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GREEN SWAN CONFERENCE WARNS WORLD ECONOMIES OF CLIMATE RISKS

BSP URGES RESILIENCE AMID THREATS TO PRICE STABILITY

BY ALYSSA JORDAN SALLE

Climate-related disasters can drive up food prices, disrupt supply chains and threaten financial stability, underscoring the need for stronger climate-risk assessment and economic resilience, the Bangko Sentral ng Pilipinas (BSP) said on Monday following the "Green Swan Conference" it hosted in Manila.

The conference, held on October 19 at the Philippine International Convention Center, brought together central bankers, climate scientists and financial-sector leaders to examine how physical climate risks affect economies and financial systems. It was the first Green Swan Conference held outside Basel, Switzerland.

BSP Governor Eli Remolona Jr. said climate shocks can spread beyond affected areas and create wider economic consequences.

"A flooded rice field means higher prices for rice. A washed-out road disrupts supply chains. What begins as a climate event can quickly become an inflation problem, a financial stability concern, and a threat to sustained growth," Remolona said in his welcome remarks at the conference.



Central bankers, climate scientists and financial-sector leaders pose for a group photo during the Green Swan Conference hosted by the BSP in Manila on Oct.19, 2026. Photo credit: BSP

Jointly organized by the BSP, the Bank for International Settlements (BIS), Banca d'Italia and the Network for Greening the Financial System (NGFS), the conference carried the theme "Navigating climate risks amid uncertainties."

Fulfilling central banks' mandate

Discussions focused on assessing physical climate risks, strengthening financial protection against disaster losses and building resilience in the real economy.

Banca d'Italia Governor Fabio Panetta, who also chairs the BIS Board of Directors, said climate risks must be addressed within central banks' existing responsibilities.

"The challenge is not to expand our mandates. It is to fulfil our existing mandates in a changing environment," Panetta said in a recorded opening address.

European Central Bank Executive Board Member Frank Elderson stressed the importance of better data and analysis to identify vulnerabilities and understand how climate and nature-related risks could affect price stability, banking soundness and financial stability.

"We cannot predict the future with certainty, but we can try to understand how risks may evolve, identify vulnerabilities and strengthen resilience," Elderson said in his keynote address.

Building economic resilience

De Nederlandsche Bank President and NGFS Chair Olaf Sleijpen also emphasized the need to prepare economies for climate-related impacts.

BSP PAGE A2

DTI: Prices of 190 monitored products remain stable

BY LHYCA MARIEHL SANTIAGO

THE Department of Trade and Industry (DTI) assured the public prices of 190 stock-keeping units (SKUs), or products covered by its official Suggested Retail Price bulletin, will remain unchanged until December 31 amid concerns over the potential impact of El Niño on consumer prices.

DTI Secretary Cristina Roque said in a statement on Monday manufacturers and retailers have guaranteed sufficient supplies of the covered products to meet household needs nationwide, discouraging consumers from panic buying or hoarding.

"There will be no price increase for basic necessities and prime commodities under DTI's supervision until Dec. 31, 2026. We assure the public that manufacturers and retailers have guaranteed enough supply for these listed products. There is no need for panic buying or hoarding," Roque said.



DTI Secretary Cristina Roque highlights the agency's coordination with manufacturers and retailers to maintain sufficient supplies of basic necessities and prime commodities. Photo Credit: Department of Trade and Industry (DTI)

The DTI clarified that the price commitment applies specifically to essential food and non-food items included in its official SRP bulletin, which serves as a reference for retailers and consumers.

The updated bulletin covers 190 SKUs or products under DTI monitoring. The agency has made the list available through in-store postings at supermarkets and grocery stores nationwide, as well as through its official website and social media channels, to help consumers identify which products are covered.

The assurance comes amid public concern over the possible impact of El Niño on the prices and availability of essential goods.

The DTI said it continues to coordinate with manufacturers and retailers to monitor inventories, maintain steady deliveries and ensure that the covered products remain accessible at stable prices in supermarkets and grocery stores nationwide.

DOE SEES PRICE INSTABILITY EXTENDING INTO 2027

Diesel prices to rise P1.20/liter this week; gasoline to drop P0.30

BY MARY JANE DE AFRIA

The Department of Energy (DOE) said diesel prices will rise by ₱1.20 per liter and kerosene by P0.50, while gasoline prices will drop by P0.30 centavos, starting Tuesday as the global oil markets remain volatile.

The DOE told a news conference on Monday the price adjustments cover the period from October 27 to November 2.

Petroleum firms Seaoil and Shell Pilipinas Corporation confirmed the adjustments in separate advisories, with Shell set to implement the new prices from 6:00 am on Tuesday.

Regular diesel and diesel plus will rise by ₱1.20 per liter, while kerosene will increase by ₱0.50 per liter.

All grades of gasoline, including RON 91, RON 95 and RON 97, will be cheaper by ₱0.30 per liter.

The mixed adjustments come as tensions in the Middle East continue to cloud the outlook for global oil and fuel supply.

Energy Secretary Sharon Garin said the government sees no immediate resolution to the conflict

DIESEL PAGE A2

T-bill yields rise for 10th straight week

BY ALYSSA JORDAN SALLE

Treasury bill (T-bill) yields rose for a 10th consecutive week on October 26 as the government raised ₱47.68 billion, below its ₱55-billion offering, amid weaker demand and heightened inflation concerns.

The Bureau of the Treasury (BTr) received ₱83.84 billion in total bids, down from ₱93.012 billion in the previous week's auction. It fully awarded the 35-day and 91-day bills, but only partially awarded the 182-day and 364-day securities.

The latest auction followed the Bangko Sentral ng Pilipinas (BSP)'s policy rate increase last week and amid higher inflation, a weaker peso and elevated oil prices, factors that have contributed to higher borrowing costs in the domestic fixed-income market.

Michael Ricafort, chief economist at Rizal Commercial Banking Corp. (RCBC), said T-bill yields continued to rise after declining for seven consecutive weeks.

"T-bill average auction yields again slightly higher amid lower total bids/demand," he said, describing the results.

The 35-day bills fetched an average annual yield of 5.589 percent, while the 91-day securities recorded 6.264 percent. Yields reached 6.430 percent for the 182-day bills and 6.583 percent for the 364-day securities.

The BTr awarded the full ₱10-billion offer for 35-day bills and ₱20 billion for 91-day bills. It accepted ₱11.88 billion of the ₱15-billion offer for 182-day securities and ₱5.8 billion of the ₱10-billion offer for 364-day bills.

Ricafort attributed the upward trend to the Bangko Sentral ng Pilipinas' latest 50-basis-point policy rate increase, its higher inflation outlook for 2027 and indications that further rate increases could be considered to manage inflation expectations. The BSP raised its target reverse repurchase rate by 50 basis points to 5.50 percent on

T-BILL PAGE A2

AN 'A-' FOR THE BSP GOVERNOR

A record-low peso: the real test of monetary leadership



International recognition is always welcome, particularly when it honors a Filipinoentrusted with steering the country's monetary system through turbulent economic conditions. But when an award for central banking excellence coincides with a historic depreciation of the national currency, it inevitably invites a question: What does suchrecognition mean to ordinary Filipinos struggling with rising prices?

Bangko Sentral ng Pilipinas (BSP) Governor Eli Remolona Jr. has

A CRITICAL PAGE A5

PSEi falls 1.53% amid market uncertainty

BY ALYSSA JORDAN SALLE

Philippine shares fell on Monday as investors weighed inflation risks, geopolitical tensions and continued uncertainty over the peso.

The benchmark Philippine Stock Exchange index (PSEi) dropped 87.45 points, or 1.53 percent, to close at 5,641.18.

All sectoral indices declined, led by holding firms, which slid 2.37 percent. Mining and oil dropped 2.26 percent, financials slipped 1.81 percent, services fell 1.40 percent, industrials lost 0.43 percent and property shed 0.40 percent.

Jonathan Ravelas, senior adviser at Reyes Tacandong & Co., said geopolitical uncertainty could keep the peso under pressure and

PSEI PAGE A2

MUST READ

BUSINESS

PEZA cites infra priorities to attract investments

FULL STORY | PAGE A2

ENTERTAINMENT

Karylle joins 'Die Beautiful' musical

FULL STORY | PAGE A11



BUSINESS

BOI pitches PH investment opportunities to Malaysian investors

FULL STORY | PAGE A3

PEZA CITES INFRA PRIORITIES TO ATTRACT INVESTMENTS

BY LHYCA MARIEHL SANTIAGO



PEZA Group Manager Rowena Naguit discusses infrastructure priorities for attracting investments and strengthening supply chains during the 52nd Philippine Business Conference and Expo at The Manila Hotel on Oct. 14, 2026. Photo Credit: PEZA

Reliable transport networks, utilities and digital connectivity are among the infrastructure priorities identified by the Philippine Economic Zone Authority (PEZA) as necessary to attract investments, lower logistics costs and strengthen supply chains in the country's economic zones.

PEZA said on Monday its Group Manager, Rowena Naguit, outlined the priorities at the recent Plenary 5 of the 52nd Philippine Business Conference and Expo, organized by the Philippine Chamber of Commerce and Industry (PCCI). The discussion focused on timely, efficient, transparent and quality infrastructure delivery and its role in improving supply chains and supporting investment.

Naguit cited efficient road networks, bridges and port facilities as important factors in reducing logistics costs, while stable power and water supplies, as well as digital infrastructure, are needed to support round-the-clock operations in economic zones. She said these infrastructure requirements help connect businesses to global supply chains and provide conditions for companies in economic zones to maintain and expand their operations.

She also highlighted PEZA's approach of empowering private-sector developers, which has contributed to the expansion of operating economic zones from 16 in 1995 to 441 nationwide as of October 2026.

"It is truly a whole-of-nation approach. It requires the participation of everyone, not just government, or the private sector, but also businesses, academe, the church and all sectors of society," Naguit was quoted as saying in PEZA statement released on Monday.

The plenary brought together representatives from government, development institutions, religious organizations and the construction industry to discuss infrastructure delivery and its role in investment development.

Other panelists included Department of Public Works and Highways Undersecretary Samuel Rufino Turgano; Caritas Philippines Executive Director Rev. Fr. Carmelo Caluag; Asian Development Bank Country Operations Head Joris van Etten; and Philippine Constructors Association Chairman of the External and Industry Affairs Committee Ronaldo Elepaño Jr.

PCCI President Ferdinand Ferrer moderated the discussion.

PEZA said it remains focused on developing economic zones with infrastructure and connectivity needed by businesses to operate and expand.

BSP FROM A1

"We must make our economies as resilient as we can to the effects of climate change," Sleijpen said.

Conference participants examined how climate science could be translated into economic and financial risk measures. They also discussed insurance and other risk-sharing mechanisms to narrow protection gaps and help businesses withstand disaster-related losses.

The discussions highlighted the importance of identifying how climate hazards could affect financial institutions, businesses and the wider economy before losses escalate. Better risk assessment can help policymakers and financial institutions understand their exposure and strengthen their ability to respond to climate-related disruptions.

The conference also featured a closing panel with Remolona, Central Bank of Trinidad and Tobago Governor Larry Howai and Hong Kong Monetary Authority Chief Executive Eddie Yue. The discussion was moderated by BIS General Manager Pablo Hernández de Cos.

T-BILLS FROM A1

TREASURY BILL
AUCTION RESULTS | 26 October 2026

BAGONG PILIPINAS

	35-Day	91-Day	182-Day	364-Day
ISIN	PH0000061517	PH0000061749	PH0000062200	PH0000063133
Amount Offered	10.0	20.0	15.0	10.0
Amount Tendered	13.2	35.9	23.7	11.1
Amount Awarded	10.0	20.0	11.9	5.8
Rates (%):				
High	5.700	6.600	6.550	6.600
Low	5.400	6.000	6.270	6.480
Average	5.589	6.264	6.430	6.583

All amounts are in PHP Billions

UPCOMING AUCTION

Date	Tenor	Volume (in Billion Pesos)
October 27, 2026	3-Year and 10-Year	25.0 B and 10.0 B

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October 21.

He warned that the trend "could lead to higher financing costs/borrowing costs and could slow down economic/GDP growth."

The peso's record-low levels near ₱63.90 against the US dollar could raise import costs and add to inflation.

Ricafort also cited Brent crude prices near $114 per barrel amid heightened Middle East tensions and concerns over disruptions to energy supplies and shipping routes.

Domestic funds also faced competing demands from the recently concluded Retail Treasury Bond offering, which raised ₱167.25 billion in new money, and Mynt Inc.'s initial public offering, which raised about ₱53 billion.

DIESEL FROM A1

and is preparing for continued instability that could extend into 2027.

The DOE is exploring alternative sources of petroleum from Australia, North America, South America, Russia, and neighboring Southeast Asian countries to help cushion the Philippines against possible supply disruptions.

Garin said the government was in talks with potential suppliers and countries willing to supply fuel to the Philippines or reserve supplies for its use if needed.

Despite the risks, the country had 53.15 days of total fuel supply as of October 23, according to DOE data. This comprised 52.44 days of gasoline, 55.90 days of diesel, 153.69 days of kerosene, 62.59 days of jet fuel, 59.36 days of fuel oil, and 36.58 days of liquefied petroleum gas.

Garin said she has instructed the Philippine National Oil Company (PNOC) to temporarily stop selling the government's remaining petroleum reserves, which she placed at about 1 million barrels, to preserve them in case global disruptions persist.

She said the volume had declined slightly but would be maintained while the government works to establish its own petroleum storage facility, targeted for completion next year.

While the facility is being developed, the DOE is also exploring whether the country could store its own crude oil or petroleum products in other countries, Garin said.

The government is also discussing regional oil stockpiling with ASEAN member-states and exploring cooperation with other countries on possible fuel supply arrangements.

The DOE said ₱1.098 billion in fuel subsidies had been distributed to 108,749 public utility vehicle beneficiaries as of October 22, with successful transactions recorded at 3,955 stations. The government said its assistance should help cushion the impact of rising fuel costs on eligible transport operators.

PSEI FROM A1

leave the stock market vulnerable to further declines.

"As long as geopolitical risks remain, the USD/PHP will remain vulnerable. Risks 65 levels," he said, referring to the possibility of the dollar-peso exchange rate reaching ₱65 per US dollar.

A weaker peso could increase the local-currency cost of imported goods and dollar-denominated obligations, adding to inflationary pressures.

Ravelas also said persistent inflation could prompt further monetary tightening.

"Inflation issues will continue and risks further rate hikes," he said.

The Bangko Sentral ng Pilipinas raised its target reverse repurchase rate by 50 basis points to 5.50 percent on October 22.

Higher interest rates raise borrowing costs for households and businesses, potentially weighing on spending, investment and corporate earnings.

Ravelas said domestic supply issues also need to be addressed to ease inflationary pressures.

"Unless we address issues on food security, transport, electricity, uncertainty remains," he said.

Higher food, transport and electricity costs could raise household expenses and business operating costs, while persistent price pressures could affect the outlook for monetary policy.

Ravelas said the PSEi could test the 5,000-to-5,500 range as investors assess geopolitical developments, inflation and the direction of interest rates.

"The market is going to test the 5,000-5,500 levels," he said, adding, "Market hates uncertainty."

PSE Daily Index Reports

PSEI & SECTOR INDICES

OCTOBER 26, 2026

PSEI CLOSED AT **5,641.18**

1 DAY % CHANGE **-1.53%**

YTD % CHANGE **-6.80%**

Index	Value	Change	% Change
PSEi	5,641.18	-87.45	-1.53%
All Shares	3,161.12	-32.17	-1.01%
Financials	1,767.04	-32.54	-1.81%
Industrial	7,261.70	-31.51	-0.43%
Holding Firms	4,158.80	-100.75	-2.37%
Property	1,789.76	-7.24	-0.40%
Services	2,974.05	-42.1	-1.40%
Mining & Oil	18,140.40	-420.32	-2.26%

BOI pitches PH incentives, investment opportunities to Malaysian investors

BY LHYCA MARIEHL SANTIAGO



DTI Undersecretary and BOI Managing Head Ceferino Rodolfo (right, middle) meets with Tengku Amir Shah Ibni Sultan Sharafuddin Idris Shah Alhaj, the Raja Muda of Selangor (left, middle), during the 6th Selangor Investment and Industrial Park Expo in Kuala Lumpur, Malaysia. Photo credit: PTIC Kuala Lumpur

The Board of Investments (BOI) promoted the Philippines' priority industries, investment incentives and policy reforms to Malaysian and international business representatives as it sought to expand investment opportunities beyond economic zones.

The BOI presented the country's investment prospects during the 6th Selangor Investment and Industrial Park Expo (Spark 2026), held from October 14 to 17 at the Kuala Lumpur Convention Centre in Malaysia, the agency said on Monday.

Participating alongside other Philippine investment promotion agencies (IPAs) at the Philippine Pavilion, the BOI presented a national perspective on the country's investment environment, complementing the location-specific offerings of the participating IPAs.

Throughout the four-day exhibition, the BOI engaged prospective investors on priority industries, available investment incentives, key policy reforms and potential investment locations outside economic zones.

The pavilion also provided a venue for discussions with Malaysian and international business representatives on specific investment interests and potential areas for collaboration.

Tengku Amir Shah Ibni Sultan Sharafuddin Idris Shah Alhaj, the Raja Muda of Selangor, also visited the Philippine Pavilion during his tour of the exhibition and was received by members of the Philippine delegation.

