

REPUBLIC OF THE PHILIPPINES
ENERGY REGULATORY COMMISSION
SAN MIGUEL AVENUE
PASIG CITY

IN THE MATTER OF THE JOINT
APPLICATION FOR THE APPROVAL OF
THE POWER SUPPLY AGREEMENT
BETWEEN MACTAN ELECTRIC
COMPANY INC. AND MALITA POWER
INC., WITH MOTION FOR
CONFIDENTIAL TREATMENT OF
INFORMATION AND PROVISIONAL
AUTHORITY

ERC CASE NO. [2025-188](#) RC

[October 22, 2025](#)

MACTAN ELECTRIC COMPANY, INC.
(MECO) AND MALITA POWER, INC.
(MPI),

APPLICANTS.

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JOINT APPLICATION

MACTAN ELECTRIC COMPANY, INC. (MECO) and MALITA POWER, INC.
(MPI), by their respective counsels, hereby state:

I. **Applicants**

A. Mactan Electric Company Inc. (MECO)

1. MECO is a private distribution utility incorporated under the laws of the Republic of the Philippines with Securities and Exchange Commission (SEC) Registration No. 31-388. Its principal office is located at MECO Building, Sangi Road, Pajo, Lapu-lapu City, Cebu.
2. By virtue of Republic Act No. 10890, MECO was granted franchise to operate the electric light and power distribution system and service in the City of Lapu-Lapu and in the Municipality of Cordova. MECO operates with a valid Certificate of Public Convenience and Necessity (CPCN No. 2018-01) issued by the Energy Regulatory Commission.

3. MECO is represented by its Senior Vice President and General Manager, Engr. Gilbert A. Pagobo and may be served notices and other processes through its undersigned counsel.

B. Malita Power Inc.

4. MPI is a private corporation created and organized under the Philippine laws with principal office located at 40 San Miguel Avenue, Brgy. Wack Wack, Mandaluyong City and SEC Registration No. CS201114450.
5. MPI owns and operates and maintains the 300.050 MW Malita Circulating Fluidized Bed Coal Fired Thermal Power Plant ("the Plant") located at Sitio Inaburan, Brgy. Culaman, Malita, Davao Occidental.
6. MPI is represented by Ms. Elenita D. Go and Mr. Paul Bernard D. Causon, and may be served notices and other processes through its counsel.

II. Timeline

7. On November 25, 2024, in light of the expiring power supply agreement between MECO and Cebu Energy Development Corporation, MECO's Board of Directors approved the constitution of Bids and Awards Committee and authorized the Corporation to conduct a competitive selection process for the procurement of 50MW power supply for MECO's captive market.¹
8. On March 12, 2025 and pursuant to Section 4.3 of Department of Energy (DOE) Department Circular No. DC2023-06-0021, Series of 2023 and Section 5 Appendix B of the 2025 CSP Guidelines of the ERC, the DOE issued Certificate of Conformity No. DOE-EPIMB-COC-2025-03-006 in favor of MECO.²
9. On March 25, 2025 and April 1, 2025, MECO published the Invitation to Bid ("ITB") in Malaya Business Insight and Sunstar Publishing Inc.³
10. The following interested bidders replied to MECO's ITB and submitted the pre-qualification requirements: Panay Energy

¹ Minutes, November 25, 2024

² DOE Certificate of Conformity, March 12, 2025

³ Affidavit of Publication, April 3, 2025; Published material

Development Corporation (PEDC), FDC Misamis Power Corporation (FDC), Malita Power, Inc. (MPI) and GNPowr Kauswagan Ltd. Co. (GNPK).

11. As directed by DOE Circular No. 2023-06-0021 and ERC Resolution No. 16, Series of 2023, the BAC Secretariat transmitted notices to participate as CSP Observers to the following groups: VDR Parish Pastoral Council (PPC), Parent-Teachers' Association of Pajo High School, Parent-Teachers' Association of Pajo Elementary School, Unified Homeowners Association of Mactan Lapu-lapu City thru its Executive Director, Atty. Mark Vincent Alabastro, Department of Trade & Industry thru Dir. Maria Elena C. Arbon and thru the OIC-Provincial Director, Dir. Marivic V. Aguilar, and the Institute of Integrated Electrical Engineers thru Engr. Raymund Villar.⁴
12. On April 7 and April 16, 2025, the Bids and Awards Committee (BAC) conducted the pre-bid and clarificatory conferences, respectively, duly attended by the pre-qualified bidders.⁵
13. On May 17, 2025, the following bidders submitted their respective bids: MPI, FDC, and GNPK; PEDC on the other hand manifested its withdrawal to participate in the bidding thru a letter dated May 15, 2025 duly signed by its President Mr. Jaime T. Azurin.⁶
14. On the same day, the BAC evaluated the bids based on a non-discretionary pass or fail criteria subject to further validation during the post qualification process. MPI, FDC, and GNPK successfully passed the initial evaluation.⁷
15. On May 19 and 20, 2025, the BAC conducted a post-qualification evaluation and validation of the bids and ruled that two (2) of the bids were non-compliant with the legal and technical requirements, respectively, and resolved to disqualify the same.⁸
16. Meanwhile, only MPI has satisfactorily complied with all the specified legal, technical, and financial qualifications in accordance with the Bidding Rules and Guidelines with the following bid offer:⁹

