Power Supply Procurement Plan 2025

Tarlac Electric Inc.

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	30.78	161,089	0	161,089	142,084	19,005	60%	0.00%	0.00%	11.80%
2001	33.18	174,600	0	174,600	153,609	20,991	60%	0.00%	0.00%	12.02%
2002	35.77	186,783	0	186,783	166,793	19,990	60%	0.00%	0.00%	10.70%
2003	38.57	200,006	0	200,006	179,004	21,001	59%	0.00%	0.00%	10.50%
2004	41.57	212,440	0	212,440	190,656	21,784	58%	0.00%	0.00%	10.25%
2005	44.58	217,157	0	217,157	195,727	21,430	56%	0.00%	0.00%	9.87%
2006	38.72	218,009	0	218,009	196,957	21,052	64%	0.00%	0.00%	9.66%
2007	40.39	225,645	0	225,645	204,123	21,522	64%	0.00%	0.00%	9.54%
2008	39.34	224,808	0	224,808	207,004	17,804	65%	0.00%	0.00%	7.92%
2009	41.16	226,874	0	226,874	206,312	20,562	63%	0.00%	0.00%	9.06%
2010	48.83	266,802	0	266,802	244,970	21,832	62%	0.00%	0.00%	8.18%
2011	46.27	266,374	0	266,374	245,194	21,180	66%	0.00%	0.00%	7.95%
2012	48.76	281,749	0	281,749	256,565	25,184	66%	0.00%	0.00%	8.94%
2013	52.25	294,521	133,498	294,521	273,649	20,872	64%	0.00%	0.00%	7.09%
2014	54.60	306,715	76,752	306,715	285,860	20,855	64%	0.00%	0.00%	6.80%
2015	56.40	345,399	72,458	345,399	323,288	22,111	70%	0.00%	0.00%	6.40%
2016	67.09	385,268	66,927	385,268	362,863	22,406	66%	0.00%	0.00%	5.82%
2017	70.39	417,275	121,465	417,275	394,367	22,909	68%	0.00%	0.00%	5.49%
2018	79.92	441,928	110,415	441,928	419,571	22,357	63%	0.00%	0.00%	5.06%
2019	81.66	461,897	130,266	461,897	438,802	23,095	65%	0.00%	0.00%	5.00%
2020	86.91	457,857	77,721	457,857	432,378	25,479	60%	0.00%	0.00%	5.56%
2021	91.38	489,419	86,804	489,419	463,440	25,979	61%	0.00%	0.00%	5.31%
2022	89.91	505,074	111,349	505,074	480,839	24,235	64%	0.00%	0.00%	4.80%
2023	95.96	521,036	131,863	521,036	494,263	26,773	62%	0.00%	0.00%	5.14%
2024	106.87	564,619	103,461	564,619	535,898	28,722	60%	0.00%	0.00%	5.09%

In 2024, the Company saw a significant rise in peak demand, which increased by 11.36% from 95.96 MW to 106.87 MW. This increase can be attributed to a combination of factors, including higher residential and commercial energy consumption, a growing number of connections, and an overall rise in power demand during peak periods driven by seasonal fluctuations and expanding business activities.

In 2023, TEI experienced a notable increase in peak demand of 6.73% from 89.91 MW to 95.96 MW. The higher temperature, compared to the previous year, contributed to the increase in power demand.

In 2022, the decline in peak demand was primarily due to the early onset of the rainy season declared in May, whereas in 2021, rainy season was declared in June.

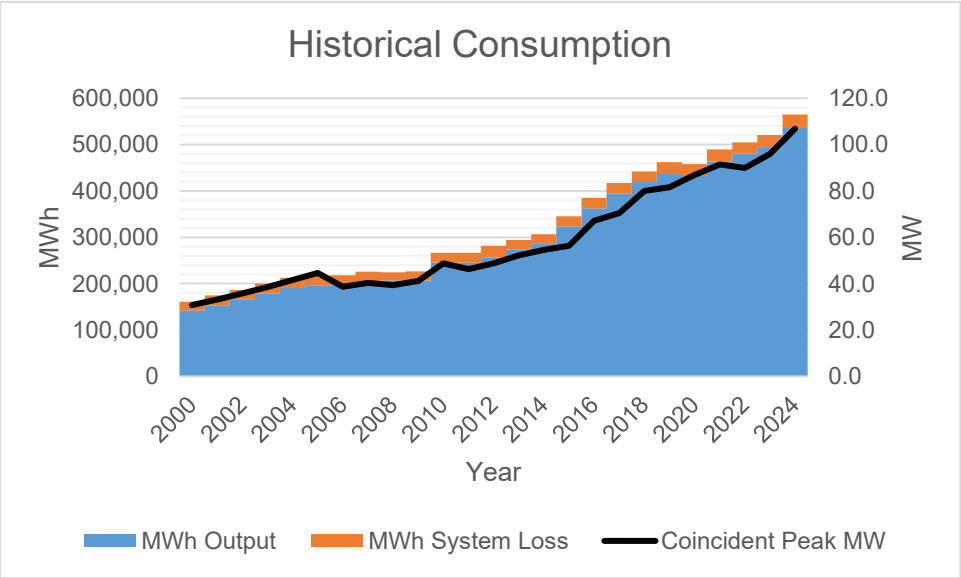
In 2021, the energy sales increased by 7.18% as businesses started to operate after the Enhanced Community Quarantine (ECQ) declared by the government in 2020 was lifted.

On the other hand, the Company's energy sales (MWh Offtake) for 2024 increased by 8.36%, rising from 521,036 MWh to 564,619 MWh. This growth is primarily attributed to higher energy consumption and new connections across both residential and commercial sectors.

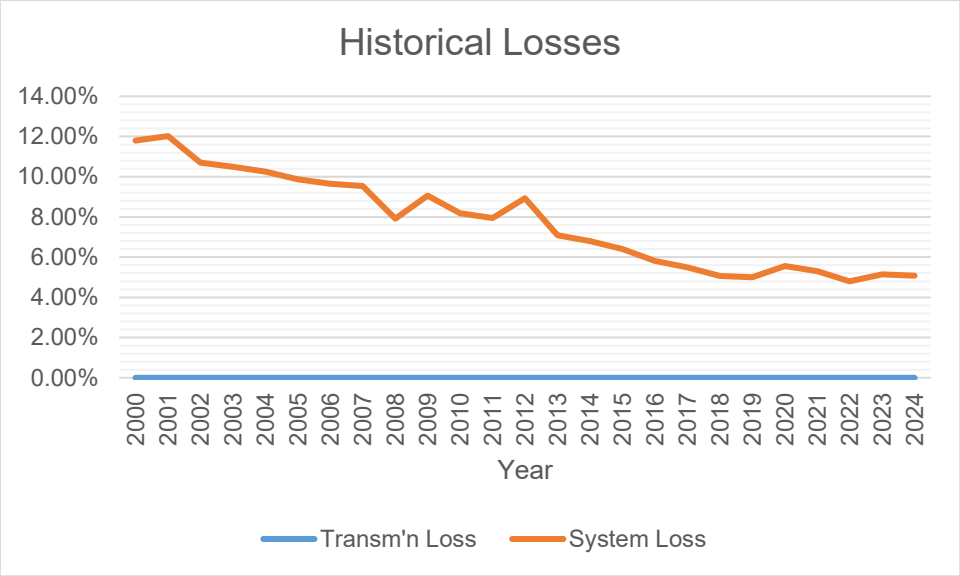
In 2024, the Load Factor dropped from 62% to 60%.

In 2023, the Company's energy sales (MWh Offtake) increased to 521,036 MWh or an increase of 3.16% which is primarily due to increasing number of residential and commercial customers.

In 2022, the Company's energy sales (MWh Offtake) increased from 489,419 MWh to 505,074 MWh or a growth of 3.20%. As the country and its economy adapted to the new normal, businesses and schools started to operate onsite, and the industrial energy demand increased leading to an overall growth in energy sales.



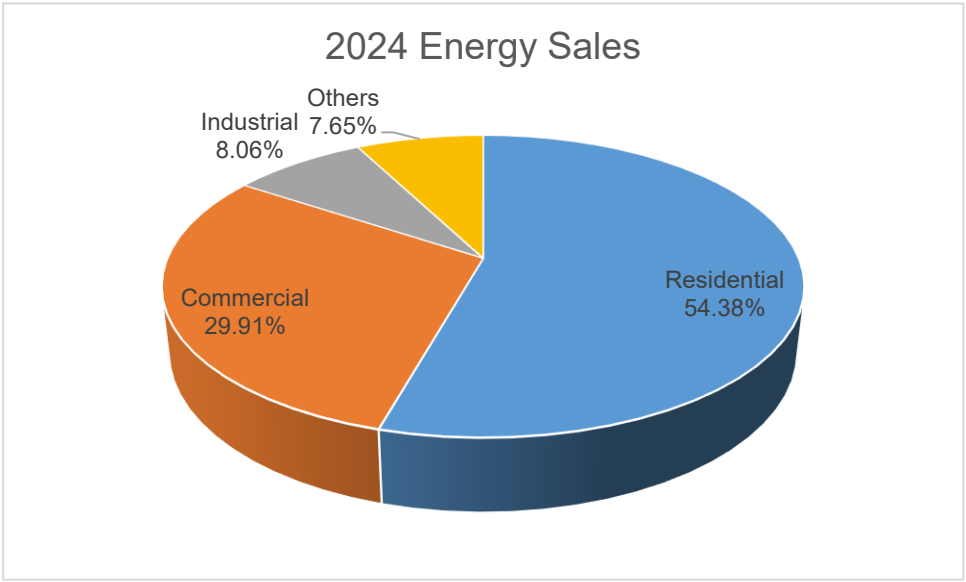
In 2024, consumption increased by 8.42% compared to 2023, while System Loss was reduced to 5.09%.