Organized by Invest Selangor Berhad as part of the Selangor International Business Summit 2026, Spark 2026 brought together investment promotion agencies, industrial park developers and industry stakeholders from across the region to promote industrial development, cross-border investments and regional business cooperation.

The BOI also participated in the Philippine Business Forum on October 15 at Imperial Lexis Kuala Lumpur. Organized by the Philippine Trade and Investment Center in Kuala Lumpur, the forum provided another venue for investment discussions with Malaysian businesses.

Through its participation in Spark 2026 and related activities, the BOI sought to expand its investment promotion efforts in Malaysia, pursue potential investment opportunities and strengthen economic cooperation between the Philippines and Malaysia.

MREIT Q3 distributable income surges 106% on ₱43B asset infusion

BY PRINCESS DE OCAMPO

MREIT Inc., the real estate investment trust of Megaworld Corp., posted a 106 percent year-on-year increase in third-quarter distributable income to ₱1.93 billion, as more than ₱43 billion in property infusions nearly doubled its gross leasable area and expanded its rental-income base.

Revenue rose 90 percent to ₱2.71 billion in the July-to-September period, driven by contributions from newly infused properties and higher income from its expanded portfolio.

The 2026 asset infusions through Waves 4 and 5 increased MREIT's gross leasable area from 482,000 square meters to about 951,000 square meters. Wave 4 was completed in the first quarter, while Wave 5 began contributing income on July 1.

Wave 5 added 12 income-generating properties, including five lifestyle malls—Festive Walk Mall, Lucky Chinatown Mall, Venice Grand Canal Mall, Eastwood Mall and Southwoods Mall—as well as a hotel and six office properties.

The expanded portfolio now comprises about 77 percent office, 20 percent retail and 3 percent hotel space by GLA across nine Megaworld townships.

MREIT declared a third-quarter cash dividend of ₱0.2762 per share, 10 percent higher than the ₱0.25048 paid in the same period last year and 5 percent above the ₱0.263 declared in the second quarter.

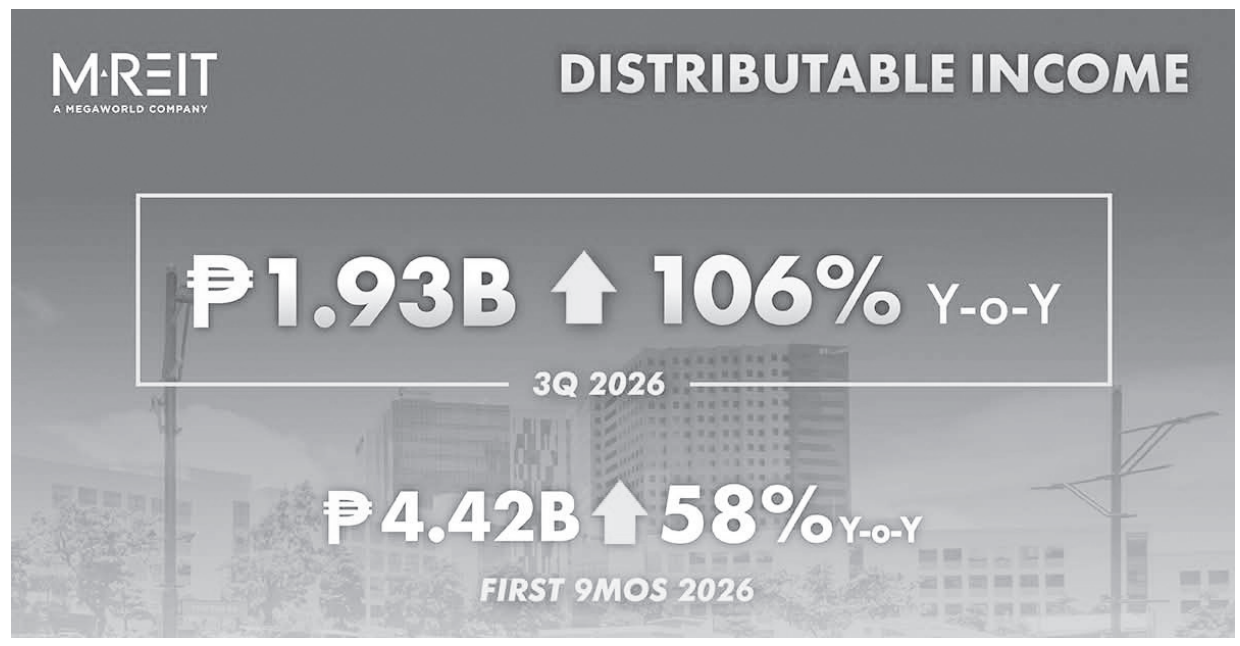
The dividend is payable on November 20 to shareholders on record as of November 10. Dividends attributable to the first nine months of 2026 totaled ₱0.80215 per share.

The third-quarter dividend represents a 91 percent payout ratio and an annualized yield of 8.1 percent based on MREIT's closing share price on October 22.

"We committed to making each asset infusion translate into meaningful growth in dividends per share, and Waves 4 and 5 delivered on that commitment," MREIT President and CEO Jose Arnulfo Batac said.

MREIT is evaluating selected "crown-jewel" assets in Megaworld's Uptown Bonifacio for a possible Wave 6 asset infusion.

The company said the assets, transaction terms and timing have yet to be finalized. Any proposed transaction remains subject to due diligence, valuation and the required corporate and regulatory approvals.





BankCom offers ₱5B bonds with rates up to 7.66%

BY PRINCESS DE OCAMPO

Bank of Commerce (BankCom) has launched a public offer for at least P5 billion in dual-tranche peso bonds with fixed rates of up to 7.6563 percent, the San Miguel Corp. affiliate said on Monday.

The offering consists of Series E bonds due 2028 with a 1.5-year tenor and a 6.9882-percent annual interest rate and Series F bonds due 2029 with a three-year tenor and a 7.6563-percent annual interest rate.

Both bonds will pay interest quarterly, with a minimum investment of ₱100,000 and additional investments in increments of ₱50,000.

The public offer period runs October 26 through November 4 at 5:00 pm, subject to BankCom's option to extend or shorten it.

The bonds are expected to be issued and listed on the Philippine Dealing & Exchange Corp. on November 11.

The issuance is the fourth tranche under BankCom's updated ₱80-billion bond program.

Proceeds will be used for balance sheet management, diversification of the bank's funding sources and general corporate purposes.

The offering comes as BankCom reported higher earnings for the first half of 2026.

The bank posted net income of ₱2.11 billion for the six months ended June 30, up 13 percent from ₱1.86 billion a year earlier.

BankCom said return on equity was 11.56 percent and return on assets was 1.47 percent for the period, citing core banking operations and client-related foreign-exchange gains.

As of September 30, BankCom had 144 branches and 287 automated teller machines and cash kiosks nationwide.

The bonds are exempt from registration under the Securities Regulation Code and will not be registered with the Securities and Exchange Commission. They are not deposits and are not insured by the Philippine Deposit Insurance Corp.

BAYER

Career Opportunity in **BAYER CROPSCIENCE INC.**

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- Local: Responsible for achieving economic and social goals for CS in the country, by the right management of the totality of financial resources and the development of the human aspects. Validate strategies, policies & organizations to achieve set objectives in commercial & marketing, product development & public & regulatory affairs, production & supply chain, costs, and expenditures, investments & supervise them throughout CS in the country.
- To prepare and implement specific crop and product marketing strategies that optimizes product profitability for current and future CS portfolio and expands our market share in the relevant markets by regularly identifying and assessing relevant of market developments, opportunities, and threats.
- Build a high performing organization through effective internal communication, identification & development of local talent & appropriate human resources management. Defend and promote the image of the company, create a key people network for lobbying and represent & defend health, safety, and environmental matters, according to the law and company policies and Guidelines.
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Job Qualifications:

- University degree, Economics or Agricultural Sciences. High level of seniority (at least 10 years of leadership experience).
- Global working experience with various HQ and country positions Language skills: English fluently (must), language in host country (highly preferred).
- Strong communication, collaboration, influencing, business acumen, stakeholder management skills, practical judgment, initiative, endurance, social awareness, managing ambiguity and driving vision & purpose. External networking and benchmarking of best practice.

Applications may be sent to:
Michael G. Panlaqui
rommel.cuison@cltpsj.com.ph

Company/ Employer	Name of foreign national intending to apply for the position
Company Name: BAYER CROPSCIENCE INC. Complete address: 8th Floor, Science Hub Tower 1, Campus Ave. Cor. T rin St., McKinley Hill Cyberpark, Pinagsama, Taguig City 1630 Nature of business: Wholesale and distribution of seeds and crop pro-tection products	Name: Ankur Tiku Address: Pasay City Nationality: Indian Intended period of employment: Two (2) years Workplace Location: 8th Floor, Science Hub Tower 1, Campus Ave. Cor. Turin St., McKinley Hill Cyberpark, Pinagsama, Taguig City 1630

BAYER CROPSCIENCE INC. hereby declares that the above-named foreign national is able, willing, and qualified to perform the services and job description for this position. The company has the intention to employ the said foreign national and apply for an Alien Employment Permit with the Department of Labor and Employment - Bureau of Local Employment (DOLE-BLE) - 3F DOLE Building, Muralla Wing corner General Luna Street, Intramuros, Manila.

Any Filipino jobseeker who is competent, able and willing to perform the services for which the foreign national is intended to be hired for, may file an objection at Department of Labor and Employment - Bureau of Local Employment (DOLE-BLE) - 3F DOLE Building, Muralla Wing corner General Luna Street, Intramuros, Manila.
Please inform DOLE-BLE if you have any information on criminal offenses committed by the foreign nationals.

Dizon, Lopez swap roles at DOTr, DPWH in reform push

President Ferdinand Marcos Jr. has ordered Transportation Secretary Vince Dizon and Public Works Secretary Giovanni Lopez to switch posts, assigning Dizon to address daily commuting problems and Lopez to institutionalize reforms at the Department of Public Works and Highways (DPWH), Malacañang said Monday.

Presidential Communications Office Secretary Lino Cayetano announced the immediate reshuffle, saying Marcos wants both officials to apply their experience where they can deliver the most results.

"We are shifting gears to accelerate reform. Secretary Dizon goes to DOTr to fix the daily commute. Secretary Lopez goes to DPWH to make sure the reforms there last," Cayetano quoted Marcos as saying.

Dizon will return to the Department of Transportation (DOTr), where his priorities include easing daily commutes, shortening queues and removing fixers at the Land Transportation Office. He was also directed to accelerate the completion of critical mass transport projects.

His transfer follows his stint at the DPWH, where Cayetano said reforms had opened thousands of projects to public scrutiny and helped advance long-delayed infrastructure works.

"Thousands of projects are now open to the public, and long-delayed projects are finally moving," Cayetano said, describing the changes under Dizon's leadership.

Meanwhile, Lopez will take over the DPWH with a mandate to turn those reforms into lasting rules, processes and systems across the country. He is also expected to speed up roads, bridges and other infrastructure projects.

Cayetano said the reshuffle reflects the different needs of the two agencies, with transportation requiring improvements in public-facing services and infrastructure oversight requiring stronger institutional safeguards.

"This is about putting the right people where they can deliver the most results," Cayetano said.

He expressed confidence that the transition would proceed smoothly, noting that both officials were already working closely together.

The Palace said the reassignment took effect immediately, although the timing of their new oaths had yet to be announced. – ***CZARINA GALE OGAÑA***

DFA defends visa-issuance mandate after Remulla calls for removal of function

The Department of Foreign Affairs (DFA) on Monday defended its legal authority to issue Philippine visas after Ombudsman Crispin Remulla called for the removal of the function from the department and alleged that visa issuance had become a business.

In a statement, the DFA said visa issuance is a statutory consular function under Executive Order 292, or the Administrative Code of 1987, and is recognized under the 1963 Vienna Convention on Consular Relations.

The department stressed that visa processing involves evaluating applications, verifying documents and exercising official judgment under Philippine laws and regulations rather than merely receiving and processing paperwork.

While third-party providers such as VFS may assist with administrative tasks, the DFA said authority to approve or deny visas remains with Philippine embassies and consulates.

"Such outsourcing of administrative services does not mean the transfer of sovereign authority to approve or deny visas," the department said.

The DFA also maintained that visa fees are collected under applicable laws and regulations, including the prescribed schedule of fees, and reaffirmed its commitment to transparency, accountability and professional public service.

The department strongly objected to Remulla's remarks, saying they undermined its institutional integrity and unfairly cast doubt on the Philippine Foreign Service and its personnel.– ***CZARINA GALE OGAÑA***

Ombudsman, justice agencies join forces to address corruption case delays

The Office of the Ombudsman has joined the Justice Sector Coordinating Council (JSCC) to improve coordination among justice institutions and address delays in corruption-related cases, according to a statement released on Monday.

Ombudsman Crispin Remulla signed a memorandum of understanding with the JSCC, composed of the Supreme Court, the Department of Justice and the Department of the Interior and Local Government, to strengthen cooperation in investigations, prosecutions and enforcement.

"Corruption does not operate within the boundaries of a single government agency. Neither should our response to it," Remulla said, emphasizing the need for a coordinated approach to accountability.

Under the agreement, the institutions will work to address case bottlenecks, improve secure information sharing and strengthen digital systems.

Planned joint initiatives will cover financial crimes, asset recovery, cyber-enabled corruption and digital forensics.

Remulla said the partnership must produce measurable improvements rather than remain a formal agreement without concrete action.

"I do not want this memorandum of understanding to become another document that we sign today and forget tomorrow," he said, calling for clear responsibilities, realistic timelines and measurable results.



Ombudsman Crispin Remulla (seated third from left) signs a memorandum of understanding with the Justice Sector Coordinating Council, composed of the Supreme Court, the Department of Justice and the Department of the Interior and Local Government, on Oct. 26, 2026, to strengthen cooperation in investigations, prosecutions and enforcement. Photo credit: Office of the Ombudsman

The cooperation is intended to strengthen the handling of corruption cases across the justice system, where investigations, prosecution and adjudication require coordination among separate institutions.

Remulla also stressed that closer cooperation would not compromise the Ombudsman's constitutional independence.

"Institutional independence and meaningful cooperation are not contradictory. They reinforce each other," he said.

The Ombudsman said the partnership should ultimately be assessed through its contribution to preventing corruption, strengthening accountability and delivering justice to the public. – ***CZARINA GALE OGAÑA***

Marcos inaugurates solar irrigation project for 307 Cagayan farmers

BY LHYCA MARIEHL SANTIAGO

President Ferdinand Marcos Jr. on Monday inaugurated a solar-powered irrigation project in Pamplona, Cagayan, that is expected to improve water access for 307 farmers across five barangays and support rice production amid dry conditions associated with El Niño.

Implemented by the National Irrigation Administration (NIA) through the East Apayao-Abulug Irrigation System, the Pamplona Solar Pump Irrigation Project in Barangay Gattu aims to provide a more reliable water supply for agricultural activities, particularly during periods of reduced rainfall.

According to NIA, the facility has three 50-horsepower solar-powered submersible pumps supported by 384 solar panels, serving a total area of 602.62 hectares.

The project also restored irrigation service to 100 hectares of agricultural land, helping farmers improve their cropping activities and reduce their dependence on seasonal rainfall.

The beneficiaries are farmers from Barangays Gattu, Capallalian, San Juan, Allasitan and Cassitan, where rice cultivation remains an important source of livelihood.

The solar-powered facility is expected to help reduce water-pumping costs by using renewable energy while supporting more sustainable agricultural operations.

NIA said the project aligns with Marcos' food security agenda and the agency's policy direction to promote climate-smart irrigation and farming systems.

Lawrence Daguna, president of the Pamplona Irrigators Association, said the facility helped farmers sustain their crops despite the effects of El Niño.

"By God's grace, we were finally able to complete the harvest," Daguna said, confirming that the irrigation system was already operational before its formal inauguration.

Farmers who used the facility during the previous cropping season reported improved harvests.

Daguna also appealed for additional solar-powered irrigation facilities in other agricultural communities nationwide.

Present during the inauguration were Agriculture Secretary Francisco Tiu Laurel Jr., NIA Administrator Eddie Guillen, NIA Region II Regional Manager Raymundo Apil, Cagayan Gov. Edgar Aglipay, Pamplona Mayor Digna Antonio and Sta. Praxedes Mayor Esterlina Aguinaldo.



President Ferdinand Marcos Jr. leads the inauguration of the Pamplona Solar Pump Irrigation Project in Cagayan on Oct. 26, 2026. Photo credit: Presidential Communications Office

Palace orders tighter security, emergency transport aid for Undas travelers

Malacañang has ordered government agencies to strengthen security, prepare additional public transport and provide emergency assistance for millions of Filipinos traveling home for Undas, with up to two million passengers expected to travel by sea.

The Palace said on Monday that President Ferdinand Marcos Jr. directed Executive Secretary Ralph Recto to coordinate preparations among the Department of Transportation (DOTr), Department of Social Welfare and Development (DSWD), Department of the Interior and Local Government (DILG) and other agencies.

Security measures include deploying more police officers and K-9 units at major transport terminals, ports and other crowded areas. The Philippine National Police will also intensify patrols and security inspections to deter criminal activity.

To manage the expected passenger surge, the DOTr has been instructed to ensure sufficient buses and prepare additional transport, including ships that could accommodate passengers stranded at ports.

The Philippine Coast Guard's Oplan Biyaheng Ayos will run from October 29 to November 3.

Meanwhile, the DSWD will prepare food, drinking water and other immediate assistance for passengers affected by bad weather, transport shortages or other disruptions.

