	Minimum MW [d]	Minimum MWh/yr	PSA Start	PSA End
First Gas Power Corporation (FGPC – Sta. Rita)	Base	First Gas Power Corporation	720.00*	5,249,318	August 2000	August 2025
First Gas Power Corporation (FGPC – Sta. Rita)	Intermediate	First Gas Power Corporation	359.75*	2,622,822	August 2000	August 2025
FGP Corp. (FGP – San Lorenzo)	Base	First Gas Power Corporation	360.00*	2,624,659	October 2002	October 2027
FGP Corp. (FGP – San Lorenzo)	Intermediate	First Gas Power Corporation	197.95*	1,443,205	October 2002	October 2027
Quezon Power Philippines Ltd	Base	Quezon Power Philippines Ltd.	460.00*	3,132,182	May 2000	May 2025
Panay Energy Development Corporation	Base	Panay Energy Development Corporation	70.00	318,233*	Jan 26, 2017	Aug 25, 2020
San Buenaventura Power Ltd. Co.	Base	Other	455.00	3,494,400*	Sep 26, 2019	Sep 25, 2039

PowerSource First Bulacan Solar, Inc.	Peaking	Power Source Philippines Energy, Inc.	50.00	81,030*	Dec 26, 2020 ^[e]	Dec 25, 2040
Solar Philippines Tanauan Corporation	Peaking	Other	50.00	81,030*	Dec 26, 2020 ^[e]	Dec 25, 2040

[d] Contracted Capacity in MW

[e] Projected Start of Implementation

* Indicative values based on Meralco's projection which should not be construed as the take or pay volumes.