⁴ Notices to Participate as CSP Observers, March 25, 2025

⁵ Minutes, Pre-bid and Clarificatory Conferences

⁶ BAC Report

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

Offered Price

FINANCIAL BID

FIXED RATE

Energy Price

Capacity Recovery Fee	2.1500
LOM	0.7000
FOM	0.4500
Fuel Rate	2.6300
Effective Rate	5.9300

PROMPT PAYMENT DISCOUNT

Number of WORKING Days	30
Discount, in %	4.00%
Prompt Payment in Php/KWH	-0.2372

- 17. On June 2, 2025, the Board of Directors approved the findings of the BAC and declared MPI as the winning bidder of the competitive selection process for the procurement of 50MW power supply of MECO's captive market.¹⁰
- 18. On June 14, 2025, a Notice of Award was issued to MPI.¹¹
- 19. On June 20, 2025, MECO and MPI finalized the PSA which was approved by MECO's Board of Directors on July 4, 2025.¹²
- 20. The PSA was executed by MECO and MPI in counterparts on July 14 and 17, 2025, respectively.¹³
- 21. On July 26, 2025, MECO and MPI commenced the pre-filing of this Joint Application.¹⁴

III. Salient Features of the PSA

2. SALE AND PURCHASE OF CONTRACT CAPACITY AND CONTRACT ENERGY

Subject to and in accordance with the terms of this Agreement, and for the consideration provided in Section 5, Seller shall make available and sell to Buyer, and Buyer shall purchase from the Seller the Contract Capacity and Contract Energy in accordance with Schedule 2, the Contract Capacity and Contract Energy from and after the Delivery Date until the expiry of the Term, unless sooner terminated in accordance with this Agreement.

¹⁰ Board Resolution, June 2, 2025.
¹¹ Notice of Award, June 14, 2025.
¹² MECO-MPI Power Supply Agreement
¹³ Ibid.
¹⁴ Request for Pre-filing

3. TERM

3.1 Contract Term

This Agreement shall take effect immediately from Effective Date, and from such date, shall remain in force and effect for five (5) years or Sixty (60) Billing Periods from Delivery Date subject to adjustments for the undelivered portion caused by Force Majeure Events or reduction on nominated BCQ by the Buyer, unless sooner terminated in accordance with this Agreement and upon approval by the ERC.

3.2 Effective Date

The Parties' rights and obligations under this Agreement shall commence on Effective Date, which shall be the date upon which all of the following conditions are satisfied:

(a) Corporate Approvals. The receipt of the Parties of a certificate executed by the corporate secretary or a resolution issued by the board of directors of Parties, attesting to the fact that the board of directors of Parties has adopted resolutions;

- (i) authorizing Parties to execute and to enter into and deliver this Agreement and perform all its obligation hereunder, and
- (ii) designating the person authorized to execute this Agreement on behalf of the Parties; and

(b) Government Authorizations. All governmental authorizations (except ERC Approval) which are required to have been obtained in connection with the execution, delivery and commencement of performance of this Agreement, shall have been obtained and be in full force and effect. Within Ten (10) Days after the satisfaction of the conditions referred to in this Section, each Party shall send a written notice to the other Party confirming satisfaction of such conditions and indicating the Effective Date, as may be applicable.

3.3 Delivery Date

The Seller shall commence delivery of Contract Capacity to Buyer on Delivery Date. The Delivery Date shall be a date, after Effective Date, reckoned the next immediate 26th Day of the month following date of issuance by the ERC of a Provisional Authority or Interim Relief, as applicable, or Final Authority, if neither Provisional Authority or Interim Relief was issued.