The Department of Health will prepare medical teams and emergency services, while local governments will coordinate with authorities to maintain order.

Recto also urged agencies to consider random drug testing for public transport drivers, subject to existing laws and regulations, as part of efforts to prevent accidents.

"The President wants every journey to be safe and assistance to be readily available when needed. Having enough vehicles is not enough. We must also ensure that passengers are safe on roads, at ports and in terminals," Recto said.

Authorities are also expected to provide clear travel information and assistance to senior citizens, persons with disabilities, pregnant women and families traveling with young children. – ***CZARINA GALE OGAÑA***

EDITORIAL

Small economies, big lessons

It is not a pipedream; it is a real possibility.

A country's economic strength is not determined by the size of its population or the scale of its domestic market alone. Similar recent write ups offered lessons of Singapore and Ukraine.

Here is another close comparison. Bangladesh offers an important lesson: a smaller economy can outperform a much larger neighbor on selected economic indicators by building industries that generate jobs, attract foreign exchange, and compete internationally.

Its garment industry has become a major export engine, creating employment opportunities, while remittances from overseas workers provide another source of income. These gains demonstrate how focused industrial development and labor participation can help raise average economic output.

Bangladesh's projected lead over India in nominal GDP (gross domestic product) per capita in 2026, however, should not be mistaken for overall economic superiority. India retains a substantially larger economy, stronger projected growth, and higher GDP per capita when adjusted for purchasing power. Bangladesh also faces challenges, including inflation, financial-sector weaknesses, and dependence on the garment industry.

Nevertheless, the Philippines can draw valuable lessons from this experience.

First, export development must move beyond raw materials and traditional products. The country should help small and medium enterprises become reliable suppliers to international markets, particularly in processed agricultural goods, food manufacturing, electronics components, creative industries, and other products where Filipino businesses can build competitive advantages.

Second, overseas Filipino workers' remittances should generate more than household consumption. Financial education, accessible investment opportunities, and support for returning entrepreneurs could encourage a greater share of these earnings to finance productive enterprises, without overlooking families' immediate needs.

Third, employment must be treated as an economic strategy. Expanding labor-intensive manufacturing, modernizing agriculture, and strengthening technical and vocational training can help workers acquire skills that industries actually need. More productive jobs can raise household incomes while reducing dependence on imported goods.

Fourth, the government must make it easier for businesses to grow. Predictable regulations, dependable and cheaper electricity, efficient ports, better logistics, and faster business registration are essential. Export incentives mean little when high operating costs prevent local enterprises from competing with foreign producers.

Finally, the Philippines should not rely on a single export industry. Bangladesh's garment concentration illustrates the risks of depending heavily on one sector. Diversifying into higher-value manufacturing, agricultural processing, digital services, and specialized products can provide resilience against external shocks.

The lesson is not that small economies must defeat large ones. It is that countries can turn limited resources into meaningful advantages through strategic specialization, workforce development, and consistent policy support.

For the Philippines, success should be measured not simply by GDP rankings, but by the number of competitive Filipino enterprises created, quality jobs generated, exports diversified, and households lifted toward greater economic security.

A smaller economy may not command the world's largest market, but it can still compete by producing what the world needs—and producing it well.

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A CRITICAL FROM A1



A CRITICAL EYE

BY ACE MENDOZA DAVID

received an "A–"rating in Global Finance magazine's Central Banker Report Cards 2026, his thirdconsecutive recognition since2024. He was among25 central bank governorsworldwide who received grades within the top "A" range.

The recognition, formally presented in Bangkok, Thailand, on October 17, acknowledges his leadership in monetary management, inflation control, economicgrowth objectives, currency stability, interest rate administration and central bank independence.

It is a distinction worth acknowledging. But an international award, however prestigious, should never be mistaken for a declaration that all is well with the Philippine economy. Indeed, the peso's continuing depreciation presents an uncomfortable contrast.

On Friday, October 23, the Philippine currency closed at ₱63.615 against the US dollar, its 31st record-low closing level this year. The depreciation came despite the BSP's aggressive decision to raise its benchmark interest rate by 50 basis points to 5.50 percent.

Earlier this month, the Philippine Statistics Authority reported that September inflation stood at 7.2 percent, substantially above the BSP's target range of 2 to 4 percent.

These figures deserve as much public attention as the international recognition bestowed upon the central bank governor. The BSP's mandate, after all, is not to win awards but to maintain price stability and safeguard the financial system.

To be fair, monetary management is far more complicated than simply defending a particular exchange rate. The peso's weakness cannot be attributed entirely to domestic policy decisions. Global dollar strength, elevated international oil prices, geopolitical tensions and the country's external payments deficit have contributed to the currency's depreciation.

The Philippines, heavily dependent on imported petroleum and other essential commodities, is particularly vulnerable to these developments.

A weaker peso means more expensive imports, potentially higher transportation costs and additional pressure on food prices. For businesses with dollar-denominated obligations, depreciation increases financial burdens. For ordinary wage earners, itthreatens the purchasing power of incomes already strained by inflation.

There are beneficiaries, including overseas Filipino workers whose dollar remittances translate into more pesos. Exporters earning foreign currencies may likewise enjoy an advantage. But these benefits do not automatically compensate for the broaderinflationary consequences.

Governor Remolona has maintained that the BSP is not increasing interest rates merely to defend the peso.

"We're not hiking the policy rate to defend the peso," he declared during Thursday's monetary policy briefing.

His position is consistent with the BSP's market-determined exchange rate framework, under which intervention is generally intended to moderate excessive currency fluctuations, rather than maintain an artificial peso-dollar value.

That policy has economic merit. Defending an unsustainable exchange rate through massive dollar sales could rapidly deplete international reserves without addressing the underlying causes of depreciation.

Nevertheless, allowing market forces to determine the peso's value does not absolve monetary authorities of responsibility for managing the consequences. When depreciation contributes to higher inflation, the BSP must demonstrate that its policies can contain the damage.

The latest interest rate increase illustrates this dilemma. Higher borrowing costs may help restrain inflation and support the currency, but they can also discourage investment, increase financing expenses and weaken economic activity.

The central bank must, therefore, balance competing objectives without sacrificing its primary responsibility for price stability.

More importantly, monetary policy alone cannot resolve the country's economic vulnerabilities. Government efforts to strengthen agricultural production, reduce dependence on expensive imports, improve energy security, attract sustainable investments and expand export earnings are equally essential.

The country's external position also deserves attention. The balance of payments recorded a $9.1-billion deficit through September, compared with $5.3 billion during the corresponding period last year. Such imbalances reinforce the importance of addressing structural economic weaknesses beyond the central bank's immediate control.

This is where international recognition must meet domestic accountability. An "A–" rating may reflect sound judgment, institutional independence and professional monetary management. But it cannot erase the reality of depreciating currency, elevated inflation and the daily difficulties confronting Filipino households.

Neither should the peso's historic decline automatically invalidate Remolona's accomplishments. Central bank effectiveness must be measured over time, considering both the severity of external shocks and the appropriateness of policy responses.

The more meaningful questions concern results: Can inflation return sustainably to the BSP's target? Can currency volatility be contained? Can financial stability be preserved without unnecessarily undermining economic growth?

Above all, can the central bank help restore confidence among investors, businesses and consumers? These are not unreasonable expectations. They are fundamental tests of monetary leadership.

The recognition from Global Finance is an achievement for Governor Remolona and the institution he leads. Yet the most consequential assessment will not come from an international magazine or an awards ceremony in Bangkok.

It will come from the Filipino people, whose purchasing power, savings and economic opportunities are directly affected by monetary policy.

An "A–" from the international financial community is worth celebrating. But the greater achievement would be a stable peso, manageable inflation and an economy in whichordinary Filipinos can genuinely feel the benefits of sound monetary governance.

Ultimately, the BSP's most important report card is not the one issued abroad. It is the one reflected in the everyday cost of living at home.

THREE ON THREE

Coral reef decline puts coastal economies at risk

The world's shallow-water coral reefs are facing an alarming threat, with nearly 96 percent of reef systems projected to be at extremely high risk of collapse by 2075, according to a global assessment by the International Union for Conservation of Nature.

Rising ocean temperatures, driven by climate change, remain a major danger, causing coral bleaching, and weakening marine ecosystems. Pollution and destructive human activities add further pressure.

The consequences reach far beyond the environment. Coral reefs sustain fisheries, attract tourists, and shield coastal communities from waves and erosion. Their deterioration could reduce fishing incomes, weaken tourism-dependent businesses, and threaten food security.

For the Philippines, where coastal livelihoods depend on healthy marine ecosystems, reef conservation is also an economic necessity. Stronger marine protection, responsible fishing, pollution control, and coral restoration can help safeguard these resources.

The challenge calls for sustained action from governments, businesses, and coastal communities. Protecting coral reefs today means preserving livelihoods, strengthening coastal resilience, and securing future economic opportunities.

(Credit to Aljazeera)

Brazil vote delivers blow to Trump's political ally

Brazilian President Luiz Inácio Lula da Silva has won another term, defeating Flávio Bolsonaro, the candidate backed by supporters of US President Donald Trump. The result represents a setback for the conservative political movement seeking greater influence across Latin America.

The election highlighted competing visions for Brazil's future. Lula campaigned on social welfare, economic stability, and national independence, while Bolsonaro appealed to voters with promises of tougher crime policies and government reform.

The outcome could shape Brazil's international economic relationships, particularly its dealings with Washington amid trade tensions. Maintaining access to major markets, attracting investments, and strengthening commercial ties with China and other partners will remain important challenges.

For businesses, the election underscores how political shifts can influence trade policies, investor confidence, and regional economic cooperation. Lula must now turn electoral support into tangible improvements in employment, purchasing power, and economic growth.

The defeat of Trump's preferred candidate also demonstrates that political endorsements do not necessarily translate into electoral success.

(Credit to CNN)

Machado's return tests Venezuela's pro-US future

Venezuelan opposition leader María Corina Machado has returned home after months in exile, reviving hopes for democratic change and a government more closely aligned with the United States.

Machado has cultivated strong ties with Washington and welcomed US pressure against former president Nicolás Maduro.

Her return, however, presents a challenge for President Donald Trump's administration, which has supported interim leader Delcy Rodríguez while prioritizing economic stability and access to Venezuela's vast oil resources.

Machado's popularity could strengthen prospects for a market-oriented government that favors closer Western economic ties. Yet, Washington's willingness to support her political ambitions remains uncertain, particularly as its current strategy relies on cooperation with Rodríguez.

For investors, Venezuela offers significant opportunities in oil and energy, but political uncertainty and the absence of a clear electoral timetable remain major risks.

Machado's return could reshape US-Venezuela relations, but lasting confidence will depend on credible elections, stable institutions and economic policies that benefit Venezuelans.

(Credit to Bloomberg)

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Exquadra Tower, Jade Drive, Ortigas Center
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN AKLAN ELECTRIC COOPERATIVE, INC. (AKELCO) AND SUAL POWER INC. (SPI), WITH MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION,

ERC CASE NO. _____

AKLAN ELECTRIC COOPERATIVE, INC. (AKELCO), AND SUAL POWER INC. (SPI),

Applicants.

x----------x

JOINT APPLICATION

(With Motion for Confidential Treatment of Information)

Joint Applicants, **AKLAN ELECTRIC COOPERATIVE, INC. (AKELCO)** and **SUAL POWER INC. (SPI)**, through undersigned counsels, and unto this Honorable Commission, respectfully state that:

I
THE APPLICANTS

1. AKELCO is an electric cooperative (EC) duly organized and existing under and by virtue of laws of the Republic of the Philippines, with principal office address at AKELCO Central Office, Mayor Saturnino G. Fernandez Compound, Poblacion, Lezo, 5605 Aklan.

1.1 AKELCO is a holder of a franchise issued by the National Electrification Administration (NEA) to provide electricity distribution service in the Municipalities of Malay including the Island of Boracay, Buruanga, Nabas, Ibajay, Makato, Tangalan, Numancia, Kalibo, Lezo, Malinao, New Washington, Batan, Altavas, Balete, Banga, Libacao and Madalag, all in the Province of Aklan, the Municipalities of Pandan and Libertad in the Province of Antique, and Barangay Damayan, Sapian in the Province of Capiz (Franchise Area).

1.2 AKELCO is duly represented herein by its General Manager, Atty. Ariel B. Gepty.

2. SPI is a generation company (GENCO) duly organized and existing under and by virtue of laws of the Republic of the Philippines with principal office address at 5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City 1604.

2.1 SPI is duly represented herein by its General Manager, Ms. Elenita D. Go.

3. AKELCO and SPI are filing this Joint Application pursuant to the ERC *Resolution No. 7, Series of 2026* (**Amended CSP Guidelines**)[1] requiring Distribution Utilities (Dus) and GENCOs to jointly file applications for the approval of their power supply agreements (PSAs).[2] *(AKELCO and SPI are jointly referred hereinafter as "Joint Applicants.")*

4. The Joint Applicants may be served with the orders, notices, and other processes of the Honorable Commission through undersigned counsels at the address indicated below.

II
NATURE AND TIMELINESS OF THE APPLICATION

5. This is a *Joint Application* for the approval of the *Emergency Power Supply Agreement* (EPSA) executed by Joint Applicants on 25 August 2026.

6. *Section 8* of the Honorable Commission's Amended CSP Guidelines provides that *"[t]he DU may engage in negotiated procurement of an Emergency Power Supply Agreement (EPSA) under the circumstances contemplated in Section 2.3.6 of the DOE CSP Policy."*

7. Further, *Section 2.3.6* of the Department of Energy (DOE) Department Circular No. DC2023-06-0021 (**DOE CSP Policy**)[3] provides that *"the conduct of CSP shall not be required in negotiated procurement of Emergency Power supply wherein the Emergency Power Supply Agreement ("EPSA") shall be filed with the ERC within thirty (30) calendar days after the occurrence of the Force Majure/Fortuitous Events, without need of any prior clearance or certification from the DOE, and shall have a maximum and non-extendible period of one (1) year from its execution."*

8. Pursuant to the foregoing provisions on the exemption from the conduct of Competitive Selection Process (CSP), AKELCO is permitted to procure power supply through direct negotiation due to the occurrence of force majeure or other circumstances beyond its control, thereby ensuring continuous and reliable supply of electricity to its member-consumers owners (MCOs) in a least cost manner.

III
STATEMENT OF FACTS

9. Based on AKELCO's 2024 Power Supply Procurement Plan (PSPP), its franchise area is projected to experience increasing electricity demand and corresponding supply deficiency. To address this deficiency and secure additional power supply necessary to meet the requirements of its MCOs, it conducted a CSP pursuant to prevailing rules and regulations, particularly DOE CSP Policy and ERC Resolution No. 16, Series of 2023 (**2023 CSP Guidelines**).

10. Notwithstanding AKELCO's earnest efforts to timely commence the conduct of CSP, it was constrained to procure an interim source of power supply to promptly address its immediate demand requirements and to protect its MCOs' from the volatile Wholesale Electricity Spot Market (WESM) prices. Accordingly, AKELCO undertook the procurement of an Emergency Power Supply Agreement (EPSA).

11. On 8 July 2025, AKELCO sent solicitation letters to six (6) power suppliers, three (3) of which responded with formal offers. Upon evaluation, it was determined that the offer submitted by SPI was the most responsive and beneficial to AKELCO's MCOs.

12. On 28 August 2025, AKELCO executed a 15 MW EPSA with SPI (2025 EPSA) for the supply of emergency power for a period of one (1) year. The application for the approval of the 2025 EPSA was filed before the Honorable Commission and was docketed as *ERC Case No. 2025-205 - RC.* [4]

13. As the 2025 EPSA merely served as an interim measure to address AKELCO's immediate supply requirements, it continued with the conduct of the CSP to secure a competitively procured and long-term supply of electricity.

14. Following due evaluation and regulatory process, AKELCO's CSP culminated in the execution of a 10 MW PSA with SPI for a period of fifteen (15) years on 29 May 2026.

15. Accordingly, the application for the approval of the Joint Applicants' 10 MW PSA was filed before the Honorable Commission and was docketed as *ERC Case No. 2026-121 RC.*[5]

16. Despite the execution of the aforesaid PSA and filing of the application, the 10 MW PSA could not be implemented without the Honorable Commission's approval or issuance of provisional authority (PA) or interim relief (IR).

17. The necessity for the EPSA became more immediate upon the expiration of the 2025 EPSA on 25 August 2026. This concern was further aggravated by the prevailing power supply situation in Visayas, particularly the unavailability and/or outages of several major power generating plants that resulted in issuance of Red and Yellow Grid Alerts in affected areas.

18. The issuance of Red and Yellow Grid Alerts forced AKELCO to implement Manual Load Dropping that resulted to rotational power interruptions.

19. In addition, AKELCO will be exposed to WESM prices that averaged at approximately PhP 8.00/kWh (effective rate from January to December 2025) and peaked at PhP 36.00/kWh (highest recorded WESM price in August 2026).

20. If AKELCO will procure the power supply covered by the this EPSA from WESM, it will incur an increase in its prudential requirements that will adversely affect its financial operations.

21. Given the above discussion, AKELCO sent notices, dated 28 July 2026 and 04 August 2026, to the Honorable Commission, DOE, and NEA of its prevailing power supply situation and urgent need of the EPSA.

22. Pending the approval and issuance of a PA or IR for the implementation of the PSA, AKELCO found it necessary to enter into another 15-MW EPSA with SPI on 25 August 2026 as a bridging power supply arrangement.