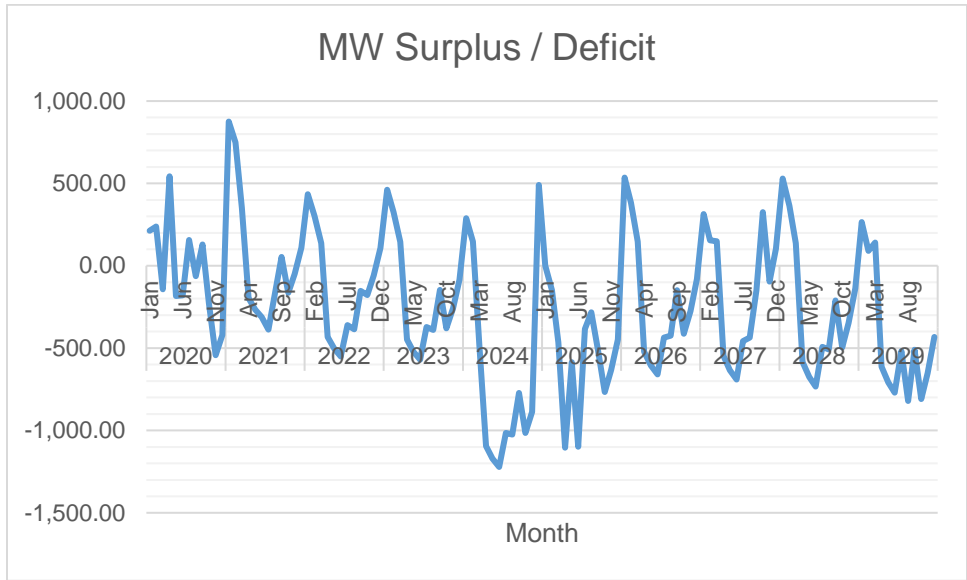
Power Supply Agreements - Pending

Case No.	Type	GenCo	Minimum MW ^[d]	Minimum MWh/yr	PSA Start	PSA End
First NatGas Power Corporation (FNPC - San Gabriel)	Base	First Natgas Power Corporation	210.00	1,612,800*	Jun 26, 2018	Feb 25, 2024
First NatGas Power Corporation (FNPC - San Gabriel)	Intermediate	First Natgas Power Corporation	218.00	1,674,240*	Jun 26, 2018	Feb 25, 2024
AC Energy Philippines, Inc. - SLTEC	Base	PHINMA Energy Corporation	200.00*	1,314,000	Dec 26, 2019	Dec 25, 2029
San Miguel Energy Corp. - Sual Plant	Base	San Miguel Energy Corporation	330.00*	2,168,100	Dec 26, 2019	Dec 25, 2029
South Premiere Power Corp. - Ilijan Plant	Base	South Premiere Power Corporation	670.00*	4,401,900	Dec 26, 2019	Dec 25, 2029
Therma Luzon Inc.- Pagbilao Plant	Intermediate	Therma Luzon, Inc.	250.00	1,670,848*	Dec 26, 2019	Dec 25, 2020
AC Energy Philippines, Inc.	Intermediate	PHINMA Energy Corporation	110.00*	433,620	Jan 26, 2020	Dec 25, 2024
First Gen Hydro Power Corporation	Intermediate	First Gen Hydro Power Corporation	100.00*	394,200	Jun 26, 2020 ^[e]	Dec 25, 2024
South Premiere Power Corp. - Ilijan Plant	Intermediate	South Premiere Power Corporation	290.00*	1,143,180	Feb 26, 2020	Dec 25, 2024
Therma Mobile Inc.	Peaking	Therma Mobile, Inc.	165.00	22,616*	Apr 26, 2019	Apr 25, 2020
Millennium Energy, Inc. (MEI)	Peaking	Millenium Energy, Inc.	73.00	5,934*	Apr 26, 2019	Apr 25, 2020
Solar Philippines Tarlac Corporation (Phase 1)	Peaking	Other	75.00	121,545*	Jul 26, 2019	Jul 25, 2039
Solar Philippines Tarlac Corporation (Phase 2)	Peaking	Other	50.00	81,030*	Dec 26, 2020 ^[e]	Dec 25, 2040
Masinoc Power Parters Co. Ltd.	Base	Masinloc Power Partners Company, Ltd.	260.00	1,709,688*	Jun 26, 2020 ^[e]	Jun 25, 2021

[d] Contracted Capacity in MW

[e] Projected Start of Implementation

* Indicative values based on Meralco's projection which should not be construed as the take or pay volumes.



The surplus/deficit in the contracted demand is attributable to the demand's seasonality.

		MWh Offtake	MWh Output	MWh System Loss	Transm'n Loss	System Loss
2020	Jan	3,766,160	3,561,272	222,935	0.00%	5.47%
	Feb	3,872,619	3,685,823	222,412	0.00%	5.44%
	Mar	3,618,880	3,375,298	221,534	0.00%	5.42%
	Apr	3,226,413	2,910,484	221,712	0.00%	5.54%
	May	3,769,015	3,411,951	214,481	0.00%	5.43%
	Jun	3,761,212	3,620,831	208,684	0.00%	5.37%
	Jul	3,576,595	3,433,517	214,334	0.00%	5.59%
	Aug	3,700,339	3,365,470	214,719	0.00%	5.65%
	Sep	3,547,655	3,404,521	215,612	0.00%	5.74%
	Oct	3,610,524	3,459,440	209,350	0.00%	5.65%
	Nov	3,778,177	3,502,085	210,541	0.00%	5.73%
	Dec	3,631,481	3,476,458	219,167	0.00%	6.00%
2021	Jan	3,591,632	3,390,453	218,834	0.00%	6.01%
	Feb	3,726,345	3,517,627	220,504	0.00%	6.08%
	Mar	3,622,393	3,419,496	216,956	0.00%	5.98%
	Apr	4,088,054	3,859,073	209,969	0.00%	5.68%
	May	4,339,447	4,096,383	212,607	0.00%	5.67%
	Jun	4,490,070	4,238,572	215,822	0.00%	5.67%
	Jul	4,240,799	4,003,260	218,433	0.00%	5.65%
	Aug	4,258,831	4,020,281	220,754	0.00%	5.65%
	Sep	4,266,256	4,027,295	223,834	0.00%	5.64%
	Oct	4,254,588	4,016,281	226,324	0.00%	5.62%