4. SUPPLY OF CONTRACT CAPACITY AND CONTRACT ENERGY

- 4.1 Seller's and Buyer's Obligations. Beginning on the Delivery Date, until the termination or expiration of this Agreement, Seller shall supply and deliver the Contract Capacity and Contract Energy as detailed in Schedule 2 to Buyer at the Buyer's Delivery Node, and the Buyer shall purchase and pay Seller at the rate Schedule as detailed in Schedule 4, resulting from the CSP and subject to the approval of the ERC. The quantities specified in Schedule 2 shall not be changed by either Party except in cases provided for this Agreement. The Contract Capacity and Contract Energy will be used for purposes of Buyer's nomination and Seller's declaration of Bilateral Contract Quantities.
- 4.2 Seller shall have no obligation to supply more than the Contract Capacity as provided for in Schedule 2. The Buyer acknowledges that it is obligated to take or pay no less than the Contract Energy as stated in Schedule 2 or as adjusted under Section 4.5.
- 4.3 In the event that the capability of the Seller to deliver Contract Capacity and Contract Energy from its Facility or the capability of the Buyer to take the Contract Capacity and Contract Energy are each affected by the occurrence of an Event of Force Majeure, the provisions in Section 6 (Force Majeure) shall apply.
- 4.4 WESM Operations

Buyer shall furnish Seller with its hourly nomination of demand on a daily, weekly, and monthly basis in accordance with the procedure set out as follows:

- 4.4.1 For administrative and planning purposes only, Buyer shall furnish Seller with non-binding year-ahead, month-ahead and week-ahead nominations of Contract Capacity in accordance with the WESM Rules and the Operating Procedures.
- 4.4.2 Such nominations shall reflect Buyer's good faith estimate of its projected capacity requirements for such period. Buyer shall furnish Seller with the month-ahead nominations, binding day-ahead and in- day nominations as referred to Annex "F", as prescribed in the WESM Rules.
- 4.5 Reduction of Contract Capacity and Contract Energy

From time to time upon and after the implementation of Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP), Renewable Portfolio Standards (RPS), Net Metering programs, and other similar government programs, Buyer shall deliver to Seller written notice at least thirty(30) Days before the target date of effectivity of the

requested reduction in the Contract Capacity and Contract Energy specifying the reduction in Contract Capacity and/or Contract Energy resulting from the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs, indicating the name of the affected customer/s, capacity and when such reductions shall take place. Any such reduction shall be limited to an amount that will allow the Buyer to comply with its obligation to supply electricity in the least cost manner to its captive market. Except for such reduction of amount of Contract Capacity and/or Contract Energy to be specified by Buyer (including the resulting reduction in payments payable under this Agreement), all other terms and conditions of this Agreement shall remain in full force and effect, subject to the approval by the ERC.

The Parties shall agree on and prepare the protocol to implement the reduction in the amount of Contract Capacity, with observance of existing rules and regulations, as a result of the implementation of RCOA, GEOP, RPS, Net Metering programs, and other similar government programs. The Parties shall submit a copy of the protocol to the ERC.

4.6 Scheduled Outages

- 4.6.1 Within Ten (10) Days from Delivery Date, the Seller shall submit to Buyer its Scheduled Outage periods for the remainder of the Contract Year in which the Delivery Date occurs, if any. Thereafter, within ten (10) days from the start of each Contract Year the Seller shall submit to Buyer the approved Scheduled Outage periods for said Contract Year. The outage periods shall be subject to the requirements under DOE guidelines and ERC rules and regulations.
- 4.6.2 If Buyer cannot accept any of the requested Scheduled Outage periods, Buyer shall advise the Seller of a period when Buyer determines such unacceptable Scheduled Outage period can be rescheduled. Such rescheduled period shall be as close as reasonably practicable to the requested period, shall comply with the Minimum Functional Specifications indicated in Schedule 3, and shall be of equal duration as the requested period. The Seller shall conduct Scheduled Outages only during periods agreed to in writing by Buyer as aforesaid. The outage periods shall be subject to the approval requirements under DOE guidelines and ERC rules and regulations.
- 4.6.3 The Seller is allowed Scheduled Outages not to exceed the number of days for each Contract Year as set forth in Schedule 3, during which times reduced or no deliveries will be available to the Buyer, subject to ERC rules and regulations on Reliability Performance Indices.

- 4.6.4 Buyer may, upon thirty (30) Days prior written notice, require the Seller to reschedule a Scheduled Outage; provided, however, that Buyer shall not request that such Scheduled Outage be rescheduled in a manner or time outside the Minimum Functional Specifications.
- 4.6.5 Buyer shall use its reasonable endeavors to coordinate its maintenance program for the Interconnection Facilities with the approved Scheduled Outages so as to minimize any disruption to the operation of the Facility.
- 4.6.6 The above shall take into consideration the approved Outage Schedule by the NGCP in which such schedule shall be provided by the Seller to the Buyer every third quarter of the year.

4.7 Unscheduled Outages

The Seller is allowed Unscheduled Outages not to exceed the number of days for each Contract Year as set forth in Schedule 3, during which times reduced or no deliveries will be available to the Buyer, subject to ERC rules and regulations on Reliability Performance Indices.