The Company registered a minimal reduction in system loss, from 5.14% in 2023 to 5.09% in 2024. System loss is computed as the difference of *total energy input* and *total energy sales* during the year, whereas non-technical loss is the residual of system loss and technical loss.

The negative non-technical loss noted in March 2020 resulted from the estimated consumption billed to the Company's customers during ECQ (Enhanced Community Quarantine). The lockdown constrained TEI to estimate the consumption of its customers from March 18 to May 15, 2020, based on the provisions of DSOAR (Distribution Service and Open Access Rules). This was normalized in June when the Company resumed reading its customers' meters. Additionally, the difference in the meter reading schedule of the Company's suppliers, which occurs from the 26th to the 25th of the following month, compared to the meter reading schedule of the Company's customers, which is scheduled throughout the billing month, contributes to significant changes in the resulting non-technical loss.

Over the past two decades, the highest recorded system loss of TEI was 12.02% in 2001 while the lowest was at 4.80% in 2022. The Company was able to lower its system loss due to extensive implementation of capital expenditure projects to enhance its distribution network system.



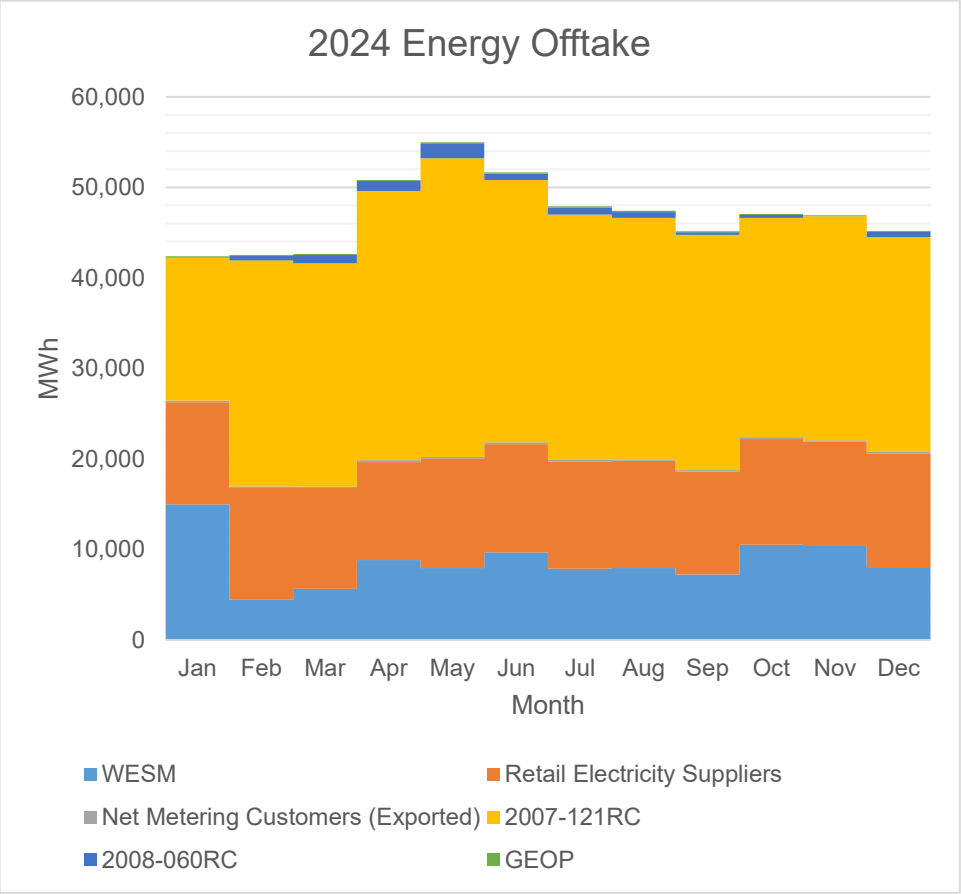
In 2024, energy sales from Residential customers were the highest, accounting for 54.38% of the company's energy sales, followed by Commercial Sector which accounts for 29.91%. The remaining percentage was consumed by the Industrial Sector at 8.06%, the Other Sector at 7.34%, and the Company's own use which accounts for 0.31%.

Consumption from Other Sectors pertains to customers classified as Public Buildings, Streetlights, and Water Systems. The Company started the identification and classification of these customers only in 2021, thus data from 2000 up to 2020 were not yet available.

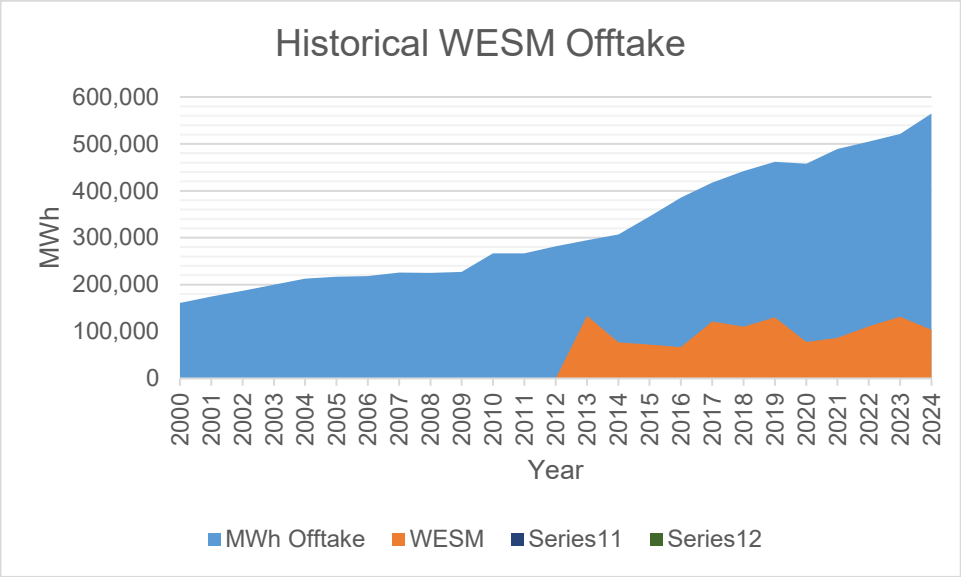
Energy sales in 2024 have increased by 8.36% as compared with 2023 sales. This can be attributed to the increase in residential and commercial customer connections. Nonetheless, the forecasted growth of energy sales in the Commercial and Industrial sectors under the captive market was expected to be minimal due to the expected switching of customers to RCOA and GEOP, the increasing number of net-metering connections and the implementation of the Retail Aggregation Program, among other programs available to qualified customers.

In 2023, energy sales increased by 3.16% compared to 2022 sales, driven by the increase in commercial and industrial consumption as the economy adjusted to the new normal. Energy sales in 2021 increased by 6.89% compared to 2020, attributed to the increase in residential and industrial consumption resulting from the adoption of flexible alternative learning and resumption of industrial operations.

During the pandemic and implementation of the Enhanced Community Quarantine last 2020, Health and Safety Protocols were released thereafter adopting a skeleton workforce with alternative work and learning arrangements. A shift in consumption from Commercial and Industrial to Residential Sectors was observed. The energy sales to Commercial and Industrial Sectors increased beginning the second half of 2020.