		MWh Offtake	MWh Output	MWh System Loss	Transm'n Loss	System Loss
	Nov	4,252,467	4,014,273	228,073	0.00%	5.61%
	Dec	4,070,021	3,842,052	229,656	0.00%	5.60%
2022	Jan	3,771,203	3,476,245	229,863	0.00%	5.59%
	Feb	4,007,566	3,740,925	230,506	0.00%	5.57%
	Mar	3,849,535	3,623,990	230,922	0.00%	5.55%
	Apr	4,303,615	4,017,875	231,209	0.00%	5.54%
	May	4,535,815	4,249,142	231,367	0.00%	5.52%
	Jun	4,611,876	4,380,839	231,164	0.00%	5.50%
	Jul	4,281,385	4,131,084	230,638	0.00%	5.48%
	Aug	4,366,214	4,148,288	230,409	0.00%	5.47%
	Sep	4,405,640	4,162,673	230,322	0.00%	5.45%
	Oct	4,311,082	4,079,850	229,865	0.00%	5.43%
	Nov	4,351,541	4,116,906	229,600	0.00%	5.42%
	Dec	4,116,626	4,034,737	229,129	0.00%	5.40%
2023	Jan	3,903,559	3,602,277	229,399	0.00%	5.39%
	Feb	4,148,218	3,875,816	229,685	0.00%	5.38%
	Mar	3,984,641	3,754,890	229,960	0.00%	5.38%
	Apr	4,454,657	4,163,452	230,267	0.00%	5.37%
	May	4,695,007	4,403,251	230,591	0.00%	5.36%
	Jun	4,773,737	4,539,644	230,921	0.00%	5.35%
	Jul	4,431,647	4,280,629	231,226	0.00%	5.34%
	Aug	4,519,453	4,298,351	231,538	0.00%	5.33%
	Sep	4,560,263	4,313,282	231,853	0.00%	5.32%
	Oct	4,462,386	4,227,468	232,161	0.00%	5.32%
	Nov	4,504,266	4,265,871	232,472	0.00%	5.31%
	Dec	4,261,106	4,180,835	232,766	0.00%	5.30%
2024	Jan	4,051,687	3,739,270	233,419	0.00%	5.30%
	Feb	4,305,630	4,022,498	234,114	0.00%	5.30%
	Mar	4,135,845	3,897,261	234,780	0.00%	5.30%
	Apr	4,623,698	4,321,439	235,526	0.00%	5.30%
	May	4,873,168	4,570,330	236,312	0.00%	5.30%
	Jun	4,954,885	4,711,769	237,111	0.00%	5.30%
	Jul	4,599,814	4,443,076	237,852	0.00%	5.30%
	Aug	4,690,952	4,461,391	238,609	0.00%	5.30%
	Sep	4,733,311	4,476,889	239,372	0.00%	5.30%
	Oct	4,631,720	4,387,963	240,119	0.00%	5.30%
	Nov	4,675,188	4,427,701	240,873	0.00%	5.30%
	Dec	4,422,801	4,340,083	241,586	0.00%	5.30%
2025	Jan	4,188,044	3,865,196	242,188	0.00%	5.30%
	Feb	4,450,532	4,157,811	242,828	0.00%	5.30%
	Mar	4,275,034	4,028,438	243,443	0.00%	5.30%
	Apr	4,779,305	4,466,790	244,130	0.00%	5.30%

		MWh Offtake	MWh Output	MWh System Loss	Transm'n Loss	System Loss
	May	5,037,170	4,723,999	244,854	0.00%	5.30%
	Jun	5,121,638	4,870,139	245,591	0.00%	5.30%
	Jul	4,754,618	4,592,603	246,275	0.00%	5.30%
	Aug	4,848,822	4,611,530	246,972	0.00%	5.30%
	Sep	4,892,607	4,627,536	247,675	0.00%	5.30%
	Oct	4,787,597	4,535,700	248,364	0.00%	5.30%
	Nov	4,832,528	4,576,697	249,059	0.00%	5.30%
	Dec	4,571,647	4,486,516	249,716	0.00%	5.30%
2026	Jan	4,332,522	3,998,745	250,354	0.00%	5.30%
	Feb	4,604,067	4,300,821	251,032	0.00%	5.30%
	Mar	4,422,514	4,167,212	251,684	0.00%	5.30%
	Apr	4,944,181	4,620,970	252,412	0.00%	5.30%
	May	5,210,942	4,887,148	253,180	0.00%	5.30%
	Jun	5,298,324	5,038,250	253,960	0.00%	5.30%
	Jul	4,918,642	4,751,053	254,684	0.00%	5.30%
	Aug	5,016,097	4,770,543	255,423	0.00%	5.30%
	Sep	5,061,391	4,787,112	256,169	0.00%	5.30%
	Oct	4,952,759	4,692,156	256,898	0.00%	5.30%
	Nov	4,999,240	4,734,534	257,634	0.00%	5.30%
	Dec	4,729,360	4,641,499	258,331	0.00%	5.30%
2027	Jan	4,476,621	4,132,052	258,967	0.00%	5.30%
	Feb	4,757,197	4,443,156	259,644	0.00%	5.30%
	Mar	4,569,606	4,305,439	260,293	0.00%	5.30%
	Apr	5,108,623	4,774,899	261,020	0.00%	5.30%
	May	5,384,257	5,050,142	261,785	0.00%	5.30%
	Jun	5,474,545	5,206,180	262,563	0.00%	5.30%
	Jul	5,082,235	4,909,110	263,286	0.00%	5.30%
	Aug	5,182,931	4,929,095	264,023	0.00%	5.30%
	Sep	5,229,732	4,946,251	264,766	0.00%	5.30%
	Oct	5,117,487	4,848,145	265,494	0.00%	5.30%
	Nov	5,165,514	4,891,932	266,228	0.00%	5.30%
	Dec	4,886,658	4,795,946	266,923	0.00%	5.30%
2028	Jan	4,620,030	4,264,832	267,556	0.00%	5.30%
	Feb	4,909,594	4,584,564	268,229	0.00%	5.30%
	Mar	4,715,993	4,442,865	268,876	0.00%	5.30%
	Apr	5,272,278	4,928,184	269,599	0.00%	5.30%
	May	5,556,742	5,212,560	270,361	0.00%	5.30%
	Jun	5,649,922	5,373,472	271,135	0.00%	5.30%
	Jul	5,245,045	5,066,413	271,854	0.00%	5.30%
	Aug	5,348,966	5,086,838	272,588	0.00%	5.30%
	Sep	5,397,267	5,104,589	273,328	0.00%	5.30%
	Oct	5,281,426	5,003,336	274,052	0.00%	5.30%