INDICATIVE RATE IMPACT

23. Shown below is the indicative rate impact of the EPSA to AKELCO's overall generation rate:

Simulation of Generation Mix Rate with SPI	
Generation rate with SPI	PhP 9.4463/kWh
Generation rate without SPI	PhP 11.3154 /kWh
Rate Impact, Increase/(Decrease)	**PhP(1.8691)/kWh**

24. The implementation of the EPSA will result in an estimated generation rate reduction of PhP 1.8691/kWh. Hence, the implementation and approval of the EPSA will redound to the benefit of AKELCO's MCOs through a more affordable, stable, and reliable supply of electricity.

ABSTRACT OF THE EPSA AND RELATED INFORMATION

25. SPI shall supply power to AKELCO for the entire term of the contract for a Contracted Capacity of 15 MW.

26. The power supply will be sourced primarily from SPI's 2 x 647.020 MW Sual Coal-Fired Thermal Power Plant (Power Plant) located at Brgy. Pangascasan, Sual, Pangasinan.

27. The following are the salient features of the EPSA:

27.1 Contract Term: This Agreement shall be binding and effective between the Parties on the date of signing ("Execution Date") and the supply duration shall be up to a maximum period of one (1) year, or twelve (12) Billing Periods from Supply Effective Date ("SED"), or upon approval by the ERC of the power supply agreement resulting from the BUYER's conduct of its Competitive Selection Process for the supply of the same Contract Capacity under this Agreement, whichever comes first.

The SED shall be whichever comes later of a) August 26, 2026; or b) the 26th Day of the calendar month when the copies of the resolutions approved by the BUYER's Board of Directors authorizing the execution, delivery and performance of the BUYER of this Agreement, duly certified by the BUYER's Board Secretary, have been received by the SELLER from the BUYER.

27.2 Contract Capacity and Contract Energy: Beginning SED, the SELLER shall make available to the BUYER, and the BUYER shall purchase from the SELLER the Contract Capacity and Contract Energy as stated in Annex I. The Contract Capacity specified in Annex I shall not be changed by either Party except in cases provided for this Agreement.

The BUYER's Contract Capacity shall be 15,000 kW. BUYER shall commit to source a minimum monthly baseload energy from the SELLER of sixty-five percent (65%) capacity utilization factor with respect to the Contract Capacity.

Billing Period	Contract Capacity, kW	Contract Energy, kWh
With 28 Days	15,000	6,552,000
With 30 Days	15,000	7,020,000
With 31 Days	15,000	7,254,000

27.3 Supply: SELLER shall have no obligation to supply more than the Contract Capacity as provided for in Annex I. The BUYER acknowledges that it is obligated to take or pay no less than the Contract Energy as stated in Annex I.

27.4 Outages: During the term of this Agreement, the SELLER shall guarantee the supply of Contract Capacity to the BUYER, even during Scheduled and Unscheduled Outages of the Plant. For avoidance of doubt, an Event of Force Majeure as defined in Article 11 shall not be considered as an Outage.

27.5 Prompt Payment Discount: The BUYER may avail of the PPD equivalent to three and 2/10 percent (3.2%) applied to the non-fuel components of the power bill invoice (excluding Associated Charges, Replacement Power cost, if any, and Value Added Tax) provided that: 1. The BUYER has no arrears from previous power billings including the Security Deposit or any unpaid charges or penalties including Value-Added Tax ("VAT"); 2. The BUYER has submitted all necessary BIR Tax Certificates for all taxes withheld as well as for all zero-rated VAT end-consumers and; 3. The BUYER pays the power bill invoice in full on or before the 10th Day of the calendar month following the current Billing Period.

27.6 Effect of Force Majeure: Force Majeure shall excuse a Party from its obligations under this Agreement (except its obligation to pay the amounts already due under this Agreement within the Billing Period prior to as well as after the happening of an Event of Force Majeure) for the duration of the Force Majure; provided that any actual electricity supplied by the SELLER and received by BUYER shall be billed as provided for in this Agreement.

27.7 Contract Price:

Contract Price Components	Rate, PhP/kWh
Capital Recovery Fee (CRF)	1.9407
Fixed O&M Fee (FOMF)	0.3500
Variable O&M Fee (VOMF)	0.1000
Non-Fuel Components	2.3907
Fuel Fee	Pass-through Cost
3.2% Prompt Payment Discount ("PPD") on Non-Fuel components	-0.0765

27.8 Monthly Billing Formula:

1. **Capital Recovery Fee**

The Capital Recovery Fee Payment for the Billing Period shall be calculated as follows:

MCRP = CRF * CC * (BPD - FMDT) * 24

Where:

MCRP	=	the Monthly Capital Recovery Fee Payment, in PhP, for the Contract Capacity for the Billing Period.
CRF	=	the Capital Recovery Fee, in PhP/kWh, as set forth in Annex II
CC	=	the Contract Capacity, in kW
BPD	=	Billing Period Days, the number of Days in the relevant Billing Period
FMDT	=	the Full Load Equivalent Force Majeure Days Taken for the relevant Billing Period

2. **Fixed O&M Fee**

The Fixed O&M Fee Payment for the Billing Period shall be calculated as follows:

MFOP = FOMF * CC * (BPD - FMDT) * 24

Where:

MFOP	=	the Monthly Fixed O&M Fee Payment, in PhP, for the Contract Capacity for the Billing Period.
FOMF	=	the Fixed O&M Fee, in PhP/kWh, as set forth in Annex II
CC	=	As previously defined
BPD	=	As previously defined
FMDT	=	As previously defined

3. **Variable O&M Fee**

The Variable O&M Fee Payment for the Billing Period shall be calculated as follows:

MVOP = VOMF * AE

Where:

MVOP	=	the Monthly Variable O&M Fee Payment, in PhP, for the energy delivered during the current Billing Period
VOMF	=	the Variable O&M Fee, in PhP/kWh, as set forth in Annex II
AE	=	the Associated Energy delivered, in kWh, nominated by the Buyer and declared by the Seller subject to the Contract Energy

4. **Fuel Fee**

The Fuel Fee Payment for the Billing Period shall be calculated as follows:

FFP = FC * CR * AE

Where:

FFP	=	the Monthly Fuel Fee Payment, in PhP, for the energy delivered during the current Billing Period.
FC	=	Actual Fuel Cost incurred by the Seller for the current billing period, expressed in PhP/kg.
CR	=	Actual Coal Consumption Rate for the current billing period or 0.70 kg/kWh, whichever is lower.
AE	=	As previously defined.

IV
PRE-FILING REQUIREMENTS AND OTHER RELATED DOCUMENTS

28. In support of the *Joint Application*, the following documents are attached herein as annexes and made integral part hereof:

ANNEXES	DOCUMENTS
"01"	Emergency Power Supply Agreement
"02"[6]	SPI's Certification on Documents Previously Submitted invoking Section 24 of the ERC Resolution No. 07, Series of 2026: **ERC Case No. 2024-103 RC** • Documents Related to Fuel ***(Confidential)**** • Relevant technical and economic characteristics of the generation capacity, installed capacity, mode of operation and dependable capacity **ERC Case No. 2026-121 RC** • SPI's Amended Articles of Incorporation, SPI's Amended By-Laws, and General Information Sheet for 2026 • Provisional Authority to Operate - 05 11 2026 Sual Power, Inc. (SPI) - 1,294.040 MW Sual CFTPP
"02A" to "02D"	AKELCO's Articles of Incorporation, Amended By-Laws, Certificate of Franchise and Certificate of Registration
"03" and series	DU's Supply and Demand Scenario (PDF and Excel format), Details of Existing Suppliers, Contract Utilization, Average Daily Load Curve, DDP and PSPP
"04A"	SPI's Generation Rate and Derivation ***(Confidential)***
"04B"	Sample Bill
"04C"	Rate Impact Analysis
"D" and "D-1"	AKELCO Board Resolution - *authorizing the execution of the EPSA with SPI and the filing of Application for approval of the EPSA*
"E" and "E1"	SPI's Secretary's Certificates
"F" and series	Proof of Service to Local Government Units
"G" and series	Proof of Publication
"H" to "K"	Proof of Exemption from the Conduct of CSP

ALLEGATIONS IN SUPPORT OF THE MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

29. Pursuant to *Rule 4* of the Honorable Commission's *Rules of Practice and Procedure,* Applicants may request that certain information not be disclosed and be treated as confidential.[7] Pursuant to this, SPI prays for the confidential treatment of the information contained in **Annexes "02"** and **"04A".**

30. SPI treats the information contained in the above-mentioned documents, such as sources of funds/financial plans, certifications from bank/lending institutions, generation rate and derivation, cash flow, description of power plant, and fuel supply agreement, as **proprietary** in nature considering that it involves trade secrets reflecting investment and business calculations.

31. These documents are considered as trade secrets contemplated by law and jurisprudence. In the case of *Air Philippines Corporation vs. Pennswell, Inc.*[8], 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 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.[9]

32. The foregoing documents were prepared and developed for the exclusive use of SPI and were designed for its specific use in its power generation business. If the information contained in these documents are disclosed to the public, SPI's competitors or other entities engaged in the power business they will gain undue advantage and could incorporate the said information in their operations. Consequently, the negotiating power of SPI with parties it plans to contract with or who it is currently doing business with will be undermined if it is compelled to disclose such information.

33. Accordingly, Joint Applicants hereby submit one (1) copy of the confidential documents *via:* in a sealed envelope, with the envelope and each page of the document stamped with the word *"Confidential."*[10]

PRAYER

WHEREFORE, premises considered, Joint Applicants respectfully pray unto the Honorable Commission to:

1. **APPROVE** the **JOINT APPLICATION** authorizing AKELCO to charge and collect the fees from MCOs and **DIRECT** the retroactive application of the rates, terms, and conditions of the EPSA for the entire term thereof; and

2. **TREAT** Annexes **"02"** and **"04A,"** *inclusive of submarkings*, and the information contained therein as confidential and **DIRECT** their non-disclosure to persons other than the necessary officers and staff of this Honorable Commission in accordance with *Rule 4 of the Rules of Practice and Procedure.*

Other reliefs, just and equitable under the premises, are likewise being prayed for.

Pasig City, 06 October 2026.

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Counsel for AKELCO
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0917-557-70-65
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[redacted]
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PTR No. [redacted] / 01-08-26/ San Juan City
IBP Lifetime Membership No. [redacted] / 06-24-15/ RSM
MCLE Compliance No. VIII- 0011670/ 08 August 2024

[redacted]
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SUAL POWER INC. (SPI)[11]
By:

[redacted]
JUPITER M. CABAGUIO
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IBP Lifetime No. [redacted] / PPLM Chapter
MCLE Compliance No. VIII - 0029077 valid until 14 April 2028
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JULI
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@smgp.sanmiguel.com.ph
PTR No. [redacted] / 05 January 2026 / Pasig City
IBP Invoice No. [redacted] / 07 January 2026 /
Central Luzon Bulacan Chapter
MCLE Compliance No. VIII-0016943 valid until 14 April 2028
Roll No. [redacted]

VERIFICATION AND CERTIFICATION

I, **ATTY. ARIEL B. GEPTY,** of legal age and with office address at Mayor Saturnino G. Fernandez Compound, Poblacion, Lezo, Aklan, after having been sworn in accordance with law, hereby deposes and states, that:

1. I am the General Manager of the Aklan Electric Cooperative, Inc. (AKELCO) and I caused the preparation of the foregoing Joint Application for submission and approval of the Honorable Commission;

2. The allegations therein are true and correct based on my personal knowledge, or based on authentic documents;

3. The foregoing Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigations;

4. The factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery;

5. To the best of my knowledge, AKELCO has not commenced any action or proceeding involving the same issues in the Supreme Court, or any of the regular courts, tribunal or quasi-judicial agency and that no such action or proceeding is pending before them involving issues that may be related to this Joint Application; and

6. If I should thereafter learn that a same or similar action or claim has been filed or pending, I shall undertake to promptly inform the Honorable Commission within five (5) calendar days from knowledge therefrom.

[redacted]
ATTY. ARIEL B. GEPTY
General Manager

SUBSCRIBED AND SWORN to before me this OCT 14 2026 day of October, 2026 at Kalibo, Aklan, Affiant exhibited to me a competent proof of identity, to wit: Taxpayer Identification Number [redacted]

Doc. No. 78;
Page No. 17;
Book No. VII;
Series of 2026.

[redacted]
SAMUEL [redacted] CELINO
NOTARY PUBLIC
Notary Public for and in the Province of Aklan
Notarial Commission No. [redacted] (2026-2027)
Casa Marketing Bldg., G. Ramos St., Kalibo, Aklan
Roll of Attorneys No. [redacted]
PTR No. [redacted] / Kalibo, Aklan
IBP Lifetime Member No. [redacted]
MCLE Compliance No. VIII-0007660 / 03-20-24

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **ELENITA D. GO**, Filipino, of legal age, and with office address at the 5th Floor, 100 Eulogio Rodriguez Jr. Avenue C5 Road (North Bound) Pasig City, after having been duly sworn to in accordance with law, hereby depose and state, that:

1. I am the authorized representative of Sual Power Inc. ("SPI") a co-applicant in the Joint Application for Approval of the Emergency Power Supply Agreement between Aklan Electric Cooperative, Inc. ("AKELCO") and SPI;

2. I have caused the preparation and filing of the Joint Application and that I have read the contents thereof and aver that all the factual/legal allegations contained therein are true and correct based on my personal knowledge and/or on authentic documents/official records;

3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation and that the factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery; and,

4. I hereby certify that SPI has not filed/commenced any action or proceeding arising from the same issues raised in the Joint Application before the Supreme Court, Court of Appeals, or any other courts or tribunals or quasi-judicial bodies/agencies and to the best of my knowledge, no such other similar action or claim is pending therein. If ever there is a case pending before the said courts or tribunals involving the same issues, I undertake to inform the Honorable Energy Regulatory Commission of such fact within five (5) calendar days from knowledge thereof.

I am executing this undertaking in support of the Joint Application and the veracity of the allegations therein as well as for any other legal purpose this may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 13 2026 at Pasig City.

ELENITA D. GO
Affiant

SUBSCRIBED AND SWORN to before me this OCT 13 2026 in Pasig City. Affiant personally appeared and exhibited to me her Philippine Passport No. [redacted] at the DFA NCR East as her competent proof of identity and with affiant waiving the right to receive a duplicate and original electronic copy of the Verification and Certification of Non-Forum Shopping in effect waiving any objection to the completeness of the reproduction of the same.

Doc. No.: 419;
Page No.: 84;
Book No.: X;
Series of 2026.

[redacted]
RUDILICIA P. ESPIRITU
Commission No. 274 (2025-2026)
Notary Public for Pasig City
Until December 31, 2026
5th Floor, C5 Office Building Complex
#100 E Rodriguez Jr. Ave., C5 Road,
Bo. Ugong, Pasig City, 1604, Metro Manila
Roll No. [redacted]
PTR No. [redacted] January 5, 2026 / Pasig City
IBP Life Member RSM No. [redacted] Camarines Sur Chapter
MCLE Compliance No. VIII-0007660 / 03-20-24

RUDILICIA P. ESPIRITU
NOTARY PUBLIC
ROLL NO. [redacted]
PASIG CITY, PHILIPPINES

---

1 *ERC Resolution No. 07, Series of 2026,* 16 February 2015. *"Amended Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market."*

2 While SPI is a co-applicant, it manifests that this Joint Application shall neither modify, diminish, nor constitute as a waiver of SPI's rights nor expand its obligations and responsibilities as a generation company under the EPIRA.

3 *DOE Circular No. DC2023-06-0021* dated 20 June 2023, *"Prescribing the Policy for the Mandatory Conduct of the Competitive Selection Process by the Distribution Utilities for the Procurement of Power Supply for their Captive Market,"* as amended by DOE Circular No. DC2025-10-0022.

4 ERC Case No. 2025-205 - RC is still pending approval by the Honorable Commission.

5 Joint Application dated 30 July 2026 for the approval of the 10 MW PSA was filed on 18 August 2026.

6 Annex 02 includes Annexes 05, 07 and 08 in the Technical Pre-filing Requirements.

7 Section 1, Rule 4, *Rules of Practice and Procedure* of the Honorable Commission.

8 G.R. No. 172835, 13 December 2007.

9 *Ibid*, emphasis supplied.

10 In line with the Honorable Commission's rules and regulations, soft copies of the documents covered by the prayer for confidential treatment were password-protected and submitted *via* electronic submission.

11 **Other registered email:** regulatorycompliance@smcgph.sanmiguel.com.ph

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN QUIRINO ELECTRIC COOPERATIVE (QUIRELCO) AND SUAL POWER, INC. (SPI) WITH PRAYERS FOR THE ISSUANCE OF PROVISIONAL AUTHORITY OR INTERIM RELIEF AND CONFIDENTIAL TREATMENT OF INFORMATION

ERC CASE NO. 2026-169 RC

QUIRINO ELECTRIC COOPERATIVE (QUIRELCO) AND SUAL POWER, INC. (SPI),
Applicants.
x----------x

Promulgated:
October 26, 2026

NOTICE OF VIRTUAL HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that on 21 October 2026, Quirino Electric Cooperative (QUIRELCO) and Sual Power, Inc. (SPI) filed a *Joint Application* dated 01 October 2026, seeking the Commission's approval of their Power Supply Agreement (PSA), with prayers for the issuance of provisional authority or interim relief and for motion for confidential treatment of information.

The docketed copy of the *Joint Application*, excluding its annexes, is attached as Annex "A" of the *Notice of Virtual Hearing*.