4.8. Replacement Power

- 4.8.1 Within the Allowed Outage. The procurement of any Replacement Power within the Allowed Outage shall be the responsibility of the Buyer. During such outage, Buyer shall source Replacement Power from other suppliers or from the WESM, at its own expense.
- 4.8.2 Beyond the Allowed Outage. The procurement of any Replacement Power beyond the Allowed Outage shall be the responsibility of the Seller. In the event of failure by the Seller to provide the Contract Capacity and/or Contract Energy, the Buyer shall be allowed to source the Replacement Power at the expense of the Seller. Provided further, that the rates to be charged for the procurement of Replacement Power shall be a) the actual price of the Replacement Power; or b) the approved charge for the PSA, whichever is lower.

4.9. Transmission and Interconnection

- 4.9.1 The Seller has entered into a Connection Agreement and Transmission Service Agreement with the NGCP to connect the Facility to the Grid.
- 4.9.2 At all times from and after the Effective Date, all interconnection, transmission and other agreements necessary for Seller to perform its obligations

hereunder (including the Connection Agreement and Transmission Service Agreement) shall be in full force and effect.

5.1 Prompt Payment Discount

The Seller shall extend four percent (4%) discount to Buyer as prompt payment if full payment of the Seller’s power bill invoice is made within Thirty (30) Business Days from receipt thereof, and Buyer is up to date with all its payment obligations under this Agreement.

The Buyer shall not automatically deduct the Prompt Payment Discount from the payment of the current Seller Invoice, and any unilateral deduction shall constitute a breach of this Agreement.

The Prompt Payment Discount for the current Seller Invoice shall be made available to the Buyer in the succeeding Seller Invoice through the issuance of a credit memorandum. The Buyer with an expiring Agreement who is qualified to avail of the Prompt Payment Discount under the final Seller Invoice shall receive its discount upon final settlement and clearance of its Agreement with the Seller.

5. FORCE MAJEURE

6.1 Meaning of Force Majeure

In this Agreement, “Force Majeure” refers to any of the following that is beyond the reasonable control of the Party/Parties claiming force majeure which, through the exercise of due foresight and good industry practice, the Party/Parties could not have avoided, did not contribute to or participate in, and which, even by exercise of due diligence, the Party/Parties is unable to overcome, thus preventing the party from carrying out its obligations or from enjoying its rights under this Agreement due to the impossibility of delivering the goods and services, or the imminent harm that such events, in the absence of safeguards and protocols, may bring upon its employees, agents or the general public in the performance of its obligations under this Agreement.

6.1.1 Acts of Nature

Acts of Nature, should only be considered as force majeure sufficient to terminate the contract if –

- (a) The event or calamity is of the degree or intensity that

the continued operation of the affected party would lead to death or injury of the affected party's employees or agents;

- (b) The event or calamity is of the degree or intensity that the continued operation of the affected party would be of great hazard to the security and safety of the public.

6.1.2 Epidemic/Pandemic –

An epidemic/Pandemic officially declared by the national or local government, should only be considered as force majeure and a ground for termination of contract, if the epidemic/pandemic causes:

- (a) Impossibility to deliver the Contract Capacity under this Agreement; or
- (b) When there is no remedy or protocol placed/issued by the government or the regulatory agencies to assist the parties in fulfilling their obligations.

6.1.3 Other Events of Force Majeure (Force Majeure-Acts of Man)

Force Majeure events occurring in or directly affecting the Philippines include:

- (a) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism, or sabotage; nationwide strikes, works to rule or go-slows that extend beyond the Facility or are widespread or nationwide, or that are of a political nature;
- (b) radioactive contamination or ionizing radiation originating from a source outside or inside the Philippines.
- (c) Transmission failure and System Operator Curtailment, or acts of any third party that may materially affect the capability of Buyer to draw power from the NGCP grid, or the inability of the Seller to deliver due to the same event, which is unforeseen and could not reasonably be expected or is beyond the control of the affected party, except line congestions on the existing facilities of the Buyer or the Seller to the Grid, if not caused by events of Force Majeure;
- (d) When changes in applicable laws prevent the Seller from supplying power to the Buyer, and/or prevent the Buyer from buying power from the Seller;
- (e) Any other event of similar nature which prevents Seller from delivering the Contract Capacity to the

Buyer or prevents Buyer from receiving the Contract Capacity from the Seller.