		MWh Offtake	MWh Output	MWh System Loss	Transm'n Loss	System Loss
	Nov	5,330,992	5,048,539	274,782	0.00%	5.30%
	Dec	5,043,202	4,949,569	275,474	0.00%	5.30%
2029	Jan	4,769,647	4,403,431	276,135	0.00%	5.30%
	Feb	5,068,588	4,732,030	276,837	0.00%	5.30%
	Mar	4,868,718	4,586,240	277,511	0.00%	5.30%
	Apr	5,443,018	5,088,110	278,266	0.00%	5.30%
	May	5,736,694	5,381,994	279,060	0.00%	5.30%
	Jun	5,832,892	5,547,967	279,868	0.00%	5.30%
	Jul	5,414,903	5,230,514	280,619	0.00%	5.30%
	Aug	5,522,190	5,251,395	281,384	0.00%	5.30%
	Sep	5,572,054	5,269,771	282,156	0.00%	5.30%
	Oct	5,452,462	5,165,253	282,911	0.00%	5.30%
	Nov	5,503,633	5,211,919	283,674	0.00%	5.30%
	Dec	5,206,523	5,109,973	284,395	0.00%	5.30%

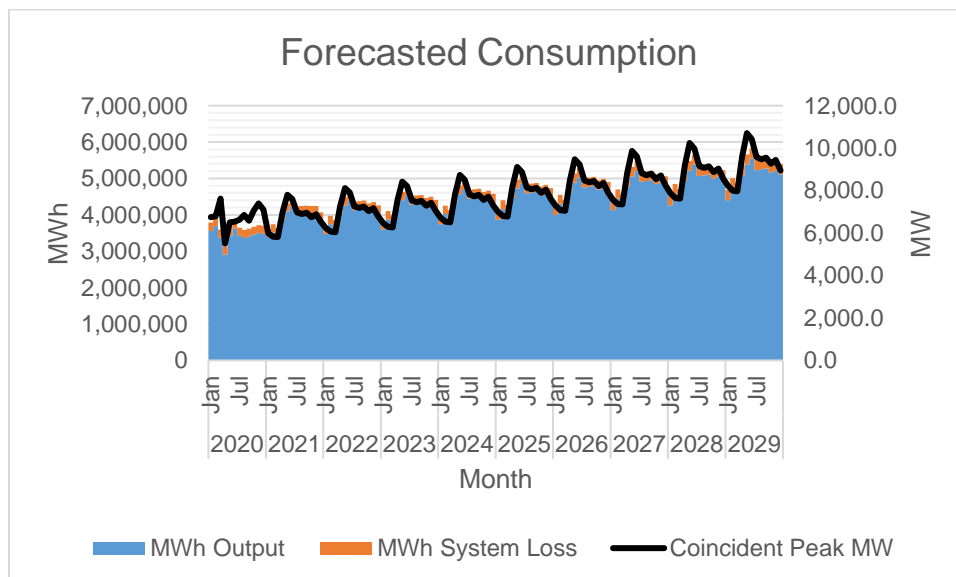
**Note that the monthly MWh System Loss figures contained in the PSPP are 12-month moving averages (12-mma). Inputted the corresponding monthly System Loss percentage forecasts in the table based on MWh System Loss and MWh Input for the preceding 12 months including the reference month.*

Forecasts are only for overall System Loss.