The Commission has set the instant *Joint Application* for hearing, pursuant to the pertinent rules of the Commission, as follows:

Date and Time	Platform	Activity
19 November 2026 (Thursday) at nine o'clock in the morning (9:00 P.M.)	**Microsoft Teams**	Determination of compliance with jurisdictional requirements and Expository Presentation
26 November 2026 (Thursday) at nine o'clock in the morning (9:00 P.M.)		Pre-Trial Conference and Presentation of Evidence

Accordingly, Applicants are hereby directed to mirror the virtual hearings, to be hosted by the Commission, at **QUIRELCO's principal office at Aurora East, Diffun, Quirino** as the designated venue for the conduct thereof and ensure that the same is open to the public. Moreover, Applicants shall guarantee that, during the conduct of the expository presentation, the participation of the public shall not be impaired.

Any interested stakeholder may submit its comments and/or clarifications at least **one (1) calendar day** prior to the scheduled initial virtual hearing, via e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph. The Commission shall give priority to the stakeholders who have duly submitted their respective comments and/or clarifications, to discuss the same and propound questions during the course of the expository presentation.

Moreover, all persons who have an interest in the subject matter of the instant case may become a party by filing with the Commission via e-mail at docket@erc.ph, and copy furnishing the Legal Service through legal@erc.ph, a verified Petition to Intervene at least **five (5) calendar days** prior to the date of the initial virtual hearing. The verified Petition to Intervene must follow the requirements under Rule 7 of the 2026 Rules of Practice and Procedure of the Energy Regulatory Commission, indicating therein the docket number and title of the case, and state the following:

1) The petitioner's name, mailing address, and e-mail address;
2) The nature of petitioner's interest in the subject matter of the proceeding and the way and manner in which such interest is affected by the issues involved in the proceeding; and
3) A statement of the relief desired.

Likewise, all other persons who may want their views known to the Commission with respect to the subject matter of the case may file through e-mail at docket@erc.ph, copy furnish the Legal Service through legal@erc.ph, their Opposition or Comment thereon at least five (5) calendar days prior to the initial virtual hearing and subject to the requirements under Rule 7 of the 2026 Rules of Practice and Procedure of the Energy Regulatory Commission. No particular form of Opposition or Comment is required, but the document, letter, or writing should contain the following:

1) The name, mailing address, and e-mail address of the person;
2) A concise statement of the Opposition or Comment; and
3) The grounds relied upon.

(This space is intentionally left blank.)

Finally, all interested persons may be allowed to join the scheduled virtual hearings by providing the Commission, through legal.virtualhearings@erc.ph, their respective e-mail addresses, indicating therein the case number of the instant *Joint Application*. The Commission will send the access link/s to the aforementioned hearing platform within five (5) working days prior to the scheduled hearings.

WITNESS, the Honorable Chairperson and Chief Executive Officer **FRANCIS SATURNINO C. JUAN** and the Honorable Commissioners **FLORESINDA G. BALDO-DIGAL**, **MARKO ROMEO L. FUENTES**, **AMANTE A. LIBERATO** and **PARIS G. REAL**, Energy Regulatory Commission, in Pasig City.

FOR AND BY AUTHORITY OF THE COMMISSION:

Maria Corazon C. Gines

ATTY. MARIA CORAZON C. GINES*
Director III, Legal Service

LS: DPED / RCD

* Authority granted during Commission Meeting on 20 August 2025.

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Exquadra Tower 1 Jade Drive, Ortigas Center,
Pasig City

IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN QUIRINO ELECTRIC COOPERATIVE AND SUAL POWER, INC. WITH PRAYERS FOR THE ISSUANCE OF PROVISIONAL AUTHORITY OR INTERIM RELIEF AND CONFIDENTIAL TREATMENT OF INFORMATION

ERC CASE NO. 2026-169 **RC**

October 21, 2026

QUIRINO ELECTRIC COOPERATIVE (QUIRELCO) AND SUAL POWER, INC. (SPI),
Applicants.
x----------x

JOINT APPLICATION

(With Prayers for the Issuance of Provisional Authority or Interim Relief and Confidential Treatment of Information)

Joint Applicants, **QUIRINO ELECTRIC COOPERATIVE (QUIRELCO)** and **SUAL POWER, INC. (SPI)**, through respective counsels, and unto this Honorable Commission, respectfully state that:

THE APPLICANTS

1. QUIRELCO is a non-stock, non-profit electric cooperative (EC), duly organized and existing under and by virtue of the laws of the Philippines, with principal office address at Aurora East, Diffun, Quirino.

1.1 QUIRELCO is a holder of a franchise from the National Electrification Commission to operate an electric light and power distribution service. QUIRELCO currently serves the municipalities of Diffun, Cabarroguis, Saguday, Aglipay, Maddela and Nagtipunan, all in the Province of Quirino, and eighteen (18) barangays of the municipality of San Agustin in the Province of Isabela (Franchise Area).

1.2 QUIRELCO is duly represented herein by its Board President, Loreto T. Ignacio, and/or General Manager, Cesar P. Gulla.[1]

2. SPI is a corporation duly organized and existing under the laws of the Republic of the Philippines with principal office address at 5th Floor, C5 Office Bldg. Complex, #100 E. Rodriguez Jr. Ave., C5 Road, Ugong, Pasig City.

2.1 SPI is the owner and operator of the 2 x 647.020 MW Coal-Fired Thermal Power Plant (Power Plant) located at Brgy. Pangascasan, Sual, Pangasinan.

2.2 SPI is duly represented herein by its Authorized Representative, Ms. Elenita D. Go.[2]

(SPI and QUIRELCO are jointly referred hereinafter as "Joint Applicants".)

3. The Joint Application is filed pursuant to ERC *Resolution No. 7, Series of 2026* (**Amended CSP Guidelines**)[3] requiring distribution utilities (DUs) and generation companies (GENCOs) to jointly file an application for the approval of their PSA.

4. Joint Applicants may be served with orders, notices, and other processes of the Honorable Commission through undersigned counsels at the addresses given below.

II
NATURE AND TIMELINESS OF THE APPLICATION

5. This Joint Application seeks the Honorable Commission's approval of the PSA dated 09 September 2026 between Joint Applicants pursuant to Sections 25[4] and 45(b)[5] of Republic Act No. 9136, otherwise known as the *Electric Power Industry Reform Act* of 2001 (**EPIRA**), Rules 5, Section 4(e)[6] and 11, Section 54 of its *Implementing Rules and Regulations* (**IRR**), Rule 20(B) of its *Revised Rules of Practice and Procedure*,[7] Article VII of the *Amended CSP Guidelines*,[8] and other pertinent rules and regulations.

6. Section 5.4. of the Department of Energy (DOE) Department Circular No. DC2023-06-0021, as amended by DOE Department Circular No. DC2025-10-0022 (DOE CSP Policy) provides that *"in case an EC is unable to complete the CSP one (1) year before said scheduled date as indicated in its PSPP, the NEA shall undertake or continue the CSP on behalf of the EC."*

7. Section 5.2 of the DOE CSP Policy further provides that *"ECs with limited capability to undertake CSP may request the NEA to provide the necessary assistance and resources to conduct the same x x x"*.

8. Article XIII, Sections 13.1 and 13.2 of the National Electrification Administration (NEA) Memorandum No. 2023-057 (**NEA 2023 CSP Guidelines**) reiterate the DOE CSP Policy and further provide that *"[i]n case an EC (or [a]ggregated ECs) requests the NEA['s] assistance xxx or is unable to complete its CSP one (1) year before the scheduled date as indicated in the PSPP, the NEA shall undertake the CSP on behalf of the EC. For this purpose, the NEA can mobilize its own manpower complement and structure, the manpower of the EC itself, as well as those of other ECs to undertake the CSP process, as necessary"*.

III
STATEMENT OF FACTS

The Conduct of Joint Competitive Selection Process (CSP)

9. Based on the latest Power Supply Procurement Plans (PSPP), several ECs[9] connected to the Luzon and Visayas Grid faced baseload power supply deficits that needed to be addressed through the timely conduct of CSPs to ensure sufficient and reliable power supply for their respective captive markets.

10. However, the CSPs intended to address the baseload supply deficits of the ECs, including QUIRELCO, were not completed within one (1) year prior to the expiration of their existing PSAs or prior to the increase in demand of the Luzon and Visayas ECs, as provided in their respective PSPPs.

11. Pursuant to the foregoing, QUIRELCO and other ECs were included in the Luzon and Visayas Electric Cooperatives Aggregation (LVECA) for NEA's conduct of Joint Competitive Selection Process (Joint CSP) for their aggregated baseload supply requirements.

12. On 03 February 2026, NEA issued Office Order No. 2026-043, Series of 2026 where NEA - Special Bids and Awards Committee (NEA-SBAC), Secretariat, and Technical Working Group (NEA-SBAC-TWG) for the Joint CSP for the Luzon and Visayas ECs were constituted.

13. The Joint CSP was structured into two (2) Lots: Lot 1, covering the Luzon Member ECs, and Lot 2, covering the Visayas Member ECs. For each Lot, the Bidder shall submit an offer and commit to supply a fixed percentage of the Aggregated Contract Capacity for such Lot (Offered Contract Capacity), which shall not be less than twenty percent (20%) nor more than fifty percent (50%) of the Aggregated Contract Capacity for any given year. The percentage proposed by the Bidder for a Lot shall remain fixed for the entire PSA Term and shall apply uniformly to all Member ECs within that Lot.

14. On 13 and 14 April 2026, NEA-SBAC-TWG presented the draft Terms of Reference (TOR), Invitation to Bid (ITB), and bidding documents to NEA-SBAC.

15. On 15 April 2026, or at least five (5) calendar days before the first publication of the ITB, NEA-SBAC informed DOE and the Honorable Commission of the conduct of the Joint CSP.

16. On even date, NEA issued the Certificate of Conformity No. NEA-RAO-COC-2026-02 that certified the respective contract quantities and cooperation periods covered by the Joint CSP were consistent with the latest posted PSPPs of each Member EC.

17. On 21 April 2026 and 28 April 2026, the ITB and TOR were published in The Manila Times Newspaper. The NEA-SBAC and Member ECs likewise caused their posting on the DOE CSP e-based portal, NEA website, and Member ECs' respective official websites and social media accounts.

18. On 06 May 2026, copies of the Invitation for CSP Observers were sent to DOE, Philippine Chamber of Commerce and Industry, Institute of Integrated Electrical Engineers of the Philippines and Nationwide Association of Consumers, Inc. A general invitation for CSP Observers was likewise posted on the NEA website.

19. On 14 May 2026, the Pre-Bid Conference took place with the participation of representatives from the NEA-SBAC-TWG, Secretariat, CSP Observers, and all interested bidders.

20. Following the Pre-Bid Conference, NEA released Bid Bulletin Nos. 01 to 04 that included the revised schedule of bidding activities, responses to concerns from prospective bidders, and clarifications on the final bidding procedures and related transaction documents.

21. The Final Transaction Documents was issued on 17 June 2026, which were subsequently amended on 25 June 2026, setting 10 July 2026 as the deadline for submission of bids and the date for the opening and evaluation thereof.

22. On 10 July 2026, the submission, opening, and evaluation of bids were conducted.[10]

23. For Lot 1, three (3) out of six (6) prospective bidders timely submitted their respective bids, namely, Mariveles Power Generation Corporation (MPGC), Therma Luzon, Inc. (TLI), and Sual Power, Inc. (SPI).

24. For Lot 2, six (6) out of ten (10) prospective bidders timely submitted their respective bids, namely, Malita Power, Inc. (MPI), Therma Visayas, Inc. (TVI), Energy Development Corporation (EDC), Cebu Energy Development Corporation (CEDC), Panay Energy Development Corporation (PEDC), and Palm Concepcion Power Corporation (PCPC).

25. Thereafter, the following GENCOs withdrew from the Joint CSP: GNPower Dinginin Energy Ltd. Co. (GNPD), GNPower Mariveles Energy Center Ltd. Co (GMEC), and PEDC for Lot 1; and FDC Misamis Power Corporation (FDCMPC), GN Power Kauswagan Ltd. Co. (GNPK), Therma South, Inc. (TSI), and Toledo Power Co. (TPC) for Lot 2.

Evaluation of Bids for Lot 1

26. Upon careful evaluation, NEA-SBAC determined that MPGC, TLI, and SPI for Lot 1 successfully passed the preliminary evaluation for their respective Eligibility Requirements, Technical Proposal, and Bid Security submissions.

27. After completing the preliminary evaluation, the Financial Proposals of MPGC, TLI, and SPI were subsequently opened and compared. These are summarized as follows:

RANK NO.	BIDDER	LCOE (PhP/kWh)	BID SECURITY AMOUNT (PhP)	OCC (in %)	REMARKS
1	SUAL POWER INC.	5.9078	1,400,000,000.00	50%	Lowest Calculated Bid 1
			Compliant		
2	THERMA LUZON, INC.	6.2659	2,859,000,000.00	50%	Lowest Calculated Bid 2
			Compliant		
3	MARIVELES POWER GENERATION CORPORATION	6.2952	1,405,000,000.00	50%	N/A
			Compliant		

28. Following the completion of the Post-Qualification Activities, the TWG submitted its Post-Qualification Report on 11 August 2026, that confirmed the genuineness, validity, and accurateness of the legal, technical, and financial documents of TLI and SPI for Lot 1.

29. Accordingly, the TWG recommended that NEA-SBAC declare TLI and SPI for Lot 1 as Lowest Calculated and Responsive Bidders and that Notices of Award be issued in their favor.

30. On 12 August 2026, Bid Bulletin No. 05 was issued, announcing the revised schedule for the issuance of the Notice of Award to the Winning Bidders and signing of the PSAs.

31. On 17 August 2026, NEA-SBAC issued Resolution No. 13, Series of 2026, declaring, among others, that TLI and SPI for Lot 1 as Lowest Calculated and Responsive Bidders.

32. In accordance with NEA Memorandum No. 2023-057, NEA-SBAC endorsed the aforementioned resolution to the NEA Office of the Administrator (Office of the Administrator) for the issuance of Notices of Award in favor of said bidders.

33. On 18 August 2026, the Notices of Award were issued and subsequently accepted by the Winning Bidders.[11]

34. From 24 August 2026 to 04 September 2026, duly authorized representatives of Member ECs negotiated and finalized their respective PSAs with the Winning Bidders.

35. On 04 September 2026, the negotiated and finalized PSAs were submitted to NEA-SBAC for evaluation and approval.

36. Through Resolution No. 14, Series of 2026, NEA-SBAC approved the negotiated PSAs and endorsed the same to the Office of the Administrator for the issuance of the corresponding Notices to Execute the Agreement.

37. On 08 September 2026, the Office of the Administrator issued Notices to Execute the Agreement, directing Luzon Member ECs to proceed with the execution and signing of their respective PSAs.

38. **On 09 September 2026, Joint Applicants executed the subject PSA.**

39. The procurement outcome assures compliance with EPIRA's principles of least-cost and transparency principles. Implementing the PSA will ensure a stable and least-cost power supply to QUIRELCO's franchise area, benefitting consumers through long-term price stability, reduced Wholesale Electricity Spot Market (WESM) exposure, improved supply reliability and reduced overall generation cost.

ABSTRACT OF THE PSA

40. Pursuant to the PSA, SPI shall supply power to QUIRELCO for the Agreement Term with a Contract Capacity of 3.50MW-8.00MW Baseload (Firm), as provided in Schedule 2 of the PSA.

41. The power supply will be sourced from SPI's 2 x 647.020 MW Coal-Fired Thermal Power Plant (Power Plant) located at Brgy. Pangascasan, Sual, Pangasinan.

42. The following are the Salient Features of the PSA:

42.1 Sale and Purchase of Energy/Capacity: Subject to and in accordance with the terms of this Agreement, Seller shall make available and sell to Buyer, and Buyer shall purchase from the Seller for the consideration described in SECTION 11, the Contract Capacity and Associated Energy from and after the Delivery Date until the expiry of the Term, unless sooner terminated in accordance with this Agreement and upon approval by the ERC.

42.2 Contract Term: This Agreement shall take effect immediately from the Effective Date, and from such date shall remain in force and effect for fifteen (15) years from Delivery Date unless sooner terminated in accordance with this Agreement and upon approval by the ERC.

42.3 Delivery Date: The Seller shall commence delivery of the Contract Capacity provided in SCHEDULE 2 to Buyer on Delivery Date. The Delivery Date shall be the later of either: a.) 26 December 2026; or b) The next immediate 26th day of the month following the ERC's issuance of a Provisional Authority or Interim Relief to implement the Agreement, as applicable, or Final Authority to implement the Agreement, if neither Provisional Authority nor Interim Relief was issued.

42.4 Supply of Energy: Subject to the approval of the ERC, beginning on the Delivery Date and until the termination or expiration of this Agreement, Seller shall supply and deliver the Contract Capacity to the Buyer at the Delivery Point, as provided in SCHEDULE 2, and Buyer shall purchase the Contract Capacity and Associated Energy and pay Seller as provided in SCHEDULE 7. The Delivery Point shall be the point/s specified in SCHEDULE 3.

42.5 Seller's Outage Allowance: Seller is allowed a Scheduled Outage Allowance and Unscheduled Outage Allowance (taken together, the "Outage Allowance") not to exceed the number of days for each Year as set forth in SCHEDULE 6, during which times, reduced or no deliveries shall be available to Buyer, subject to ERC rules and regulations on reliability performance indices applicable for the Facility.