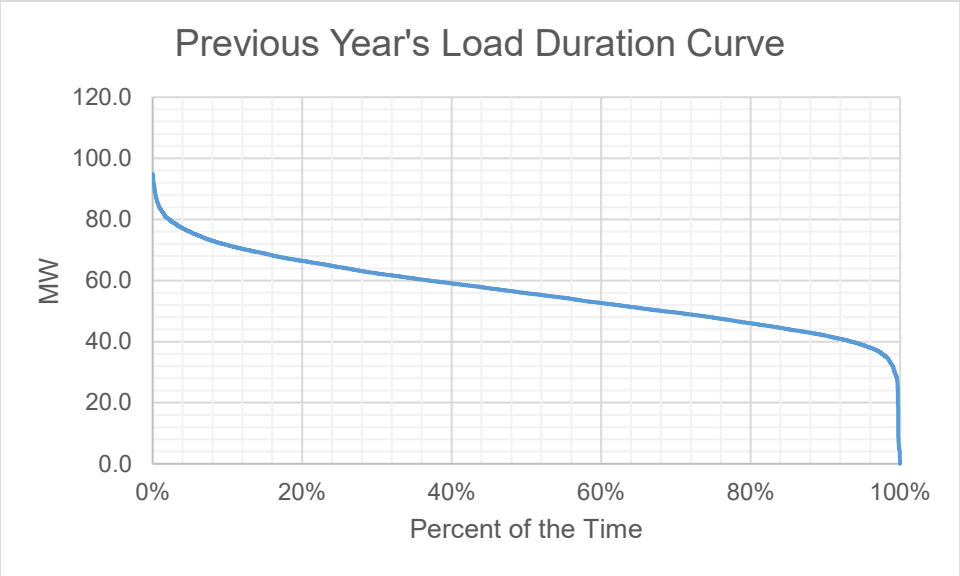
The total offtake for the most recent historical year exceeded the minimum quantity specified in the PSA. The Company currently has two (2) power supply contracts, with GNPower Mariveles Enegy Center Ltd. Co. (GMEC), formerly GNPower Mariveles Coal Plant Ltd., providing the majority of the



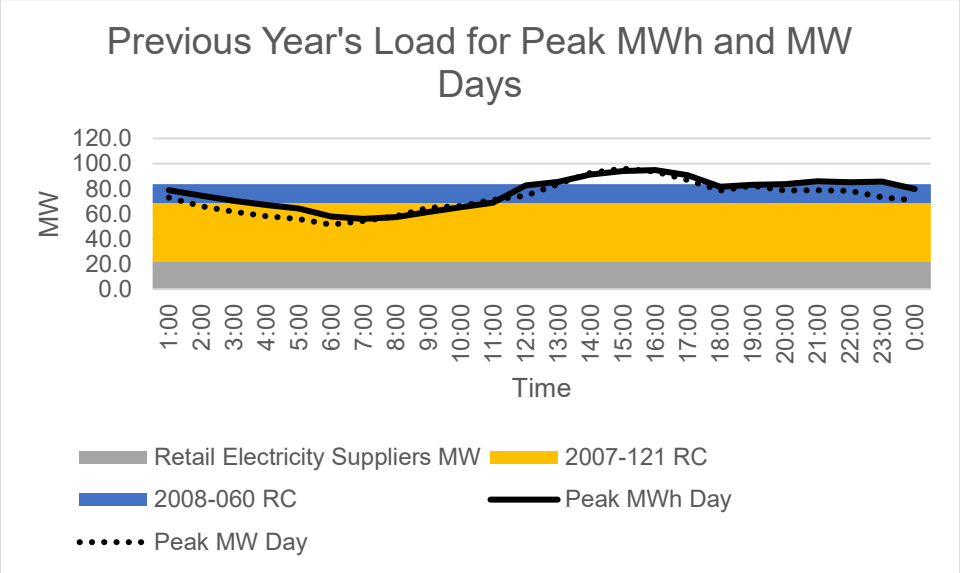
offtake. Any excess beyond the PSA was sourced from WESM. Furthermore, the "S4R as buyer MWh" data is not applicable, as the Company does not have a Sale for Resale Agreement.

WESM offtake decreased from 131,863 MWh in 2023 to 103,461 MWh in 2024, with its share in the total offtake averaging 24.28%.

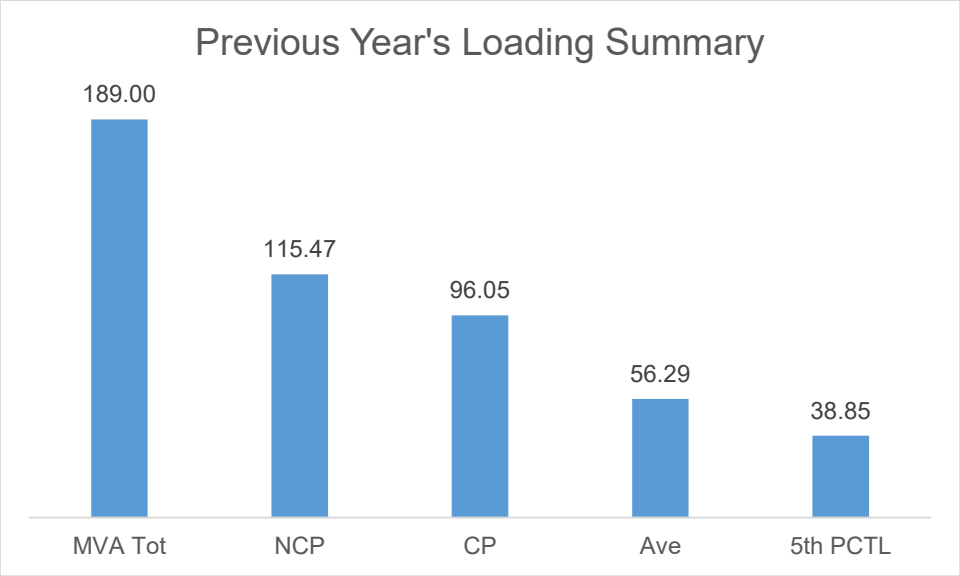
Previous Year's Load Profile



As shown in the above graph, the maximum load of the Company's power transformers in 2024 was 96.05 MW. Said maximum load did not include the requirement of the Company's 69 KV customers and the supply from embedded generators.



In 2024, transformer peak demand occurred at 15:00 while the daily peak demand occurred between 14:00 to 16:00.



The Non-coincident Peak Demand is 115.47 MW, which is around 61.10% of the total substation capacity of 189 MVA. The ratio between the Average Load of 51.31 MW and the Non-coincident Peak Demand is 48.75%. A safe estimate of the true minimum load is the fifth percentile load of 38.85 MW which is 33.65% of the Non-coincident Peak Demand.

Metering Point	Substation MVA	Substation Peak MW
LIP SS	63	24.63
Maliwalo SS	10	8.32
Panganiban SS	35	23.94
San Rafael	28	25.37
TPC	20	10.98
San Vicente	33	22.24

In 2024, the substations loaded at above 70% are Maliwalo Substation at 83% and San Rafael Substation at 90%. In October 2024, the Company began upgrading Maliwalo Substation, from 10MVA to 33MVA, with completion expected by the end of 2025. To facilitate the upgrade, the load from Maliwalo Substation was temporarily transferred to Panganiban Substation.

In turn, part of the load from Panganiban Substation was shifted to San Vicente and San Rafael Substations to accommodate Maliwalo Substation's load. Furthermore, a portion of the load from LIP Substation was temporarily moved to San Rafael Substation during the year to support the testing and commissioning of the new LIP Switchgear House. These temporary load transfers resulted in San Rafael Substation reaching its 90% loading capacity.

The Company has also initiated the construction of primary lines to connect San Rafael and San Vicente Substations, with the project expected to be completed by the end of the year.

Once Maliwalo Substation has been upgraded and energized, the planned load assignment will be implemented. The load currently on San Rafael Substation will be transferred back to Panganiban Substation, while Panganiban Substation's load will be shifted back to Maliwalo Substation. Following these transfers, Panganiban Substation is projected to operate at 65.76%, while Maliwalo Substation will operate at 54.40%.

When the primary lines connecting San Rafael and San Vicente Substations are completed, part of San Rafael Substation's load will be transferred to San Vicente. This transfer, along with the return of load to Panganiban Substation, will reduce San Rafael Substation's load to 66.22%.

By the end of 2025, the load of the Company's Substations shall be as follows:

Substaion	Transformer Capacity (MVA)	2025 Load Projection (%)
LIP	33	48.58%
	30	39.28%
Maliwalo	33	54.40%
Panganiban	35	65.76%
San Rafael	28	66.22%
TPC	20	46.63%
San Vicente	33	46.73%

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
2025	Jan	86.44	61.28	0.00	0.000	22.31	96%	96%	-2.85
	Feb	87.60	61.28	0.00	0.000	24.94	98%	98%	-1.39
	Mar	96.75	61.28	0.00	0.000	25.83	86%	86%	-9.64
	Apr	108.73	61.28	0.00	0.000	24.30	73%	73%	-23.15
	May	104.78	61.28	0.00	0.000	25.13	77%	77%	-18.37
	Jun	108.66	61.28	0.00	0.000	24.89	73%	73%	-22.49
	Jul	102.49	61.28	0.00	0.000	24.41	78%	78%	-16.80
	Aug	96.58	61.28	0.00	0.000	24.39	85%	85%	-10.91
	Sep	95.82	61.28	0.00	0.000	25.76	87%	87%	-8.78
	Oct	98.81	61.28	0.00	0.000	26.05	84%	84%	-11.48
	Nov	93.65	61.28	0.00	0.000	25.31	90%	90%	-7.06
	Dec	94.07	61.28	0.00	0.000	26.65	91%	91%	-6.14
2026	Jan	93.70	61.28	0.00	10.000	23.25	87%	101%	0.84
	Feb	96.85	61.28	0.00	10.000	26.26	87%	101%	0.69
	Mar	99.30	61.28	0.00	10.000	27.23	85%	99%	-0.80
	Apr	123.64	61.28	0.00	10.000	28.55	64%	75%	-23.81
	May	128.37	46.40	0.00	10.000	26.52	46%	55%	-45.45
	Jun	122.37	46.40	0.00	10.000	26.27	48%	59%	-39.70
	Jul	115.42	46.40	0.00	20.000	25.75	52%	74%	-23.27
	Aug	108.76	46.40	0.00	20.000	25.74	56%	80%	-16.63
	Sep	107.91	46.40	0.00	20.000	27.17	57%	82%	-14.33
	Oct	111.28	46.40	0.00	20.000	27.49	55%	79%	-17.39
	Nov	105.46	46.40	0.00	20.000	26.71	59%	84%	-12.35
	Dec	105.94	46.40	0.00	20.000	28.09	60%	85%	-11.44
2027	Jan	103.58	46.40	0.00	40.000	24.49	59%	109%	7.31
	Feb	107.06	46.40	0.00	40.000	27.66	58%	109%	7.00
	Mar	109.78	46.40	0.00	40.000	28.70	57%	107%	5.32
	Apr	136.68	46.40	0.00	40.000	30.12	44%	81%	-20.16