6.1.4. Similar Cases of Force Majeure

- (a) any continued outages in the transmission network and facilities, transmission failure, transmission cut-off or transmission service disruption;
- (b) stoppage or suspension of the operations of the Power Plant for the failure or inability of the Power Generator to manage and control the contracted capacity of the Power Plant, on account of unavailability of facilities or materials, including but not limited to the unavailability of consumables, such as fuel, required to produce power, or transportation failures which are unforeseeable and against which a reasonably prudent person would not have taken precautions;
- (c) failure of the Visayas and Mindanao grids, or the inability of NGCP to transmit power from Seller to Buyer;

Contract Capacity and Contract Energy

Schedule 2

Billing Period	Contract Capacity (KW)	Contract Energy (KWH)
December 26 to January 25	50,000.00	29,760,000.00
January 26 to February 25	50,000.00	29,760,000.00
February 26 to March 25 (Non-Leap Year)	50,000.00	26,880,000.00
February 26 to March 25 (Leap Year)	50,000.00	27,840,000.00
March 26 to April 25	50,000.00	29,760,000.00
April 26 to May 25	50,000.00	28,800,000.00
May 26 to June 25	50,000.00	29,760,000.00
June 26 to July 25	50,000.00	28,800,000.00
July 26 to August 25	50,000.00	29,760,000.00
August 26 to September 25	50,000.00	29,760,000.00
September 26 to October 25	50,000.00	28,800,000.00
October 26 to November 25	50,000.00	29,760,000.00
November 26 to December 25	50,000.00	28,800,000.00

Ref. p. 28 of 33, Power Supply Agreement

Schedule 4
ENERGY FEE

Table 1:

PARTICULARS	AMOUNT			REMARKS
Energy Rate per kWh	CRF	2.1500	PhP/kWh	Fixed Rate; No adjustment (FS) Fuel Shock If fuel price change by +/- 40% from the date of offer it shall be adjusted accordingly
	LOM	0.7000	PhP/kWh	
	FOM	0.4500	PhP/kWh	
	Fuel Rate	2.6300	PhP/kWh	
	Total	5.9300	PhP/kWh	

ENERGY FEE_M = BCQ_M x (CRF + LOM + FOM) + HCQ_M x FR

Where:

ENERGY FEE _M	=	Energy Fee for the current Billing Period, in PhP.
BCQ _M	=	BCQ for the current Billing Period, as defined in Schedule 1, or the Contract Energy as defined in Schedule 2, whichever is higher.
CRF	=	Capital Recovery Fee as set in Table 1 of Schedule 4
FOM	=	Foreign O&M Fee as set in Table 1 of Schedule 4.
LOM	=	Local O&M Fee as set in Table 1 of Schedule 4.
HCQ _M	=	Actual Delivered Quantity for the current Billing Period, in terms of kWh.
FR	=	Fuel Rate as set in Table 1 of Schedule 4, subject to Fuel Shock Clause.

FUEL SHOCK CLAUSE

In the event that the price of fuel under the globalCOAL Newcastle Index (NEWC) increases or decreases by +/- Forty Percent (40%) from the reference as of July 2025, the Fuel Fee shall be adjusted accordingly. For clarity, implementation of the Fuel Shock will be on a month-to-month basis.

IV. Rate Impact Analysis

Rate Impact		2024		
		CEDC and WESM (Current)	CEDC, MPI, and WESM	MPI and WESM
WESM				
Cost	Php	3,074,660,560.92	949,528,736.52	1,725,027,932.78
Energy	KWH	498,798,612.50	147,438,612.50	277,331,273.36
Effective Rate (Php/KWH)	Php/KWH	6.1641	6.4402	6.2201
CEDC				
Cost	Php	841,543,260.78	841,543,260.78	
Energy	KWH	129,892,660.87	129,892,660.87	
Effective Rate (Php/KWH)	Php/KWH	6.4788	6.4788	
MPI				
Cost	Php		2,083,564,800.00	2,083,564,800.00
Energy	KWH		351,360,000.00	351,360,000.00
Effective Rate (Php/KWH)	Php/KWH		5.9300	5.9300
TPI				
Cost	Php	31,882,299.58	31,882,299.58	31,882,299.58
Energy	KWH	8,860,884.20	8,860,884.20	8,860,884.20
Effective Rate (Php/KWH)	Php/KWH	3.5981	3.5981	3.5981
Net-Metering				
Cost	Php	1,067,220.44	1,067,220.44	1,067,220.44
Energy	KWH	177,390.00	177,390.00	177,390.00
TOTAL				
Cost	Php	3,949,153,341.72	3,907,586,317.33	3,841,542,252.81
Energy	KWH	637,729,547.56	637,729,547.56	637,729,547.56
PPD from MPI			83,342,592.00	83,342,592.00
PPD from CEDC	Php	6,679,142.65	6,679,142.65	
PPD extended to Customers	Php	528,693.88	528,693.88	528,693.88
PPD	Php	3,075,224.39	44,746,520.39	41,406,949.06
PCR	Php	981,306.93	981,306.93	916,601.57
Implemented GR			6.1862	6.1862
NEW GR	Php/KWH	6.1862	6.0556	5.9574
Rate Impact (-Inc/Dec)	Php/KWH		0.1305	0.2287

22. Based on the foregoing, the new generation rate is **PhP6.0556/kwh** before the expiration of the power supply contract with CEDC, and **PhP5.9574/kwh** after the expiration of the contract on February 25, 2026 at the rate impact of **PhP0.1305/kwh** and **PhP0.2287/kwh**, respectively.