Scheduled Outages	0 days
Unscheduled Outages	0 days

42.6 Line Rental Cap: The Line Rental Cap is PhP0.2734/kWh and shall apply on a per Billing Period basis throughout the entire Term. For each Billing Period, the Buyer shall pay only the lower of: (a) the Actual Line Rental Charges incurred for the energy delivered during such Billing Period; or (b) Capped Line Rental Charges.

42.7 Replacement Power during Outages: The procurement of any Replacement Power shall be the responsibility of Seller, provided that the rates to be paid by Buyer for the procurement of Replacement Power shall be the lower between: i. the actual rate of the Replacement Power; or ii. the generation rate based on the approved tariff for this Agreement.

If Seller provides Replacement Power, Seller shall attach to the Seller Invoice the computation showing both the actual rate of the Replacement Power and the generation rate based on the approved tariff for this Agreement.

If the Seller is able to supply only a portion of the Contract Capacity, contrary to its committed capacities under this Agreement, and the Seller's Outage Allowance has already been exhausted, the Seller shall procure and provide Replacement Power for the deficient capacity at the generation rate equivalent to the Provisional or Final Approved Generation Rate, or the actual rate of the Replacement Power, whichever is lower.

42.8 Prompt Payment Discount: Seller shall extend a three percent (3%) discount based on the total Capital Recovery Fee, Fixed Operations and Maintenance Fee, and Variable Operations and Maintenance Fee for the Billing Period to Buyer as a Prompt Payment Discount if: a. Payment by Buyer is made in full or partial within fifteen (15) Days upon receipt of the Seller Invoice for a Billing Period (the "Prompt Payment Period"); and b. Buyer is up to date with all its payment obligations under this Agreement.

42.9 Contract Capacity:

TABLE 1
(in MW)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2027	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
2028	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
2029	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
2030	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
2031	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
2032	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
2033	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
2034	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
2035	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2036	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
2037	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
2038	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
2039	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
2040	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
2041	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

42.10 Monthly Payment, Indexation, and Adjustment:

Total Generation Charge

Total Generation Charge= CRF_{CUFt} + $FOMF_{CUFt}$ + $VOMF_t$ + FC_t + VAT

A. Capital Recovery Fee ("CRF")

The CRF_{CUFt} shall be calculated as the product of the Capital Recovery Rate ("CRR_{CUFt}"), in PhP/kWh, and the Actual Energy Delivered during the Billing Period or the equivalent Associated Energy based on the 65% Monthly Minimum CUF, whichever is higher. The formula to calculate the CRF_{CUFt} shall be:

$$CRF_{CUFt} = CRR_{CUFt} \times max\,(AE_t, AED_t)$$

$$CRR_{CUFt} = \frac{CRR_{100\%CUF}}{CUF_t}$$

Where:

CRF_{CUFt}	Corresponding CRF_{CUF} to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
CRR_{CUFt}	Rate Component to calculate CRF_{CUFt}, expressed in PhP/kWh, for the Billing Period
AE_t	Associated Energy based on the 65% Monthly Minimum CUF in kWh for the Billing Period
AED_t	Actual Energy Delivered from the Facility during the Billing Period in kWh
$CRR_{100\%CUF}$	Corresponding CRR at 100% CUF, which is **PhP2.1500/kWh** For reference, the CRR_{CUF} from 65% to 100% is presented below.
CUF_t	Actual CUF for the Billing Period. The CUF shall be calculated in accordance with the formula below.
t	Billing Period

CUF	CRR Php/kWh
100%	2.1500
99%	2.1717
98%	2.1939
97%	2.2165
96%	2.2396
95%	2.2632
94%	2.2872
93%	2.3118
92%	2.3370
91%	2.3626
90%	2.3889
89%	2.4157
88%	2.4432
87%	2.4713
86%	2.5000
85%	2.5294
84%	2.5595
83%	2.5904
82%	2.6220
81%	2.6543
80%	2.6875
79%	2.7215
78%	2.7564
77%	2.7922
76%	2.8289
75%	2.8667
74%	2.9054
73%	2.9452
72%	2.9861
71%	3.0282
70%	3.0714
69%	3.1159
68%	3.1618
67%	3.2090
66%	3.2576
65%	3.3077

- The CUF_t shall be calculated in accordance with the formula below:

$$CUF_t = \frac{Q_t}{CC_t \times (H_T - H_0 - H_{FM})}$$

Where:

CUF_t	As previously defined
Q_t	Energy delivered during the Billing Period or the equivalent associated energy based on the Monthly Minimum CUF, whichever is higher
CC_t	Contract Capacity for the Billing Period in kW as indicated in Schedule 2
H_T	Total number of hours in the Billing Period
H_0	Zero (0) for each Billing Period, as the Seller has no Outage Allowance
H_{FM}	The Equivalent Hours of Force Majeure in the Billing Period
t	As previously defined

- Formula to calculate the Q_t and AE_t for any billing period shall be:

$$Q_t = max\,(AE_t, TED_t)$$

$$AE_t = 65\% \times CC \times (H_T - H_0 - H_{FM})$$

Where:

Q_t	As previously defined
AE_t	As previously defined
TED_t	Total Energy Delivered, which is Actual Energy Delivered from the Facility and the Replacement Power energy, during the Billing Period in kWh
CC	As previously defined
H_T	As previously defined
H_0	As previously defined
H_{FM}	As previously defined
t	As previously defined

- The formula to calculate the H_{FM} shall be:

$$H_{FM} = \sum_{i=1}^{y} \left(1 - \frac{Seller\ Actual\ BCQ\ Declared, due\ to\ force\ majeure}{Buyer\ Day\ Ahead\ Nomination}\right)$$

Where:

y	Total number of Hours in a Billing Period
Seller Actual BCQ Declared due to force majeure	The actual reconciled quantity of BCQ declared by the Seller to the Buyer for the relevant hour i, expressed in kW, which was affected by or reduced due to an event of force majeure for either the Buyer or the Seller, in accordance with the BCQ Nomination Protocol under the PSA
Buyer Day Ahead Nomination	The quantity of BCQ nominated by the Buyer for delivery for the relevant hour i in the Day-Ahead Nomination, expressed in kW, submitted in accordance with the BCQ Nomination Protocol under the PSA

B. Fixed Operation and Maintenance Fee ("FOMF")

The $FOMF_{CUFt}$ shall be calculated as the product of the Fixed Operation and Maintenance Rate ("$FOMR_{CUFt}$"), in PhP/kWh, and the actual energy delivered during the Billing Period or the equivalent associated energy based on the Monthly Minimum CUF, whichever is higher. The formula to calculate $FOMF_{CUFt}$ shall be:

$$FOMF_{CUFt} = FOMR_{CUFt} \times max\,(AE_t, AED_t)$$

$$FOMR_{CUFt} = \frac{FOMR_{100\%CUF}}{CUF_t}$$

Where:

$FOMF_{CUFt}$	Corresponding $FOMF_{CUF}$ to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
$FOMR_{CUFt}$	Rate Component to calculate $FOMF_{CUFt}$, expressed in PhP/kWh, for the Billing Period.
AE_t	As previously defined
AED_t	As previously defined
$FOMR_{100\%CUF}$	Corresponding FOMR at 100% CUF, which is **PhP0.4500/kWh**. For reference, the $FOMR_{CUF}$ from 65% to 100% is presented below.

CUF	FOMR LOCAL Php/kWh
100%	0.4500
99%	0.4545
98%	0.4592
97%	0.4639
96%	0.4688
95%	0.4737
94%	0.4787
93%	0.4839
92%	0.4891
91%	0.4945
90%	0.5000
89%	0.5056
88%	0.5114
87%	0.5172
86%	0.5233
85%	0.5294
84%	0.5357
83%	0.5422
82%	0.5488
81%	0.5556
80%	0.5625
79%	0.5696
78%	0.5769
77%	0.5844
76%	0.5921
75%	0.6000
74%	0.6081
73%	0.6164
72%	0.6250

71%	0.6338
70%	0.6429
69%	0.6522
68%	0.6618
67%	0.6716
66%	0.6818
65%	0.6923

C. Variable Operations and Maintenance Fee ("VOME")

The $VOMF_t$ shall be calculated as the product of the Variable Operation and Maintenance Rate ("VOMR"), in PhP/kWh, and the actual energy delivered for the Billing Period. The formula to calculate $VOMF_t$ shall be:

$$VOMF_t = VOMR_t \times AED_t$$

$VOMF_t$	Corresponding VOMF to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
$VOMR_t$	Rate Component to calculate $VOMF_t$ which is **PhP0.2000/kWh**
AED_t	As previously defined

D. Fuel Cost ("FC")

The FC_t for the Billing Period shall be calculated as follows:

$$FC_t = \left(\frac{FP_t \times FCR_t}{1000}\right) \times AED_t$$

$$FP_t = (FCC_t \times FX_m) + NFCC_t + Applicable\ Taxes$$

Where:

FC_t	Corresponding FC to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
FP_t	Applicable Fuel Price for the Billing Period, expressed in PhP/MT
FCC_t	Fuel Commodity Cost in USD/MT calculated using the formula below: $103.09 \times \left[\left(97.09\% \times \frac{NFI\,1_{3m\,avg}}{NFI\,1_0}\right) + 2.91\%\right]$
$NFI\,1_{3m\,avg}$	The average value for the three (3) months preceding the Billing Period for which the Invoice is being prepared of the Indonesian Coal Index 2 (5,800 GAR/ 5,500 NAR) as published by the Argus/Coalindo for Indonesian Coal Index Report, in USD/MT
$NFI\,1_0$	Value of Indonesian Coal Index 2 (5,800 GAR/ 5,500 NAR) for the month of May 2026, which is 100.09, in USD/MT
AED_t	As previously defined
$NFCC_t$	Weighted average of the actual Freight Cost, Marine Cargo Insurance, Letter of Credit Opening Charges, Disport Surveyor Fees, Wharfage, and Brokerage Fees, in PhP/MT. Demurrage costs arising from this Agreement shall be a pass-through cost subject to the following: • Any demurrage arising from the Seller's procurement of coal in excess of its requirements, including demurrage resulting from the use of a port or vessel as temporary storage for such excess coal, shall be solely for the account of the Seller and shall not be passed on to the Buyer. Provided, however, that this limitation shall not apply where such excess procurement or the resulting demurrage is attributable (i) to a directive of a relevant government agency, regulatory authority, or market operator, such as the Department of Energy, the Energy Regulatory Commission, the System Operator, or the Independent Electricity Market Operator of the Philippines; or (ii) to comply with applicable laws, regulations, or mandatory fuel inventory requirements, in which case the resulting demurrage cost shall be passed on to the Buyer or PhP200/MT, whichever is lower. • Demurrage costs arising from causes other than the Seller's excess procurement of coal, negligence, or fault, as stated above, shall be passed on to the Buyer, subject to a cap of PhP 200/MT or the actual demurrage cost, whichever is lower. • Any penalty, fine, surcharge, or similar charge imposed by the DOE or BOC arising from the failure to timely secure, submit, or comply with the requirements relating to the Certificate of Compliance for coal importation issued by the DOE shall be solely for the account of the Seller. Seller can only recover the NFCC items listed above and shall submit to the Buyer proof of actual costs in the form of official invoices and supporting documents. When applicable, Seller must disclose actual cost of NFCC in USD/MT and disclose the actual foreign exchange rate used to convert USD denominated costs into PHP.
FX_m	The monthly average of the PhP/USD exchange rate for the month (i.e., first until last day of the month) for which the invoice is being prepared, as published in the Bangko Sentral ng Pilipinas website
Applicable taxes	Applicable taxes relating to FC for the Billing Period, in PhP/MT

In the event that the index (a) becomes unavailable, (b) is replaced by a new benchmark rate as determined by the relevant authorized entity, its successor-in-interest, or (c) ceases to exist, the Parties shall agree to adopt a new price index.

The FP_t to be billed by Seller shall be the lower between:

1. The sum of the (i) resulting value using the Fuel Commodity Cost Formula and (ii) the Non-Fuel Commodity Cost; or
2. The actual fuel price as billed by the fuel supplier/s (i.e., supported by actual invoices) including the Non-Fuel Commodity Cost for the relevant Billing Period.

FCR_t	Applicable Fuel Consumption Rate ("FCR") for the Billing Period, expressed in kg/kWh, shall be the lower between: (i) the guaranteed FCR_{CUFt}; or (ii) the actual plant FCR

If Buyer fails to utilize the Contract Capacity at the Monthly Minimum CUF, Seller may apply the higher of its actual plant FCR or the guaranteed consumption rate corresponding to the Minimum CUF for that Billing Period.

If the resulting CUF_t is a whole percentage number, the guaranteed FCR_{CUFt} shall be the corresponding FCR set forth in the table below for CUF levels from 65% to 100%.

If the resulting CUF_t is not a whole percentage number, the guaranteed FCR_{CUFt} shall be determined using the following formula:

$$FCR_{CUFt} = FCR_{CUF1} + \frac{(FCR_{CUF2} - FCR_{CUF1}) \times (CUF_t - CUF1)}{(CUF2 - CUF1)}$$

FCR_{CUFt}	guaranteed FCR corresponding to the Actual CUF for the Billing Period
CUF_t	as previously defined
FCR_{CUF2}	corresponding FCR for CUF2 set forth in the table below
FCR_{CUF1}	corresponding FCR for CUF1 set forth in the table below
CUF2	CUF increment of the nearest upper value, in %
CUF1	CUF increment of the nearest lower value, in %

Illustration: CUF_t 70.53%

CUF2	71%
CUF1	70%
FCR_{CUF2}	0.4810
FCR_{CUF1}	0.4818

The FCR at CUF levels from 65% to 100% are as follows:

CUF	FCR, kg/kWh
100%	0.4595
99%	0.4600
98%	0.4607
97%	0.4612
96%	0.4617
95%	0.4623
94%	0.4631
93%	0.4637
92%	0.4642
91%	0.4648
90%	0.4654
89%	0.4661
88%	0.4670
87%	0.4676
86%	0.4683
85%	0.4690
84%	0.4697
83%	0.4707
82%	0.4714
81%	0.4722
80%	0.4729
79%	0.4737
78%	0.4744
77%	0.4756
76%	0.4764
75%	0.4772
74%	0.4784
73%	0.4793
72%	0.4801
71%	0.4810
70%	0.4818
69%	0.4827
68%	0.4841
67%	0.4850
66%	0.4859
65%	0.4869

Note: For avoidance of doubt, the Buyer shall bear all other applicable costs, charges and taxes pursuant to Section 13.2 of this Agreement.

Note: For avoidance of doubt, the Buyer shall bear all other applicable costs, charges and taxes pursuant to Section 13.2 of this Agreement.

E. Value-added Tax ("VAT"), if any. VAT shall only be chargeable to the Buyer if prevailing laws expressly allow its passing on by the Seller.

Except for VAT, which shall be a pass-through component of the price, all other taxes pursuant to Section 13.1 and government dues, the WESM market fees, and ER 1-94 (Benefits to Host Community) shall be to the account of the Seller.

Replacement Power Charge

If Seller provides Replacement Power, Seller shall attach to the Seller Invoice the computation showing both the actual rate of the Replacement Power and the generation rate based on the approved tariff for this Agreement.

In computing the actual rate of the Replacement Power, Seller shall declare whether the replacement energy was generated from a renewable energy source/s or from sources exempt from Value-Added Taxes and shall provide the invoice issued to it by the replacement power plant clearly showing the breakdown of the rate for the replacement energy delivered.

The generation rate based on this Agreement shall be computed in accordance with Schedule 7 as follows:

- The CRR_{CUFt}, $FOMR_{CUFt}$ and $VOMR_t$ shall be as previously defined above.
- Further, the Fuel Cost shall be calculated using a fuel rate based on the FP_t and FX_m as previously defined above and the Seller's Fuel Consumption Rate at the CUF level associated with the CRR_{CUFt} and $FOMR_{CUFt}$.
- In the event that the FP_t is unavailable due to the Facility being unable to utilize fuel and generate power for the supply under this Agreement, the fuel rate shall be based on the most recent 3-month average fuel cost, in PhP/kWh.