	May	141.91	46.40	0.00	40.000	27.99	41%	76%	-27.52
	Jun	135.27	46.40	0.00	40.000	27.73	43%	80%	-21.15
	Jul	127.59	46.40	0.00	40.000	27.17	46%	86%	-14.02
	Aug	120.24	46.40	0.00	40.000	27.16	50%	93%	-6.68
	Sep	119.29	46.40	0.00	40.000	28.67	51%	95%	-4.22
	Oct	123.01	46.40	0.00	40.000	29.00	49%	92%	-7.62
	Nov	116.59	46.40	0.00	40.000	28.19	52%	98%	-2.00
	Dec	117.11	46.40	0.00	40.000	29.62	53%	99%	-1.09
2028	Jan	111.37	46.40	0.00	53.000	25.79	54%	116%	13.82
	Feb	115.12	46.40	0.00	53.000	29.13	54%	116%	13.41
	Mar	118.04	46.40	0.00	53.000	30.25	53%	113%	11.61
	Apr	146.97	46.40	0.00	53.000	31.78	40%	86%	-15.78
	May	152.59	46.40	0.00	53.000	29.53	38%	81%	-23.66
	Jun	145.46	46.40	0.00	53.000	29.27	40%	86%	-16.79
	Jul	137.20	46.40	0.00	53.000	28.67	43%	92%	-9.13
	Aug	129.28	46.40	0.00	53.000	30.90	47%	101%	1.02
	Sep	128.27	46.40	0.00	53.000	30.24	47%	101%	1.38
	Oct	132.27	46.40	0.00	53.000	30.59	46%	98%	-2.28
	Nov	125.36	46.40	0.00	53.000	31.18	49%	106%	5.22
	Dec	125.92	46.40	0.00	53.000	31.23	49%	105%	4.70
2029	Jan	114.26	46.40	0.00	73.000	31.22	56%	144%	36.36
	Feb	118.11	46.40	0.00	73.000	36.56	57%	146%	37.85
	Mar	121.10	0.00	0.00	88.000	38.51	0%	107%	5.41
	Apr	150.78	0.00	0.00	88.000	40.49	0%	80%	-22.30
	May	156.55	0.00	0.00	88.000	37.11	0%	74%	-31.44
	Jun	149.23	0.00	0.00	88.000	36.78	0%	78%	-24.45
	Jul	140.76	0.00	0.00	88.000	36.21	0%	84%	-16.55
	Aug	132.64	0.00	0.00	88.000	38.43	0%	93%	-6.21
	Sep	131.60	0.00	0.00	88.000	37.88	0%	94%	-5.72
	Oct	135.70	0.00	0.00	88.000	38.48	0%	91%	-9.23
	Nov	128.62	0.00	0.00	88.000	38.29	0%	97%	-2.33
	Dec	129.19	0.00	0.00	88.000	38.89	0%	97%	-2.31
2030	Jan	138.75	0.00	0.00	118.000	42.15	0%	122%	21.40

	Feb	143.42	0.00	0.00	118.000	45.44	0%	120%	20.02
	Mar	147.06	0.00	0.00	118.000	48.41	0%	120%	19.35
	Apr	183.10	0.00	0.00	118.000	51.56	0%	90%	-13.54
	May	190.10	0.00	0.00	118.000	46.16	0%	82%	-25.94
	Jun	181.21	0.00	0.00	118.000	45.76	0%	87%	-17.45
	Jul	170.92	0.00	0.00	118.000	45.23	0%	94%	-7.69
	Aug	161.07	0.00	0.00	118.000	46.67	0%	103%	3.61
	Sep	159.80	0.00	0.00	118.000	47.01	0%	105%	5.21
	Oct	164.78	0.00	0.00	118.000	47.92	0%	101%	1.13
	Nov	156.18	0.00	0.00	118.000	48.09	0%	109%	9.91
	Dec	156.88	0.00	0.00	118.000	48.04	0%	108%	9.16
2031	Jan	142.49	0.00	0.00	118.000	50.81	0%	129%	26.32
	Feb	147.28	0.00	0.00	118.000	54.09	0%	127%	24.80
	Mar	151.02	0.00	0.00	118.000	58.03	0%	127%	25.01
	Apr	188.03	0.00	0.00	118.000	59.91	0%	92%	-10.12
	May	195.22	0.00	0.00	118.000	54.98	0%	84%	-22.24
	Jun	186.09	0.00	0.00	118.000	54.50	0%	90%	-13.59
	Jul	175.53	0.00	0.00	118.000	54.01	0%	97%	-3.52
	Aug	165.40	0.00	0.00	118.000	53.59	0%	106%	6.18
	Sep	164.10	0.00	0.00	118.000	55.90	0%	109%	9.80
	Oct	169.22	0.00	0.00	118.000	57.10	0%	105%	5.88
	Nov	160.39	0.00	0.00	118.000	54.67	0%	112%	12.28
	Dec	161.10	0.00	0.00	118.000	56.95	0%	113%	13.84
2032	Jan	167.12	0.00	0.00	138.000	52.42	0%	120%	23.31
	Feb	172.74	0.00	0.00	138.000	55.90	0%	118%	21.16
	Mar	177.12	0.00	0.00	138.000	59.95	0%	118%	20.84
	Apr	220.52	0.00	0.00	138.000	61.97	0%	87%	-20.55
	May	228.96	0.00	0.00	138.000	56.91	0%	80%	-34.05
	Jun	218.25	0.00	0.00	138.000	56.42	0%	85%	-23.83
	Jul	205.86	0.00	0.00	138.000	55.87	0%	92%	-11.99
	Aug	193.99	0.00	0.00	138.000	55.45	0%	100%	-0.54
	Sep	192.46	0.00	0.00	138.000	57.86	0%	103%	3.39
	Oct	198.47	0.00	0.00	138.000	59.08	0%	99%	-1.39

	Nov	188.11	0.00	0.00	138.000	56.61	0%	105%	6.50
	Dec	188.95	0.00	0.00	138.000	58.94	0%	106%	8.00
2033	Jan	170.18	0.00	0.00	138.000	54.12	0%	119%	21.94
	Feb	175.91	0.00	0.00	138.000	57.82	0%	117%	19.91
	Mar	180.37	0.00	0.00	138.000	61.98	0%	117%	19.62
	Apr	224.57	0.00	0.00	138.000	64.15	0%	86%	-22.42
	May	233.16	0.00	0.00	138.000	58.94	0%	79%	-36.22
	Jun	222.26	0.00	0.00	138.000	58.45	0%	84%	-25.81
	Jul	209.64	0.00	0.00	138.000	57.84	0%	91%	-13.80
	Aug	197.55	0.00	0.00	138.000	57.42	0%	98%	-2.13
	Sep	195.99	0.00	0.00	138.000	59.93	0%	101%	1.93
	Oct	202.11	0.00	0.00	138.000	61.17	0%	98%	-2.94
	Nov	191.56	0.00	0.00	138.000	58.66	0%	104%	5.10
	Dec	192.41	0.00	0.00	138.000	61.05	0%	105%	6.64
2034	Jan	173.25	0.00	0.00	138.000	55.91	0%	118%	20.66
	Feb	179.08	0.00	0.00	138.000	59.84	0%	116%	18.76
	Mar	183.62	0.00	0.00	138.000	64.13	0%	115%	18.50
	Apr	228.62	0.00	0.00	138.000	66.46	0%	85%	-24.17
	May	237.37	0.00	0.00	138.000	61.09	0%	78%	-38.28
	Jun	226.27	0.00	0.00	138.000	60.59	0%	83%	-27.68
	Jul	213.42	0.00	0.00	138.000	59.91	0%	90%	-15.51
	Aug	201.12	0.00	0.00	138.000	59.50	0%	97%	-3.61
	Sep	199.53	0.00	0.00	138.000	62.11	0%	100%	0.58
	Oct	205.76	0.00	0.00	138.000	63.38	0%	97%	-4.37
	Nov	195.01	0.00	0.00	138.000	60.82	0%	103%	3.81
	Dec	195.89	0.00	0.00	138.000	63.27	0%	104%	5.39

The forecasted peak demand is derived from a combination of historical trends and anticipated spot loads. The system's peak demand is expected to occur in May due to hot weather, while the lowest monthly peak is projected for January due to cooler temperatures. In general, peak demand is expected to grow at an average annual rate of 6.67%.