V. Technical and Legal Requirements

23. In support of this Joint Application, MECO and MPI respectfully submit the following documents:

Annex	Document
FOR DISTRIBUTION UTILITY	
ANNEX 02 CTC	Certified True Copy of the (a) Articles of Incorporation (AOI), (b) Bylaws, and (c) latest General Information Sheet (GIS).
ANNEX 03	Verified Certification showing list of Board of Directors and Board Members of the ultimate parent company, its subsidiaries, and all its affiliates.
FOR GENERATION COMPANY	
ANNEX 04	Certified True Copy of the (a) Articles of Incorporation (AOI), (b) Bylaws, and (c) latest General Information Sheet (GIS)
ANNEX 05	Verified Certification showing list of Board of Directors and Board Members of the ultimate parent company, its subsidiaries, and all its affiliates.
ANNEX 06	Certificate of Registration of the Articles of Incorporation issued by the SEC
ANNEX 07. Write-up (Contains Annex 7, 12-15, 23B, 23F)	Shareholders' Agreement (if any).
ANNEX 08	Certificate of Registration with BOI, if applicable
ANNEX 09	Environmental Compliance Certificate (ECC)
ANNEX 10	Certificate of Compliance or Provisional Authority to Operate or ERC Certification
ANNEX 11	DOE Certificate of Endorsement re: Philippine Development Plan
ANNEX 12. Refer to Annex 07	For Genco utilizing or will utilize Renewable Energy technology: Renewable Energy Service and Operating Contract from the DOE
ANNEX 13. Refer to Annex 07	For Renewable Energy projects: Certificate of Confirmation of Commerciality issued by the DOE to the developer.
ANNEX 14. Refer to Annex 07	DOE Certificate of Confirmation of Commerciality
ANNEX 15. Refer to Annex 07	Water Permit from the National Water Resources Board (NWRB).
SUPPLY AND DEMAND SCENARIO	
ANNEX 16	Projected costs and benefits of the DSM program.

ANNEX 17	Certification by National Power Corporation (NPC) whether Transition Supply Contract (TSC) capacity and energy are expected to be available during the contractual period.
ANNEX 18. Rate Impact Excel File	DU's Supply and Demand Scenario, Details of Existing Suppliers, Contract Utilization, Average Daily Load Curve.
ANNEX 19 Single Line Diagram MPI	Single-line Diagram Connection
ANNEX 20	Performance Assessment of the System
ANNEX 21	Estimation of the potential for a reduction in load supplied by the DU due to retail competition, GEOP, etc.
POWER SUPPLY AGREEMENT (PSA) AND OTHER AGREEMENTS	
ANNEX 01	Duly signed PSA or Energy Conversion Agreement Contract.
ANNEX 22A -PTP Decision	Transmission Service Agreement, or application for dedicated Point to Point Limited Transmission Facility to ERC.
ANNEX 22B – TSA of MPI	
ANNEX 23A. Refer to Annex 22B	Copy of any Related Agreements such as: a. Transmission Wheeling Contract; b. IPPA Agreement; c. EPC Contract; (<i>confidential</i>) d. O&M Contract; (<i>confidential</i>) e. Feasibility Study; (<i>confidential</i>) f. Wholesale Aggregator Agreement.
ANNEX 23B. Refer to Annex 07	
ANNEX 23C-01. Construction Contract	
ANNEX 23C-02. Contract for Supervisory Services	
ANNEX 23C-03. Supply Contract	
ANNEX 23D-01.	
ANNEX 23D-02.	
ANNEX 23E	

ANNEX 23F. Refer to Annex 07	
GENERATION/ POWER RATE	
ANNEX 24. Executive Summary PSA	Executive Summary
ANNEX 25	Sources of Funds/ Financial Plans (confidential)
ANNEX 26 ANNEX 26A New Write Up MPI ANNEX 26B - Sample Bill Annex 26D-02 ANNEX 26D-02 Write-up ANNEX 26E. DU	Generation Rate and Derivation: (confidential) <ol style="list-style-type: none"> Financial Model Project Cost Breakdown of the base prices; Capital Recovery Fee, Fixed and Variable O&M, and Fuel Fee; Breakdown of Project Cost and O&M Cost; Sample Computation of Power Rates; Basis/rationale of indexation including the sources, reference date, and weight of indexation. Basis of proposed escalation, if applicable. Basis/rationale/derivation of Other Charges such as replacement, start-up, pre-commercial. Equivalent PhP/kWh with assumptions for foreign-denominated rates.
ANNEX 27	Cash Flow specifying the following: (confidential) <ol style="list-style-type: none"> Initial Costs Breakdown of O&M expenses.
ANNEX 28 ANNEX 28E	Updated Costs (confidential) <ol style="list-style-type: none"> BIR Receipts Seller's Receipt Purchase Orders with Annotations of Acceptance or Transfers of Materials/Services Deeds of Sale and other forms of Conveyance of Ownership Costs that will justify / explain the reasons for the different cost in the PSA versus other PSAs submitted to the Commission