Thus, the Replacement Power cost shall be:

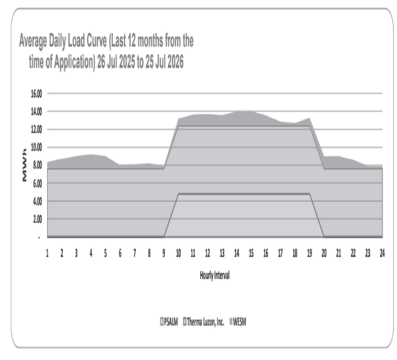
$$RP_t = [Min(RP_r, CP_r) \times RE_t] + VAT_t, if\ applicable$$

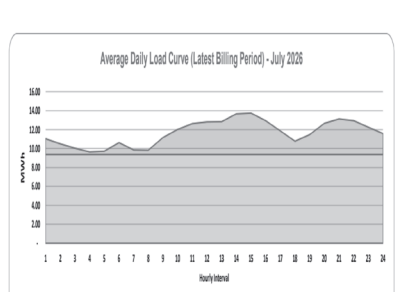
$$CP_r = [(CRR_{CUF1} + FOMR_{CUF1} + VOMR_t) + (\frac{FP_t \times FCR_{CUFt} \times FX_m}{1000})]$$

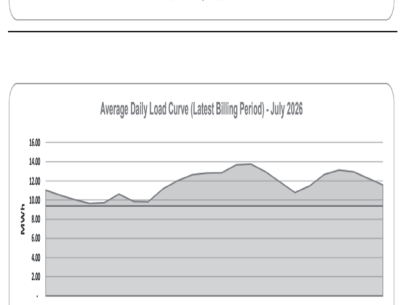
RP_t	Replacement Power cost for the Billing Period, in PhP
RP_r	Actual generation rate of the Replacement Power exclusive of VAT, in PhP/kWh
CP_r	Generation rate based on this Agreement exclusive of VAT, in PhP/kWh
RE_t	Replacement Power Energy supplied by the Seller to the Buyer for the Billing Period, in kWh
CRR_{CUFt}	As previously defined
$FOMR_{CUFt}$	As previously defined
$VOMR_t$	As previously defined
FP_t	As previously defined
FCR_{CUFt}	As previously defined
FX_m	As previously defined
VAT_t	Applicable VAT for the Replacement Power Cost for the Billing Period, if any.
t	Billing Period

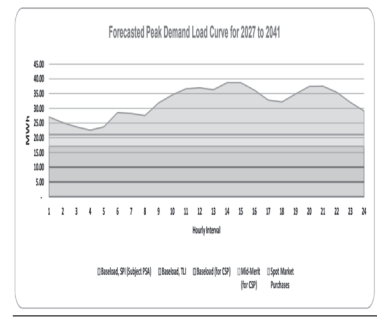
43. QUIRELCO's Supply and Demand Scenario (Yearly) and Average Daily Load Curve are as follows:

	ERC Case No.	Historical Year (Last 5 years)					Current Year	Forecasted Year (up to End of Contract Term)														
		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Peak Demand (MW)		13.98	13.99	12.26	13.00	15.72	15.73	17.20	18.66	20.12	21.73	23.42	25.26	27.17	29.32	31.38	33.66	34.95	36.36	41.17	43.91	46.75
Captive		13.98	13.99	12.26	13.00	15.72	15.73	17.20	18.66	20.12	21.73	23.42	25.26	27.17	29.32	31.38	33.66	34.95	36.36	41.17	43.91	46.75
Contestable																						
Suppliers																						
PSALM	2025-009 RC					4.91	4.91															
Therma Luzon, Inc.	2025-310 RC						5.77															
Therma Luzon, Inc.								5.59	5.59	5.59	6.00	6.00	6.00	6.59	6.59	5.00	5.00	6.00	6.00	7.00	7.00	8.00
Sual Power, Inc.								5.59	5.59	5.59	6.00	6.00	6.00	6.59	6.59	5.00	5.00	6.00	6.00	7.00	7.00	8.00
Intermediate (for CSP)								3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Baseload (for CSP)													7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Total Supply (MW)		-	-	-	4.91	4.91	5.77	10.18	10.18	10.18	11.00	11.00	16.00	19.00	19.59	20.00	20.00	22.00	22.00	24.00	24.00	26.00
(Deficit)/Surplus		(13.98)	(13.99)	(12.26)	(8.08)	(10.47)	(9.96)	(7.20)	(8.66)	(10.12)	(10.73)	(12.42)	(7.26)	(8.17)	(13.02)	(11.38)	(13.66)	(14.95)	(14.35)	(17.17)	(19.91)	(20.75)









INDICATIVE RATE IMPACT

44. The indicative rate impact on QUIRELCO's overall generation rate with the additional supply from SPI shows a **decrease of about PhP0.2361/kWh**, to *wit:*

Simulation of Generation Mix Rate with SPI	
Generation rate with SPI	PhP5.7051/kWh
Generation rate without SPI	PhP5.9411/kWh
Rate Impact, Increase/(Decrease)	**PhP(0.2361)/kWh**

45. In *Alyansa Para sa Bagong Pilipinas, Inc. vs. Energy Regulatory Commission, et. al.*,[12] the Supreme Court held that the purpose of the CSP is to ensure transparency and competition in the procurement of power supply by distribution utilities (DUs) so as to provide the least-cost electricity to the consuming public. This was also adopted by the Honorable Commission and is provided under Article I, Section 1(c), (d), and (i) of its *Amended CSP Guidelines*.

46. Considering that the PSA is the result of a valid Joint CSP conducted by NEA, Joint Applicants respectfully submit that the rates in the PSA be approved for it will ultimately redound to the benefit of QUIRELCO's MCOs.

IV
PRE-FILING REQUIREMENTS AND OTHER RELATED DOCUMENTS

47. In support of the Joint Application, the following documents are attached herein as annexes and made as integral part hereof:

ANNEXES	DOCUMENTS
"01"	PSA dated 09 September 2026
"02"[13]	SPI's Certification on Documents Previously Submitted invoking Section 24 of the ERC Resolution No. 07, Series of 2026: **ERC Case No. 2024-103 RC** • SPI's WESM Registration • Write-up on Shareholders' Agreement SPI • Write-up on the Non-applicability of BOI Registration • SPI's Environmental Compliance Certificate • Write-up on RE Developer • Write-up on RE Service Contract • Write-up on Water Permit • Documents Related to Fuel ***(Confidential)*** **ERC Case No. 2025-018 RC** • Certification on Non-Applicability of DWS Agreement • Certification on Non-Applicability of Transmission Wheeling Contract • Write-up on IPPA Agreement • Write-up on EPC Contract • Write-up on Project Feasibility Study • Write-up on Wholesale Aggregator Agreement **ERC Case No. 2026-057 RC** • Transmission Service Agreement **ERC Case No. 2026-063 RC** • SPI's Certification on Ultimate Parent Company **ERC Case No. 2026-121 RC** • SPI's Amended Articles of Incorporation, SPI's Amended By-Laws, and General Information Sheet for 2026 • Provisional Authority to Operate - 05 11 2026 Sual Power, Inc. (SPI) - 1,294.040 MW Sual CFTPP • SPI's Latest Audited Financial Statement • SPI's Write-up on the Non-Applicability of Rental Agreements • Operations and Maintenance Agreement ***(Confidential)***
"02A"	CDA Amended Articles of Cooperation and By-Laws
"02B"	NEA Certificate of Registration
"03"	Supply-Demand Scenario
"03A"	Details of Existing Suppliers
"03B"	Contract Utilization
"03C"	Average Daily Load Curves
"03D"	Distribution Development Plan
"03E"	Power Supply Procurement Plan
"04"	Matrix of Comparison of TOR and PSA
"05A"	Bid Forms ***(Confidential)***
"05B"	SPI's Generation Rate and Derivation ***(Confidential)***
"05C"	Sample Bill
"05D"	Rate Impact Analysis
"07"	WESM Registration
"11"	Estimation of Potential Reduction in Load
"D" and "E"	Board Resolution No. 122, Series of 2026
"D-1 and E-1"	SPI's Secretary's Certificate – Authority of Counsel to file the PSA and Authority of Affiant to Execute Verification and Certification Against Forum Shopping
"D-2"	SPI's Secretary's Certificate – Authority to Execute the PSA
"H"	Brief Description of the CSP Conducted
"I"	BAC/Joint BAC
"J"	CSP Observers
"K"	Invitation to Bid (ITB)
"L"	Certificate of Conformity from the NEA
"M"	Publication of the ITB
"N"	Posting of the ITB
"O"	Instruction to Bidders
"P"	Terms of Reference (TOR)
"Q" - Series	Pre-bid Conference
"R" - Series	Eligibility Requirements
"S" - Series	Submission of Bids
"T" - Series	Evaluation of Bids
"U" - Series	Award of Contract
"V" - Series	Execution of Contract
"W - Series	Protest Mechanism
"X"	Affidavit to Support Provisional Approval or Interim Relief

PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION

48. Pursuant to *Rule 4* of *ERC Revised Rules of Practice and Procedure*, Joint Applicants may request that certain information not be disclosed and be treated as confidential.[14] Pursuant to this, SPI prays for the confidential treatment of the information contained in the **Annexes "02", "05A"** and **"05B"**.

49. SPI treats the information contained in the above-mentioned documents, such as sources of funds/financial plans, certifications from bank/lending institutions, generation rate and derivation, cash flow, description of power plant, and fuel supply agreement, as **proprietary** in nature considering that it involves trade secrets reflecting investment and business calculations.

50. These documents are considered as trade secrets 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 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.[16]

51. The foregoing documents were prepared and developed for the exclusive use of SPI and were designed for its specific use in its power generation business. If the information contained in these documents are disclosed to the public, SPI's competitors or other entities engaged in the power business they will gain undue advantage and could incorporate the said information in their operations. Consequently, the negotiating power of SPI with parties it plans to contract with or who it is currently doing business with will be undermined if it is compelled to disclose such information.

52. Accordingly, Joint Applicants hereby submit one (1) copy of the confidential documents *via:* in a sealed envelope, with the envelope and each page of the document stamped with the word *"Confidential."*[17]

PRAYER FOR PROVISIONAL AUTHORITY OR INTERIM RELIEF

53. Joint Applicants re-plead, by reference, all the foregoing allegations to support its prayer for Provisional Authority (PA) or Interim Relief (IR).

54. Joint Applicants pray for the issuance of a provisional authority or interim relief for the implementation of the PSA pending the issuance of a final decision pursuant to Section 1, Rule 14 of the *ERC Revised Rules of Practice and Procedure*, which provides:

> Section 1. Provisional Authority or Interim Relief. - For applications or petitions covered by Section 1, Rule 6 of these Rules, the Commission may grant either a provisional authority or an interim relief, upon motion included in the application or petition and indicated in the caption thereof that such relief is requested.

55. QUIRELCO is currently procuring power under its recent EPSA that will expire on 25 November 2026.The necessity of the EPSA was due to global geopolitical developments, particularly the ongoing conflict involving Iran, Israel, and the United States that continue to affect global fuel supply and energy prices, thus, expected to cause significant increases in electricity prices in WESM.

56. Without the approval of the PSA and upon expiry of the EPSA, QUIRELCO will be constrained to source its power supply from WESM that has an average rate of PhP8.2234/kWh based on its July 2026 Billing.

57. To mitigate exposure to WESM prices and possible supply interruptions, it is imperative that the PSA be implemented immediately.

58. The PSA was the product of a duly conducted and fully compliant CSP pursuant to *NEA Memorandum No. 2023-057, DOE Department Circular No. DC2023-06-0021*, and *ERC Resolution No. 16, Series of 2023*, as amended by *Resolution No. 07, Series of 2026*, ensuring that the resulting rates are transparent, least-cost, and beneficial to MCOs.

59. The Levelized Cost of Energy of PhP5.9078/kWh offered by SPI, stands as the first ranked lowest calculated bid among two (2) Winning Bidders, and falls within the declared ceiling price of PhP6.3000/kWh for Lot 1. This rate is reasonable and advantageous to consumers as it will reduce QUIRELCO's effective generation charge and stabilize its power supply portfolio.

60. The General Manager of QUIRELCO, Cesar P. Gulla, executed an Affidavit of Merit to further support the prayer for the issuance of PA or IR.

PRAYER

WHEREFORE, premises considered, Joint Applicants, respectfully pray unto the Honorable Commission to:

1. **APPROVE** the **JOINT APPLICATION** and **PSA** including all the rates, fees, charges and tariff adjustment mechanisms set out therein, and authorizing QUIRELCO to charge and collect the fees therein from its customers reckoned from the commencement of the power supply by the Joint Applicants;

2. **ISSUE** a Provisional Authority or Interim Relief, as the case may be, authorizing the immediate implementation of the PSA; and

3. **TREAT** Annexes **"02", "05A", and "05B"** inclusive of their submarkings, and the information contained therein as confidential and **DIRECT** their non-disclosure to persons other than the necessary officers and staff of this Honorable Commission in accordance with *Section 2, Rule 4 of the Rules of Practice and Procedure.*

Other reliefs, just and equitable under the premises, are likewise being prayed for.

Pasig City 01 October 2026.

[Signature pages follow.]

Guzman Ceniza Law Office
Counsel for QUIRELCO
6th Floor, Pacific Center Building,
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0917-557-70-65
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[redacted]
Roll of Attorneys No. 58596
PTR No. 1895036/ 01-08-26/ San Juan City
IBP Lifetime Membership No. 013941/ 06-24-15/ RSM
MCLE Compliance No. VIII- 0011670/ 08 August 2024

[redacted]
PTR No. 4006810/ 01-09-26/ Pasig City
IBP No. 569620/ 12-22-25/ Pasig City
MCLE Compliance No. VIII – 0011677/ 08 August 2024

[redacted]
Roll of Attorneys No. 89441
PTR No. 4006811/ 01-09-26/ Pasig City
IBP No. 578373/ 12-30-25/ Tarlac
MCLE Compliance No. VIII -0026824/ 10 April 2025.

SUAL POWER INC. (SPI)[18]

By:
[redacted]
JUPITER M. CABAGUIO
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#100 E. Rodriguez, Jr. Ave., C5 Road, Bo. Ugong,
Pasig City 1604, Metro Manila
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PTR No. 3978000 / 05 January 2026 / Pasig City
IBP Invoice No. 536845 / 07 January 2026 /
Central Luzon Bulacan Chapter
MCLE Compliance No. VIII-0016943 valid until 14 April 2028
Roll No. 39024

VERIFICATION AND CERTIFICATION AGAINST FORUM SHOPPING

I, **CESAR P. GULLA,** of legal age, Filipino and with office address at Aurora East, Diffun, Quirino, after having been duly sworn in accordance with law, hereby depose and state, that:

1. I am the authorized representative of **QUIRINO ELECTRIC COOPERATIVE (QUIRELCO),** co-Applicant in this case, as per Board Resolution No. 21 series of 2026;

2. I caused the preparation and filing of this *Joint Application with Prayer for Confidential Treatment of Information* and have read the contents thereof, and, based on my own personal knowledge, belief and on authentic records of QUIRELCO, all the allegations contained therein are true and correct. Furthermore, the *Joint Application* is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation; and that the factual allegations therein have evidentiary support or, if specifically so identified, will have evidentiary support after a reasonable opportunity for discovery.

3. QUIRELCO has not commenced any other action or proceeding involving the same issue/s in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein; and

4. Should I hereinafter learn that the same or a similar action or claim has been filed or is pending in the Supreme Court, the Court of Appeals or any court, tribunal, or quasi-judicial agency, I shall report said fact within five (5) days from discovery thereof to this Honorable Commission.

IN WITNESS WHEREOF, I have hereunto affixed my signature this October 12, 2026 in Diffun, Quirino.

[redacted]
Affiant

SUBSCRIBED AND SWORN to before me this 12 OCT 2026 in DIFFUN, QUIRINO. Affiant exhibited to me his LTO Driver's License ID number B07-91-000146, valid until November 10, 2033.

Doc. No. 267
Page No. 53
Book No. XII
Series of 2026.

[redacted]
valid until December 31, 2026
Roll of Attorney's No. 89441
IBP O.R. No. 578373/12-30-25/Tarlac
MCLE Compliance No. VIII-0026824
valid until April 14, 2028
PTR O.R. No. 4006811/01-09-26/Diffun, Quirino

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **ELENITA D. GO**, Filipino, of legal age, and with office address at the 5th Floor, 100 Eulogio Rodriguez Jr. Avenue C5 Road (North Bound) Pasig City, after having been duly sworn to in accordance with law, hereby depose and state, that:

1. I am the authorized representative of Sual Power Inc. ("SPI") a co-applicant in the Joint Application for Approval of the Power Supply Agreement between Quirino Electric Cooperative ("QUIRELCO") and SPI;

2. I have caused the preparation and filing of the Joint Application and that I have read the contents thereof and aver that all the factual/legal allegations contained therein are true and correct based on my personal knowledge and/or on authentic documents/official records;

3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation and that the factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery; and,

4. I hereby certify that SPI has not filed/commenced any action or proceeding arising from the same issues raised in the Joint Application before the Supreme Court, Court of Appeals, or any other courts or tribunals or quasi-judicial bodies/agencies and to the best of my knowledge, no such other similar action or claim is pending therein. If ever there is a case pending before the said courts or tribunals involving the same issues, I undertake to inform the Honorable Energy Regulatory Commission of such fact within five (5) calendar days from knowledge thereof.

I am executing this undertaking in support of the Joint Application and the veracity of the allegations therein as well as for any other legal purpose this may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 12 2026 at Pasig City.

[redacted]

SUBSCRIBED AND SWORN to before me this OCT 12 2026 in Pasig City. Affiant personally appeared and exhibited to me her Philippine Passport No. P1876103B issued on June 7, 2019 at the DFA NCR East as her competent proof of identity and with affiant waiving the right to receive a duplicate and original electronic copy of the Verification and Certification of Non-Forum Shopping in effect waiving any objection to the completeness of the reproduction of the same.

Doc. No.: 137
Page No.: 27
Book No.: X
Series of 2026.

BUREAU OF INTERNAL REVENUE 2163934.4 OCT 12 2026

R. UBALDICIA P. ESPIRITU NOTARY PUBLIC ROLL NO. 53391 PASIG CITY, PHILIPPINES

[redacted]
Appointment No. 21-0002-PASIG
Notary Public for Pasig City
Until December 31, 2026
5th Floor, C5 Office Building Complex,
#100 E Rodriguez Jr. Ave., C5 Road,
Bo. Ugong, Pasig City 1604, Metro Manila
Roll No. 53391
PTR No. 3977996, January 5, 2026 / Pasig City
IBP Life Member Roll No. 13322 / Camarines Sur Chapter
MCLE Compliance No. VIII-0019494- Valid until April 14, 2028

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1 A copy of the Board Resolution No. 122, Series of 2026 is attached herein as Annexes "D" and "E".