The graph below suggests that the Company's available supply, consisting of its existing and planned contracted capacity as well as the demand of its contestable customers, may be insufficient to meet peak demand. However, since peak demand typically occurs during the summer months (May to June) and remains significantly lower throughout the rest of the year, the Company's annual average system demand consistently stays below the available supply.

As illustrated in the graph, the Company's current power supply agreements (PSAs) are set to expire in 2026 and 2029. To ensure a continuous and stable supply, the Company is set to enter into power supply contracts and/or conduct the necessary competitive selection processes (CSPs) to secure new power supply contracts.

In addition, the shortfall in the Company's renewable energy certificates (RECs) necessitates securing power supply agreements with eligible renewable energy suppliers (REs). To address this, the Company has initiated negotiations with Sto. Nino Solar Power Corporation (SNSPC), an embedded renewable energy provider, for a 10 MW power supply agreement over a 20-year period, starting on 26 June 2026.

Moreover, the Company requested the necessary Certificate of Conformity (COC) from the DOE to commence a CSP for an additional 10 MW supply from an RPS eligible renewable energy supplier, with a 10-year contract term starting on 26 December 2025, equivalent to a minimum of 13,140 MWh and a maximum of 26,280 MWh annually. The COC was issued by DOE on 14 January 2025, and the CSP was initiated on 28 January 2025. On 24 June 2025, the CSP has been declared a failure. Consequently, the Company will proceed with direct negotiations with Trustpower Corporation for the supply of 10MW renewable energy.

Furthermore, to ensure a continuous and stable power supply for its customers and comply with RPS requirements, the Company plans to conduct the following CSPs:

Description	Type	Minimum MW	Maximum MW	Minimum MWh/yr	Maximum MWh/yr	PSA Start	PSA End
FOR CSP1 - Base	Base	10	25	56,940	219,000	12/26/2026	12/25/2041
FOR CSP 2 - RPS Eligible	Peaking	10	10	13,140	18,396	12/26/2026	12/25/2036
FOR CSP 3 - RPS Eligible	Peaking	8	8	10,512	21,024	12/26/2027	12/25/2037
FOR CSP 4 - RPS Eligible	Peaking	15	15	19,710	27,594	12/26/2028	12/25/2038
FOR CSP 5 - Base	Base	15	15	85,410	131,400	02/26/2029	02/25/2039
FOR CSP 6 - Base	Base	15	15	85,410	131,400	12/26/2029	12/25/2039
FOR CSP 7 - RPS Eligible	Peaking	15	15	19,710	27,594	12/26/2029	12/25/2039
FOR CSP 8 - RPS Eligible	Peaking	15	15	19,710	27,594	12/26/2031	12/25/2041

Table A.1 List of Planned CSP

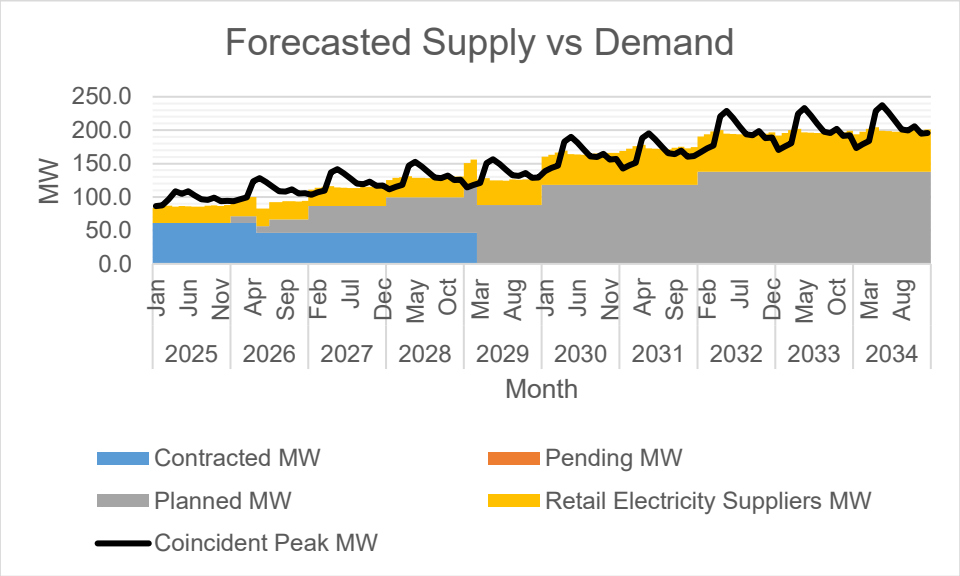
The Company plans to conduct its Competitive Selection Process (CSP) for 10 MW baseload requirement with a 15-year contract term to address load growth. The minimum energy of the planned PSA is 56,940 MWh and a maximum of 87,600 MWh for the first contract year. This planned PSA will have an escalation of 5MW on the 2nd, 3rd, and 6th contract year.

The next CSP will be a 10-year contract term for a 10 MW peaking RPS eligible supply to cover the upcoming REC shortfall on the RPS compliance. The planned PSA will have a minimum energy requirement of 13,140 MWh and a maximum of 18,396 MWh.

The succeeding CSPs are all tentative to address the forecasted load growth and foreseeable shortfall on RPS compliance. These contracts will be carefully evaluated every year and will update the capacity and type if necessary.

On 29 December 2023, the Company wrote to DOE a letter of intent for the GEAP Opt-in. DOE responded on 04 January 2024 acknowledging the receipt of the letter and informing the Company

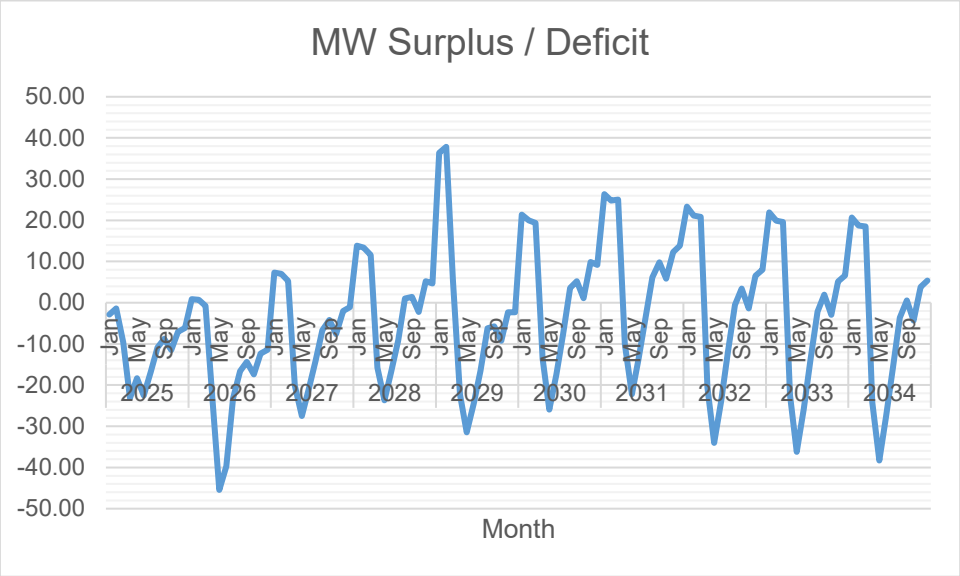
that guidelines are still being finalized. This will affect further evaluation of the succeeding planned CSPs.



In 2024, GMEC, supplied the largest portion of the Company's power supply. On 10 August 2023, the Company requested a renegotiation of its contracted capacity with GMEC to address the impact of displaced capacities due to contestable customers switching to Retail Electric Suppliers (RES) under the Retail Competition and Open Access (RCOA), qualified end-users choosing the Green Energy Option Program (GEOP), the potential effects of customers participating in the Retail Aggregation Program, the growing number of Net-Metering End-Users (NMEs), and the potential integration of Distributed Energy Resources (DER). The renegotiation also aims to ensure the Company's compliance with the Renewable Portfolio Standards (RPS). As a result, the Company's contracted capacity with GMEC was reduced to 46.4 MW, effective 01 June 2024.

As shown in the graph above and discussed in the previous section, the Company's current contracts are set to expire in 2026 and 2029. In response, the Company has begun negotiations with SNSPC for a 10MW renewable energy supply, with a contract term of twenty (20) years, starting from 26 September 2025. Also, the Company commenced a CSP for another 10MW renewable energy supply on 28 January 2025. However, said CSP was declared a failure on 24 June 2025. Accordingly, the Company will commence direct negotiations with Trustpower Corporation for the

supply of 10MW renewable energy. Moreover, TEI's planned CSPs for the next ten (10) years are detailed in Table A.1.



The graph above suggests a supply deficit during certain periods, particularly during peak hours in the summer season. However, the available supply has been sufficient to meet the Company's average demand in previous years.