ANNEX 29. Write-up (Contains Annex 29-31)	All details on the procurement process of fuel
ANNEX 30. Refer to Annex 29	Sworn Statement by the competent Genco officer
ANNEX 31. Refer to Annex 29	All relevant technical and economic characteristics of the generation capacity; Installed Capacity, Mode of Operation, Dependable Capacity; Auxiliary load; Scheduled and Unscheduled Outages; Basis/Justification of day used.
ANNEX 32 A MPI SMCPC- AFS 2025 ANNEX 32B ANNEX 32C ANNEX 32D. Refer to Annex 07 ANNEX 32E-01. GENCO ANNEX 32E-02. DU	Other documents: a. Latest and Complete Set of Audited Financial Statements b. Certification of the net heat rate in liters per kWh. c. Simulation of the number of operating units necessary to meet the MEOT d. Distribution Wheeling Service (DWS) Agreement , if applicable e. Wholesale Electricity Spot Market (WESM) Registration

VI. MECO’s Motion for Provisional Authority

24. MECO respectfully moves for provisional authority to implement the PSA pending the resolution of this Joint Application on account of the exposure to the volatile prices of the Wholesale Electricity Spot Market (WESM).
25. The necessity to draw power on August 26, 2025 is not only on account of MECO’s mandate to provide the least cost of electricity to its consumers, but is also based on the following factual considerations:
- 24.1 MECO sources its power supply from CEDC and WESM. MECO’s current power demand for the captive market is 100.47MW at a load factor of 74.6%. Thus, MECO’s market exposure is 85MW at 72% load factor.

- 24.2 MECO's PSA with CEDC will expire on February 25, 2026. This will raise exposure to WESM prices which could reach as high as PhP34.66/kwh based on historical data.
 - 24.3 Finally, it is noteworthy to add that the price offered in the PSA is PhP5.9300/kwh less prompt payment discount. This, as compared to the cost of electricity at PhP6.1862/kwh in 2024, is evidently more beneficial to the customers of MECO.
26. Therefore, pursuant to the mandate of the Electric Power Industry Reform Act of 2001 (Republic Act No. 9136) or the EPIRA, MECO respectfully moves that a provisional authority to implement the rate of PhP5.9300/kwh less prompt payment discount be issued by this Honorable Commission on or before August 26, 2025, subject to the final resolution of this Joint Application.

VII. MPI's Motion for Confidential Treatment of Information

27. Section 1, Rule 4 of the Honorable Commission's Rules of Practice and Procedure provides that MPI and MECO may request that information may not be disclosed;
28. MPI prays for the confidential treatment of the information contained in **Annexes 23C-01, 23C-02, 23C-03, 23D-01, 23E, 25, 26, 27, 28, 28E** and not disclosed except to the officers and staff of the Honorable Commission and its staff.
29. **Annexes 23C-01, 23C-02, 23C-03, 23D-01, 23E, 25, 26, 27, 28, 28E** contain the details of MPI's power rate calculations and financial model as well as the manner by which these were derived. These pieces of information are proprietary in nature and should be protected as trade secrets as contemplated by law and jurisprudence. In the case of *Air Philippines Corporation vs. Pennswell, Inc.*,¹⁵ the Supreme Court defined a trade secret, as follows:

“A trade secret may consist of any formula, pattern, device, or compilation of information that: (1) is used in one's business; and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for

¹⁵ 564 Phil. 774 (2007), G.R. No. 172835

continuous use in the operation of the business, for example, a machine or formula, but can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights. The inventor, discoverer, or possessor of a trade secret or similar innovation has rights therein which may be treated as property, and ordinarily an injunction will be granted to prevent the disclosure of the trade secret by one who obtained the information "in confidence" or through a "confidential relationship". American jurisprudence has utilized the following factors to determine if an information is a trade secret, to wit:

1. the extent to which the information is known outside of the employer's business;
 2. the extent to which the information is known by employees and others involved in the business;
 3. the extent of measures taken by the employer to guard the secrecy of the information;
 4. the value of the information to the employer and to competitors;
 5. the amount of effort or money expended by the company in developing the information; and
 6. the extent to which the information could be easily or readily obtained through an independent source." (citations omitted, emphasis supplied)
29. The interest of the consuming public is sufficiently protected by the review and evaluation of the rates under the PSA by the Honorable Commission, without the need to disclose the contents of **Annexes 23C-01, 23C-02, 23C-03, 23D-01, 23E, 25, 26, 27, 28, 28E**. The reasonableness and transparency of the prices of electricity is to be assured by the Honorable Commission through its own review and verification of MPCL's operating costs and expenses;

30. More importantly, MPI's competitors, should they obtain the information in **Annexes 23C-01, 23C-02, 23C-03, 23D-01, 23E, 25, 26, 27, 28, 28E**, will gain undue advantage thereon and have the opportunity to use the same in their operations. The negotiating power of MPI with parties it plans to contract with or who it is currently doing business with, will clearly be thwarted if it is compelled to disclose such information;
31. Accordingly, MPI submits one (1) copy of **Annexes 23C-01, 23C-02, 23C-03, 23D-01, 23E, 25, 26, 27, 28, 28E**, in a sealed envelope, with the said envelope and each page of the documents and/or information stamped with the word "Confidential".
32. Lastly and corollary to the foregoing, MPI would like to implore the discerning wisdom of the Honorable Commission to include in its issuance for this purpose the "procedures for the handling or returning the confidential information, as appropriate, upon the close of the proceedings or at the end of the period for which the information is to be treated as confidential".
33. This is guided by the fact that MPI will seek for the return of these sought to be declared confidential annexes after its utilization as evidence in this case and/or at the close of the proceedings hereof, so as to relieve the Honorable Commission of the burden of safekeeping the trade secrets of MPI enclosed in the subject annexes.

RELIEF

In view of the foregoing, MECO and MPI pray that the Honorable Commission:

1. GRANT provisional authority to implement the PSA pending its final resolution;
2. DECLARE **Annexes 23C-01, 23C-02, 23C-03, 23D-01, 23E, 25, 26, 27, 28, 28E, confidential** and issue an order directing all persons including members, officers, and employees of the Commission not to disclose to any third person such information contained in the said document;
3. APPROVE the PSA between MECO and MPI after hearing this Joint Application;

4. GRANT other just and equitable relief.

Lapu-lapu City and Pasig City for Pasig City, Oct. 7, 2025.

MACTAN ELECTRIC COMPANY INC.



8F/802 PRIME LAND TOWER, MARKET STREET
MADRIGAL BUSINESS PARK, AYALA ALABANG
MUNTINLUPA CITY 1780, M.M.

<https://raattorneyslaw.com>

legal@raattorneyslaw.com

By:

MISHELLE ANNE R. RUBIO-AGUINALDO

PTR No. MCF 4806446; 01.16.25; Muntinlupa City

IBP Lifetime Roll No. 014910; PPLM

Roll of Attorneys No. 65873

MCLE Compliance No. VIII-0026569; 14 April 2028

mra@raattorneyslaw.com

-and-

JANICE P. MONTEROLA

Roll of Attorneys No. 58922

IBP Lifetime Member No. 012565

PTR No. 0898613 A, 01.03.25, Lapu-lapu City

SC Roll No. 58922 04.15.2011

MCLE Compliance No. VIII-0018443

Valid until April 14, 2028

114 Sergio Osmeña Sr. St.,

Gun-ob, Lapu-lapu City

janmonterola@yahoo.com

MALITA POWELL INC

~~By~~

JUPITER M. CARAGUO

5th Floor, C5 Office Building Complex
#100 E. Rodriguez, Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
Telephone No. (02) 5317 1000 / jcabaguio@smcgph.sanmiguel.com.ph
PTR No. 3006693 / 03 January 2025 / Pasig City
IBP Lifetime No. 06372 / Makati Chapter
MCLE Compliance No. VIII – 0032570 valid until 14 April 2028
Roll No. 47112

AVELINO G. CEDO III

5th Floor, C5 Office Building Complex
#100 E. Rodriguez, Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
Telephone No. (02) 5317 1000 / acedoiii@smcgph.sanmiguel.com.ph
PTR No. 3006695 / 03 January 2025 / Pasig City
IBP Lifetime No. 010380 / PPLM Chapter
MCLE Compliance No. VIII - 0029077 valid until 14 April 2028
Roll No. 54500

JULIETA B. ESTAMO

5th Floor, C5 Office Building Complex,
#100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
Telephone No. (02) 5317 1000 / jestamo@smcgph.sanmiguel.com.ph
PTR No. 3035762 / 07 January 2025 / Pasig City
IBP Invoice No. 514069 / 27 February 2025 /
Central Luzon Bulacan Chapter
MCLE Compliance No. VIII-0016943 valid until 14 April 2028
Roll No. 39024