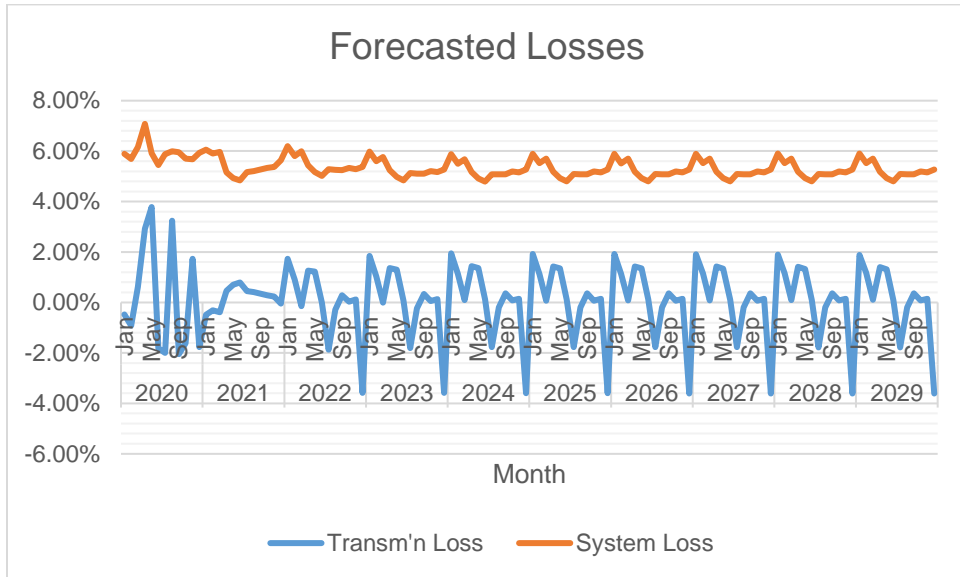
***Transmission Losses are not applicable.*

MWh Offtake was based on MWh Sales forecast using econometric models relating MWh sales to different variables such as economic performance, number of customers, and real price of electricity among others. The assumed load factor is based on historical load factor data.

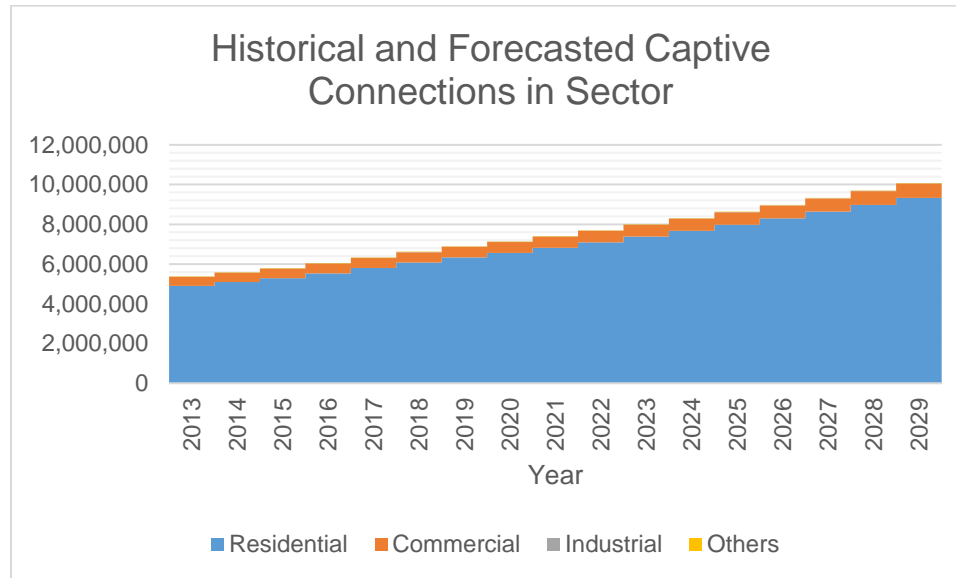
System Loss was computed through a combination of empirical formulas and Load Flow Simulation Study for Primary Line conducted monthly by using Synergi Electric Software. Based on the same study, the Distribution System can adequately convey electricity to customers. System Loss forecasts were based on MERALCO targets as of 2019.



MWh Output is expected to grow at a rate of 2.9% annually.



Captive Customer Connections



The number of residential connections is expected to grow at a rate of 3.9% annually from 2020 to 2029. Said customer class is expected to account for 46.2% of the total captive consumption at the end of the forecast period. Meanwhile, the number of captive commercial connections is projected to increase at a rate of 3.1% from 2020 to 2029, accounting for 38.7% of total consumption in 2029. Lastly, the number of captive industrial connection is expected to grow at a slower rate of 0.7%, which will account for 14.6% of consumption in 2029.