Also, the graph reveals a projected 38.28MW supply deficit by 2034, even after securing contracts to replace and augment those set to expire. However, this deficit is based solely on the Company's peak demand, which occurs over a limited period. Therefore, in determining the Company's optimal contract levels, it is more appropriate to consider the average demand to avoid over-contracting, which could lead to displaced contract capacity and stranded costs.

The Company's efforts to secure the necessary power supply, ensuring stable and continuous supply to its customers and compliance with regulatory requirements, such as the RPS, are outlined in the previous sections.

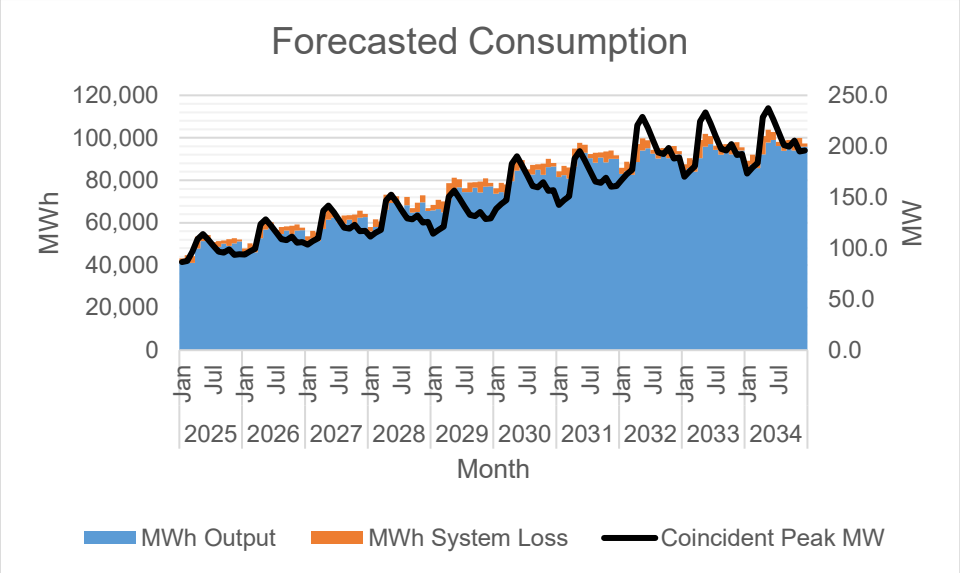
		MWh Offtake	MWh Output	MWh System Loss	Transm'n Loss	System Loss
2025	Jan	43,227	41,158	2,069	0.00%	4.79%
	Feb	44,759	42,796	1,963	0.00%	4.39%
	Mar	44,237	41,090	3,147	0.00%	7.11%
	Apr	53,530	47,874	5,656	0.00%	10.57%
	May	53,119	50,373	2,746	0.00%	5.17%
	Jun	54,212	51,896	2,316	0.00%	4.27%
	Jul	50,941	49,785	1,157	0.00%	2.27%
	Aug	51,425	48,584	2,841	0.00%	5.52%
	Sep	51,626	50,098	1,527	0.00%	2.96%
	Oct	52,277	49,066	3,211	0.00%	6.14%
	Nov	52,666	50,259	2,407	0.00%	4.57%
	Dec	52,174	51,149	1,025	0.00%	1.96%
2026	Jan	47826.78	46,090	1,737	0.00%	3.63%
	Feb	50255.17	47,293	2,962	0.00%	5.89%
	Mar	49591.80	46,080	3,512	0.00%	7.08%
	Apr	58732.11	52,714	6,018	0.00%	10.25%
	May	61009.88	56,839	4,171	0.00%	6.84%

	Jun	60269.23	57,545	2,724	0.00%	4.52%
	Jul	56548.84	55,191	1,358	0.00%	2.40%
	Aug	58039.57	54,602	3,438	0.00%	5.92%
	Sep	58248.18	56,397	1,851	0.00%	3.18%
	Oct	58542.61	54,718	3,825	0.00%	6.53%
	Nov	59252.94	56,356	2,897	0.00%	4.89%
	Dec	57659.04	56,467	1,192	0.00%	2.07%
2027	Jan	53,640	51,559	2,081	0.00%	3.88%
	Feb	56,148	52,632	3,516	0.00%	6.26%
	Mar	55,461	51,287	4,173	0.00%	7.52%
	Apr	63,839	57,077	6,762	0.00%	10.59%
	May	66,199	61,522	4,677	0.00%	7.06%
	Jun	65,432	62,372	3,060	0.00%	4.68%
	Jul	61,577	60,042	1,536	0.00%	2.49%
	Aug	63,397	59,492	3,905	0.00%	6.16%
	Sep	63,613	61,509	2,105	0.00%	3.31%
	Oct	63,918	59,579	4,340	0.00%	6.79%
	Nov	65,680	62,293	3,388	0.00%	5.16%
	Dec	64,125	62,719	1,406	0.00%	2.19%
2028	Jan	57,998	55,896	2,102	0.00%	3.62%
	Feb	61,554	57,987	3,567	0.00%	5.80%
	Mar	60,578	56,347	4,231	0.00%	6.98%
	Apr	73,250	66,085	7,165	0.00%	9.78%
	May	74,060	69,228	4,832	0.00%	6.52%
	Jun	72,411	69,276	3,135	0.00%	4.33%
	Jul	66,246	64,707	1,539	0.00%	2.32%
	Aug	72,147	68,237	3,909	0.00%	5.42%
	Sep	66,852	64,807	2,045	0.00%	3.06%
	Oct	69,491	65,141	4,350	0.00%	6.26%
	Nov	72,914	69,591	3,323	0.00%	4.56%
	Dec	66,907	65,575	1,332	0.00%	1.99%
2029	Jan	68,385	65,777	2,608	0.00%	3.81%
	Feb	70,837	66,500	4,337	0.00%	6.12%
	Mar	70,102	64,958	5,144	0.00%	7.34%
	Apr	78,685	70,628	8,057	0.00%	10.24%
	May	81,209	75,628	5,581	0.00%	6.87%
	Jun	80,388	76,727	3,661	0.00%	4.55%
	Jul	76,266	74,417	1,849	0.00%	2.42%
	Aug	78,878	74,382	4,496	0.00%	5.70%
	Sep	79,109	76,586	2,523	0.00%	3.19%
	Oct	79,435	74,234	5,201	0.00%	6.55%
	Nov	80,867	76,970	3,897	0.00%	4.82%
	Dec	78,742	77,109	1,633	0.00%	2.07%
2030	Jan	76,238	73,613	2,625	0.00%	3.44%
	Feb	78,769	74,399	4,370	0.00%	5.55%
	Mar	78,010	72,833	5,177	0.00%	6.64%
	Apr	87,676	79,510	8,166	0.00%	9.31%
	May	90,282	84,564	5,719	0.00%	6.33%
	Jun	89,435	85,684	3,751	0.00%	4.19%

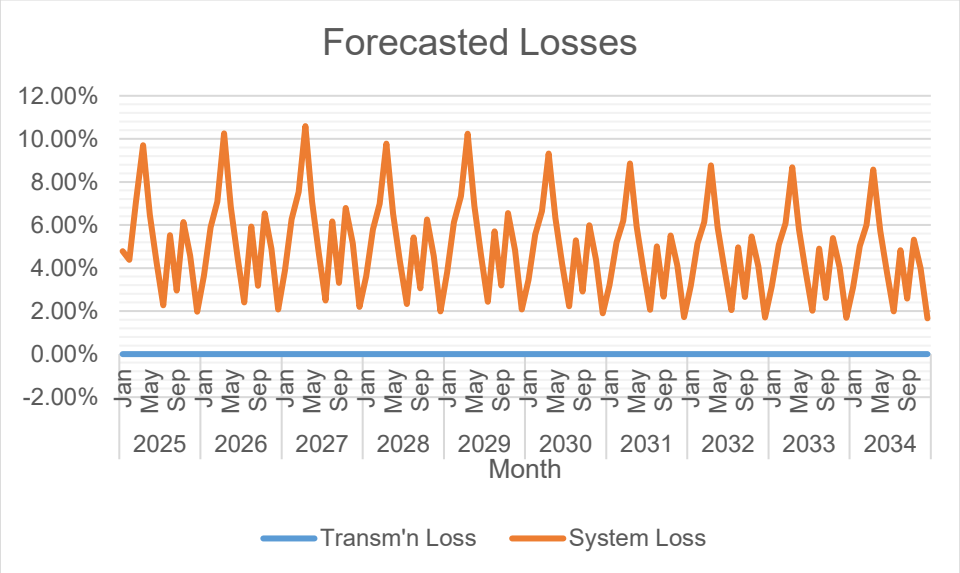
	Jul	85,178	83,287	1,891	0.00%	2.22%
	Aug	87,255	82,640	4,615	0.00%	5.29%
	Sep	87,494	84,952	2,542	0.00%	2.91%
	Oct	87,831	82,579	5,252	0.00%	5.98%
	Nov	90,107	86,159	3,948	0.00%	4.38%
	Dec	88,129	86,452	1,677	0.00%	1.90%
2031	Jan	84,233	81,529	2,703	0.00%	3.21%
	Feb	86,844	82,345	4,499	0.00%	5.18%
	Mar	86,061	80,734	5,327	0.00%	6.19%
	Apr	94,926	86,526	8,400	0.00%	8.85%
	May	97,614	91,840	5,775	0.00%	5.92%
	Jun	96,740	92,954	3,786	0.00%	3.91%
	Jul	92,349	90,444	1,905	0.00%	2.06%
	Aug	92,941	88,294	4,648	0.00%	5.00%
	Sep	93,187	90,697	2,490	0.00%	2.67%
	Oct	93,535	88,379	5,156	0.00%	5.51%
	Nov	94,011	90,140	3,871	0.00%	4.12%
	Dec	91,748	90,166	1,582	0.00%	1.72%
2032	Jan	85,808	83,083	2,724	0.00%	3.17%
	Feb	88,715	84,158	4,557	0.00%	5.14%
	Mar	87,908	82,511	5,397	0.00%	6.14%
	Apr	97,044	88,530	8,514	0.00%	8.77%
	May	99,814	93,963	5,852	0.00%	5.86%
	Jun	98,914	95,079	3,835	0.00%	3.88%
	Jul	94,389	92,460	1,929	0.00%	2.04%
	Aug	94,998	90,291	4,707	0.00%	4.95%
	Sep	95,252	92,731	2,521	0.00%	2.65%
	Oct	95,610	90,388	5,222	0.00%	5.46%
	Nov	96,101	92,182	3,920	0.00%	4.08%
	Dec	93,769	92,168	1,601	0.00%	1.71%
2033	Jan	87,599	84,843	2,756	0.00%	3.15%
	Feb	90,370	85,783	4,587	0.00%	5.08%
	Mar	89,539	84,105	5,434	0.00%	6.07%
	Apr	98,946	90,365	8,581	0.00%	8.67%
	May	101,798	95,901	5,897	0.00%	5.79%
	Jun	100,871	97,009	3,862	0.00%	3.83%
	Jul	96,212	94,271	1,941	0.00%	2.02%
	Aug	96,840	92,100	4,740	0.00%	4.89%
	Sep	97,101	94,563	2,538	0.00%	2.61%
	Oct	97,470	92,211	5,258	0.00%	5.39%
	Nov	97,975	94,029	3,946	0.00%	4.03%
	Dec	95,573	93,963	1,610	0.00%	1.69%
2034	Jan	89,174	86,404	2,771	0.00%	3.11%
	Feb	92,025	87,413	4,612	0.00%	5.01%
	Mar	91,170	85,706	5,464	0.00%	5.99%
	Apr	100,848	92,209	8,639	0.00%	8.57%
	May	103,782	97,847	5,935	0.00%	5.72%
	Jun	102,828	98,943	3,885	0.00%	3.78%
	Jul	98,035	96,084	1,951	0.00%	1.99%

	Aug	98,681	93,914	4,767	0.00%	4.83%
	Sep	98,950	96,398	2,552	0.00%	2.58%
	Oct	99,329	94,041	5,288	0.00%	5.32%
	Nov	99,849	95,882	3,968	0.00%	3.97%
	Dec	97,378	95,760	1,618	0.00%	1.66%

System Loss was calculated through a Load Flow Study using Synergi Electric software. The same study shows that the Company's distribution system adequately conveys electricity to customers.



MWh Sales is expected to grow at an average rate of 8.15% annually.

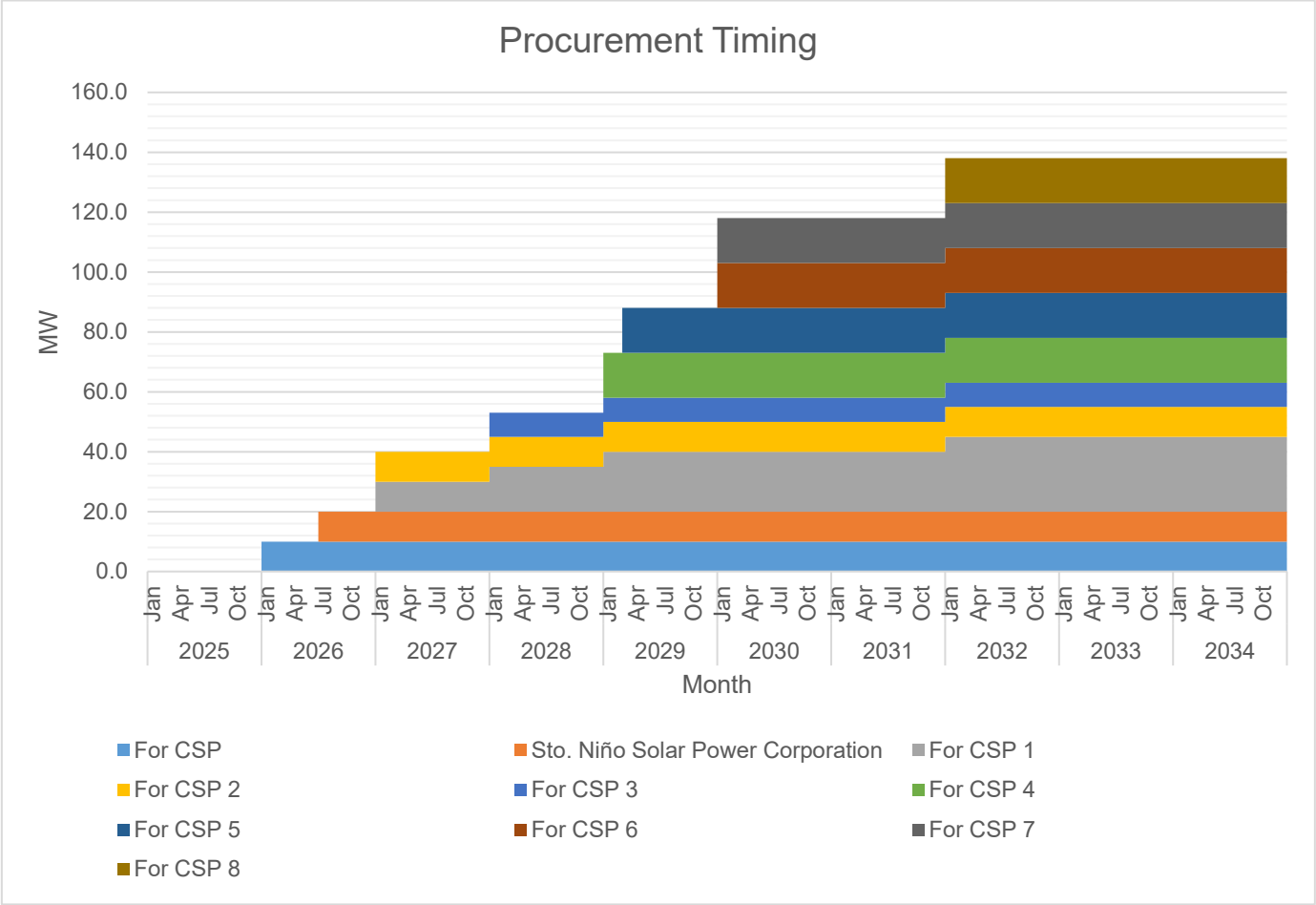


In 2025, monthly system loss is expected to range from 1.96% to 9.7%.
The Company has no transmission loss, or the energy difference between the delivery point of contracted Generation Company and metering point of TEI, because the delivery point to TEI is the same as its metering point.

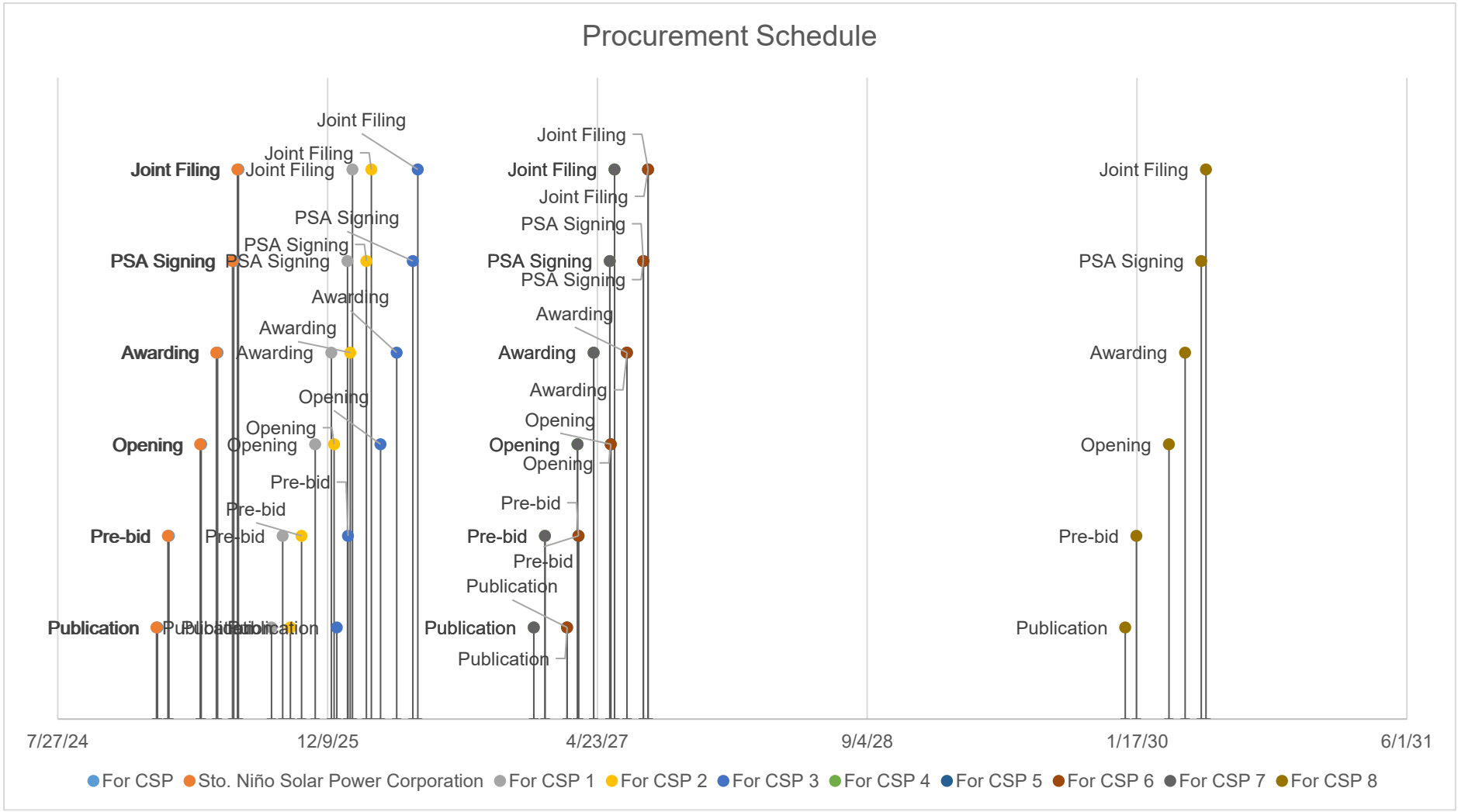
Power Supply

Case No.	Type	GenCo	Minimum MW	Minimum MWh/yr	PSA Start	PSA End
2007-121 RC	Base	GN Power Mariveles Coal Plant Ltd.	46.4	231,713	2/26/2014	2/25/2029
2008-060 RC	Peaking	Tarlac Power Corporation	14.88	36,000	4/11/2011	4/10/2026

The PSA with GN Power Mariveles Coal Plant Ltd. under ERC Case No. 2007-121RC covers the Company's base requirements, while the PSA with Tarlac Power Corporation under ERC Case No. 2008-060RC2 addresses its peaking requirements.



In 2024, the Company initiated negotiations with Sto. Nino Solar Power Corporation (SNSPC), an embedded renewable energy provider, for a 10 MW power supply agreement over a 20-year period, starting on 26 June 2026. In December 2024, the Company requested the necessary Certificate of Conformity (COC) from the DOE to commence a CSP for an additional 10 MW supply from an eligible renewable energy supplier, with a 10-year contract term starting on 26 December 2025, equivalent to a minimum of 13,140 MWh annually. The COC was issued by DOE on 14 January 2025, and the CSP was initiated on 28 January 2025. However, said CSP was declared a failure on 24 June 2025. The Company will therefore proceed with direct negotiations with Trustpower Corporation for the supply of 10MW renewable energy.



The planned procurement of 10 MW, currently under negotiation with Sto. Nino Solar Power Corporation and set to begin on 26 June 2026, is exempt from the Competitive Selection Process as per Section 2.3.4 of DOE Department Circular DC2023-06-0021.

On the other hand, the planned CSP for an additional 10 MW of renewable energy supply, based on the Certificate of Confirmation (COC) issued by the DOE on 14 January 2025, officially commenced on 28 January 2025, as published in the Daily Tribune. However, said CSP was declared

a failure on 24 June 2025. As a result, the Company will initiate direct negotiations with Trustpower Corporation for the supply of 10MW renewable energy.

Lastly, the Company's other planned power supply procurement is detailed in the table below.

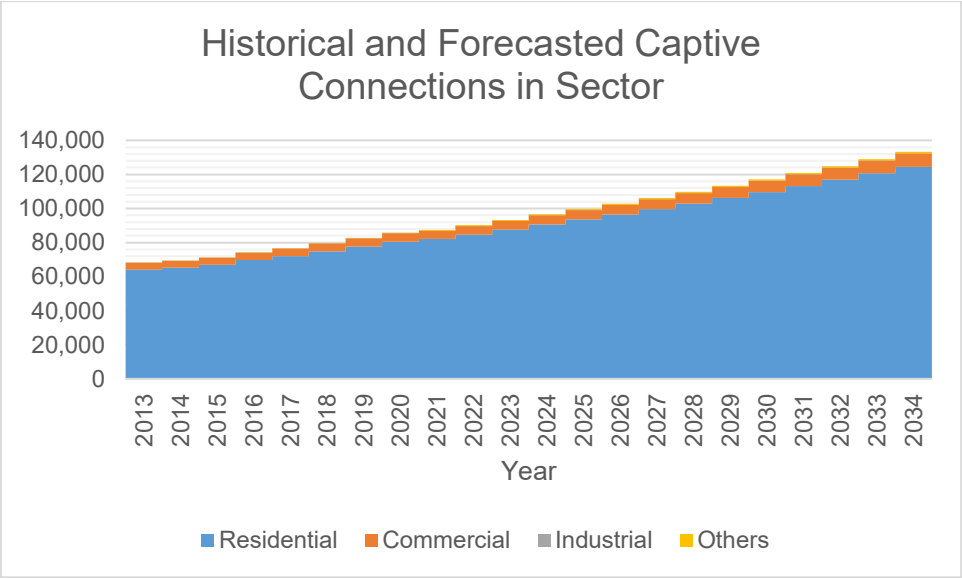
	For CSP	Sto. Niño Solar Power Corporation	For CSP 1	For CSP 2	For CSP 3	For CSP 4	For CSP 5	For CSP 6	For CSP 7	For CSP 8
Type	Peaking	Peaking	Base	Peaking	Peaking	Peaking	Base	Base	Peaking	Peaking
Minimum MW	10.0	10.0	10.00	10.00	8.00	15.00	15.00	15.00	15.00	15.00
Minimum MWh/yr	13,140	17,792	56,940	13,140	10,512	19,710	85,410	85,410	19,710	19,710
PSA Start	12/26/2025	6/26/2026	12/26/2026	12/26/2026	12/26/2027	12/26/2028	2/26/2029	12/26/2029	12/26/2029	12/26/2031
PSA End	12/25/2035	6/25/2046	12/25/2041	12/25/2036	12/25/2037	12/25/2038	2/25/2039	12/25/2039	12/25/2039	12/25/2041
Publication	1/28/2025	1/26/2025	8/27/2025	10/1/2025	12/26/2025	12/26/2026	2/26/2027	2/26/2027	12/26/2026	12/26/2029
Pre-bid	2/18/2025	2/16/2025	9/17/2025	10/22/2025	1/16/2026	1/16/2027	3/19/2027	3/19/2027	1/16/2027	1/16/2030
Opening	4/19/2025	4/17/2025	11/16/2025	12/21/2025	3/17/2026	3/17/2027	5/18/2027	5/18/2027	3/17/2027	3/17/2030
Awarding	5/19/2025	5/17/2025	12/16/2025	1/20/2026	4/16/2026	4/16/2027	6/17/2027	6/17/2027	4/16/2027	4/16/2030
PSA Signing	6/18/2025	6/16/2025	1/15/2026	2/19/2026	5/16/2026	5/16/2027	7/17/2027	7/17/2027	5/16/2027	5/16/2030
Joint Filing	6/27/2025	6/25/2025	1/24/2026	2/28/2026	5/25/2026	5/25/2027	7/26/2027	7/26/2027	5/25/2027	5/25/2030

The Company plans to conduct its Competitive Selection Process (CSP) for 10 MW baseload requirement with a 15-year contract term to address load growth. The minimum energy of the planned PSA is 56,940 MWh and a maximum of 87,600 MWh for the first contract year. This planned PSA will have an escalation of 5MW on the 2nd, 3rd, and 6th contract year.

The next CSP will be a 10-year contract term for a 10 MW peaking RPS eligible supply to cover the upcoming REC shortfall on the RPS compliance. The planned PSA will have a minimum energy requirement of 13,140 MWh and a maximum of 18,396 MWh.

The succeeding CSPs are all tentative to address the forecasted load growth and foreseeable shortfall on RPS compliance. These contracts will be carefully evaluated every year and will update the capacity and type if necessary.

Captive Customer Connections



The number of residential customers is expected to grow at an annual rate of 3.23%, while the number of commercial customers is projected to increase by 3.98% each year.

The data on Public Building and Water System connections from 2000 to 2020 are unavailable, as the Company began identifying and classifying these customers only in 2021.