2 A copy of the Secretary's Certificate is attached herein as Annex "D-1" and "E-1".

3 *ERC Resolution No. 07, Series of 2026*, promulgated on 01 April 2026, entitled *"Amended Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market."*

4 Section 25. Retail Rate. - The retail rates charged by distribution utilities for the supply of electricity in their captive market shall be subject to regulation by the ERC based on the principle of full recovery of prudent and reasonable economic costs incurred, or such other principles that will promote efficiency as may be determined by the ERC.

5 Distribution utilities may enter into bilateral power supply contracts subject to review by the ERC: xxx xxx.

6 Limits on Bilateral Supply Contracts by a Distribution Utility.

7 Resolution No. 01, Series of 2021.

8 Amended Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market.

9 Luzon Visayas Electric Cooperatives Aggregation (LVECA) is composed of: **For Luzon Member ECs:** 1) Abra Electric Cooperative; 2) Aurora Electric Cooperative, Inc.; 3) Batangas II Electric Cooperative, Inc.; 4) Cagayan I Electric Cooperative, Inc.; 5) Camarines Sur II Electric Cooperative, Inc.; 6) Camarines Sur III Electric Cooperative, Inc.; 7) First Laguna Electric Cooperative, Inc.; 8) La Union Electric Cooperative, Inc.; 9) Nueva Ecija I Electric Cooperative, Inc.; 10) Nueva Vizcaya Electric Cooperative; 11) Pangasinan I Electric Cooperative; 12) Pampanga III Electric Cooperative, Inc.; 13) Quezon I Electric Cooperative, Inc.; 14) Quezon II Electric Cooperative, Inc. 15) Quirino Electric Cooperative; 16) San Jose City Electric Cooperative; 17) Tarlac I Electric Cooperative, Inc.; 18) Zambales I Electric Cooperative, Inc.; and 19) Zambales II Electric Cooperative, Inc.

For Visayas Member ECs: 1) Capiz Electric Cooperative, Inc.; 2) Cebu I Electric Cooperative, Inc.; 3) Cebu II Electric Cooperative, Inc.; 4) Guimaras Electric Cooperative; 5) Iloilo I Electric Cooperative, Inc.; 6) Iloilo II Electric Cooperative, Inc.; 7) Iloilo III Electric Cooperative, Inc.; 8) Negros Occidental Electric Cooperative; 9) Negros Oriental I Electric Cooperative, Inc.; 10) Negros Oriental II Electric Cooperative.
"Collectively referred to as Member ECs."

10 The NEA-SBAC set a Reserve Bid Price of PhP6.3000/kWh for both Lots in the Transaction, which was disclosed to the bidders during the opening of bids.

11 The Notices of Award were accepted by SPI on 25 August 2026, TLI on 20 August 2026, MPI on 24 August 2026, PCPC on 25 August 2026, TVI on 20 August 2026, and EDC on 25 August 2026.

12 G.R. No. 227670, 03 May 2019.

13 *Annex 02 includes Annexes "06", "07", "08", "09", "10", "12", "13", "14", "15", "16", "17", "18", "19", "20" and "21" in the Technical Pre-Filing Requirements.*

14 Section 1, Rule 4, *Rules of Practice and Procedure* of the Honorable Commission.

15 G.R. No. 172835, 13 December 2007.

16 *Ibid.*, emphasis supplied.

17 In line with the Honorable Commission's rules and regulations, soft copies of the documents covered by the prayer for confidential treatment were password-protected and submitted *via* electronic submission.

18 Other registered email: regulatorycompliance@smcgph.sanmiguel.com.ph

Republic of the Philippines
ENERGY REGULATORY COMMISSION
Exquadra Tower, Ortigas Center
Pasig City, Metro Manila

IN THE MATTER OF THE JOINT APPLICATION FOR THE APPROVAL OF THE POWER SUPPLY AGREEMENT (PSA) BETWEEN CEBU I ELECTRIC COOPERATIVE, INC. (CEBECO I) AND MALITA POWER, INC. (MPI) WITH PRAYER FOR THE ISSUANCE OF A PROVISIONAL AUTHORITY/INTERIM RELIEF AND MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

ERC CASE NO. 2026 - ___ RC

CEBU I ELECTRIC COOPERATIVE, INC. (CEBECO I) AND MALITA POWER, INC. (MPI),
Applicants.
x - /

JOINT APPLICATION

JOINT APPLICANTS, **Cebu I Electric Cooperative, Inc.** ("**CEBECO I**" for brevity) and **Malita Power, Inc.** ("**MPI**" for brevity), by undersigned counsel, unto this Honorable Commission, most respectfully state, that:

THE NATURE OF THE APPLICATION

1. This is a Joint Application submitted to this Honorable Commission for evaluation and when found meritorious, subsequent approval of the Power Supply Agreement (PSA) dated 09 September 2026 executed by and between CEBECO I and MPI, pursuant to Rule 20(B) of the Energy Regulatory Commission's Rules of Practice and Procedure (the "ERC Rules"), ERC Resolution No. 07, Series of 2026 (the "Amended Implementing Guidelines for the Procurement, Execution and Evaluation of Power Supply Agreements entered into by Distribution Utilities for the Supply of Electricity to their Captive Market"), the Department of Energy's ("DOE") Department Circular No. 2023-06-0021 as amended by DOE Department Circular No. DC-2026-25-10-0022 (the "2025 DOE CSP Circular"), and other pertinent rules and regulations.

THE APPLICANTS

2. Co-Applicant CEBECO I is an Electric Cooperative created and existing pursuant to the provisions of Presidential Decree No. 269 as amended, with principal office located at Bito-on, Dumanjug, Cebu, Philippines, represented herein by its Acting General Manager, **Engr. Getulio Z. Crodua**, duly authorized by virtue of Resolution No. 154, Series of 2026 dated 29 August 2026 of the Board of Directors;

The filing of the instant Application is likewise authorized under the afore-cited Board Resolution.

3. CEBECO I has been granted by the National Electrification Administration (NEA) an authority to operate and distribute electric light and power within the coverage area comprising the City of Carcar and the Municipalities of Barili, Dumanjug, Ronda, Alcantara, Moalboal, Badian, Alegria, Malabuyoc, Ginatilan, Samboan, Santander, Sibonga, Argao, Dalaguete, Alcoy, Boljo-on, and Oslob, all in the Province of Cebu.

4. Applicant MPI is a private corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City, Philippines. For purposes of this Application MPI is represented by its **General Manager**, **Elenita D. Go**.

5. The Joint Applicants may likewise be served with notices, orders and processes of the Honorable Commission through their respective undersigned counsels.

STATEMENT OF FACTS

CEBECO I Power Situation; Conduct of Competitive Selection Process.

6. CEBECO I's Power Supply Agreement (PSA) with Cebu Energy Development Corporation (CEDC) expired on 25 March 2026. With the impending expiry of the CEDC PSA, it is foreseen that CEBECO I stands to suffer a power supply deficit/shortfall of a total of 54.82MW. With this predicament, CEBECO I undertook a procurement of power supply through the conduct of a Competitive Selection Process (CSP) as early as July 2025.

7. The impending shortfall mentioned above is evident on the Supply-Demand Scenario prepared by CEBECO I pursuant to existing procedures mandated under existing regulations of the ERC and pertinent regulatory bodies overseeing the operations of power Distribution Utilities. Consequently, CEBECO I is confronted with an urgent, immediate, and compelling necessity to secure a reliable and dependable source of electricity with a firm bilateral contract to address the power supply requirements within its franchise area; failing to do so will result in power unreliability considering that any distribution utility without a bilateral contract runs the risk of prioritized load dropping in the event the Grid will suffer an insufficient supply of power. When such a situation occurs, CEBECO I will be constrained to source the power supply deficit from the WESM, where prices are inherently volatile and most often running high being susceptible to factors beyond its control, including geopolitical factors and fluctuations in fuel prices; thus, power interruption becomes inevitable to the detriment of the member-consumers.

8. Dictated by the unavoidable necessity, CEBECO I initiated the CSP process in accordance with the approved 2025 PSPP schedule through the timely submission of the required CSP documents to the National Electrification Administration (NEA)–Regulatory Affairs Office (RAO), for the issuance of the Certificate of Conformity (COC) on 23 July 2025. However, for unknown reasons not attributable to, and beyond the control of CEBECO I, the pertinent government's procedural and administrative processes associated with the review and approval of the submitted documents suffered delays, which consequently affected the originally planned CSP timeline.

9. Considering the aforesaid delays, which are not of CEBECO I's own making, the latter entered into an Emergency Supply Agreement (EPSA) with FDC Misamis Power Corporation docketed as ERC Case No. 2026-099RC to ensure a reliable and cost-efficient power supply to its franchise area while CEBECO I completes the conduct of the CSP.

10. The delay in the ongoing procurement as explained in the immediately preceding paragraphs caused the inclusion of CEBECO I in the Luzon and Visayas Electric Cooperatives Aggregation (LVECA) Joint Competitive Selection Process (Joint CSP) initiated and actively conducted by the NEA for the LVECA participants' aggregated baseload power supply requirements.

11. On February 3, 2026, NEA issued Office Order No. 2026-043, Series of 2026 establishing the NEA - Special Bids and Awards Committee (NEA-SBAC), Secretariat, and Technical Working Group (NEA-SBAC-TWG) for the Joint CSP.

12. The Joint CSP was structured by the NEA into two (2) Lots: Lot 1, covering the Luzon Member ECs, and Lot 2, covering the Visayas Member ECs where CEBECO I is included. For each Lot, the Bidder shall submit an offer and commit to supply a fixed percentage of the Aggregated Contract Capacity for such Lot (Offered Contract Capacity), which shall not be less than twenty percent (20%) nor more than fifty percent (50%) of the Aggregated Contract Capacity for any given year. The percentage proposed by the Bidder for a Lot shall remain fixed for the entire PSA Term and shall apply uniformly to all Member ECs within that Lot.

13. In compliance with the procedures laid down in the 2025 DOE CSP, as amended, for the conduct of the CSP, the relevant dates and activities are as follows:

Date	Activity
April 21 and 28, 2026	Publication of the Invitation to Bid in the Manila Times Newspaper as well as in the DOE CSP e-based portal, NEA Website and CEBECO I Website.
May 06, 2026	Invitation for CSP Observers were sent to Philippine Chamber of Commerce and Industry, the Institute of Integrated Electrical Engineers of the Philippines, the Nationwide Association of Consumers, Inc., the DOE, and the ERC.
May 14, 2026	Pre-Bidding Conference
May 25, 2026	Issuance of Bid Bulletin No. 1
May 29, 2026	Issuance of Bid Bulletin No. 2
June 17, 2026	Issuance of Bid Bulletin No. 3
June 25, 2026	Issuance of Bid Bulletin No. 4
July 10, 2026	Submission, opening and evaluation of Bids.
August 12, 2026	Issuance of Bid Bulletin No. 5
August 17, 2026	NEA-SBAC issued Resolution No. 13, series of 2026 declaring MPI as one of the winning bidders.
August __, 2026	Issuance of Notice of Award.
August 18, 2026	MPI receipt of the Notice of Award.
August 14 to September 04, 2026	Negotiation and Finalization of the PSA together with the representatives from NEA and the Visayas Member-Cooperatives of the LVECA.
September 08, 2026	Issuance of the Notice to Execute the Agreement.

14. On 09 September 2026, the Parties entered into and executed the Power Supply Agreement now subject of this Joint Application.

THE POWER SUPPLY AGREEMENT

Executive Summary:

15. The PSA governs the relationship between SELLER (MPI) and Buyer (CEBECO I) for the sale of electric power. The electric power supply will be primarily drawn from MPI's Coal-Fired Power Plant located at Sitio Inaburan, Barangay Culaman, Malita, Davao Occidental, Philippines.

Salient Feature:

16. **Contract Capacity.** 4.70MW.

17. **Term.** This Agreement shall take effect immediately from the Effective Date, and from such date shall remain in force and effect for Fifteen (15) Years from Delivery Date unless sooner terminated in accordance with this Agreement and upon approval by the ERC.

18. **Delivery Date.** The Seller shall commence delivery of the Contract Capacity provided in SCHEDULE 2 to Buyer on Delivery Date. The Delivery Date shall be the later of either:

a. **DECEMBER 26, 2026;** or

b. The next immediate 26th day of the month following the ERC's issuance of a Provisional Authority or Interim Relief to implement the Agreement, as applicable, or Final Authority to implement the Agreement, if neither Provisional Authority nor Interim Relief was issued.

19. **Supply of Energy.** Subject to the approval of the ERC, beginning on the Delivery Date and until the termination or expiration of this Agreement, Seller shall supply and deliver the Contract Capacity as provided in SCHEDULE 2 to Buyer at the Delivery Point, and Buyer shall purchase the Contract Capacity and Associated Energy and pay Seller as provided in Schedule 7. The Delivery Point shall be the point/s specified in Schedule 3.

20. **Outage Allowance.** Zero (0) Outage Allowance.

21. **Replacement Power.** The procurement of any Replacement Power shall be the responsibility of Seller, provided that the rates to be paid by Buyer for the procurement of Replacement Power shall be the lower between:

i. the actual rate of the Replacement Power; or
ii. the generation rate based on the approved tariff for this Agreement.

If Seller provides Replacement Power, Seller shall attach to the Seller Invoice the computation showing both the actual rate of the Replacement Power and the generation rate based on the approved tariff for this Agreement.

If the Seller is able to supply only a portion of the Contract Capacity, contrary to its committed capacities under this Agreement, the Seller shall procure and provide Replacement Power for the deficient capacity at the generation rate equivalent to the Provisional or Final Approved Generation Rate, or the actual rate of the Replacement Power, whichever is lower.

22. **Payment of Fees.** Commencing on Delivery Date and throughout the entire Term, Buyer shall pay in full to Seller each Billing Period an amount equal to the Monthly Payment in accordance with Schedule 7.

There shall be no offsetting of payment between Buyer and Seller unless allowed by this Agreement.

There shall be no withholding of disputed amounts, except in cases of inadvertent errors in the amount or inadvertent errors in calculating the applicable rate or as otherwise allowed under this Agreement, including those provided in Section 15.4 hereof.

If a Seller Invoice is not disputed by Buyer within sixty (60) Days of receipt thereof, such Seller Invoice is deemed to be accepted, final, and binding to the Buyer and Seller.

23. **Formula on the Computation of Monthly Payment, Indexation and Adjustment.**

Total Generation Charge

Total Generation Charge= CRF_{CUFt} + $FOMF_{CUFt}$ +$VOMF_t$ + FC_t + VAT

A. Capital Recovery Fee ("CRF")

The CRF_{CUFt} shall be calculated as the product of the Capital Recovery Rate ("CRR_{CUFt}"), in PhP/kWh, and the Actual Energy Delivered during the Billing Period or the equivalent Associated Energy based on the 65% Monthly Minimum CUF, whichever is higher. The formula to calculate the CRF_{CUFt} shall be:

$$CRF_{CUFt} = CRR_{CUFt} \times max\ (AE_t, AED_t)$$

$$CRR_{CUFt} = \frac{CRR_{100\%CUF}}{CUF_t}$$

Where:

CRF_{CUFt}	Corresponding CRF_{CUF} to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
CRR_{CUFt}	Rate Component to calculate CRF_{CUFt}, expressed in PhP/kWh, for the Billing Period
AE_t	Associated Energy based on the 65% Monthly Minimum CUF in kWh for the Bil1ing Period
AED_t	Actual Energy Delivered from the Facility during the Billing Period in kWh
$CRR_{100\%CUF}$	Corresponding CRR at 100% CUF, which is **PhP2.2500 /kWh** For reference, the CRR_{CUF} from 65% to 100% is presented below:
CUF_t	Actual CUF for the Billing Period. The CUF shall be calculated in accordance with the formula below.
t	Billing Period

CUF	CRR PhP/kWh
100%	2.2500
99%	2.2727
98%	2.2959
97%	2.3196
96%	2.3438
95%	2.3684
94%	2.3936
93%	2.4194
92%	2.4457
91%	2.4725
90%	2.5000
89%	2.5281
88%	2.5568
87%	2.5862
86%	2.6163
85%	2.6471
84%	2.6786
83%	2.7108
82%	2.7439
81%	2.7778
80%	2.8125
79%	2.8481
78%	2.8846
77%	2.9221
76%	2.9605
75%	3.0000
74%	3.0405
73%	3.0822
72%	3.1250
71%	3.1690
70%	3.2143
69%	3.2609
68%	3.3088
67%	3.3582
66%	3.4091
65%	3.4615

- The CUF_t shall be calculated in accordance with the formula below:

$$CUF_t = \frac{Q_t}{CC_t \times (H_T - H_O - H_{FM})}$$

Where:

CUF_t	As previously defined
Q_t	Energy delivered during the Billing Period or the equivalent associated energy based on the Monthly Minimum CUF, whichever is higher
CC_t	Contract Capacity for the Billing Period in, kW, as indicated in Schedule 2
H_t	Total number of hours in the Billing Period
H_O	Zero (0) for each Billing Period, as the Seller has no Outage Allowance
H_{FM}	The Equivalent Hours of Force Majeure in the Billing Period
t	As previously defined

- Formula to calculate the Q_t:

$$Q_t = max\ (AE_t, TED_t)$$

$$AE_t = 65\% \times CC \times (H_T - H_O - H_{FM})$$

Where:

Q_t	As previously defined
AE_t	As previously defined
TED_t	Total Energy Delivered, which is Actual Energy Delivered from the Facility and the Replacement Power energy, during the Billing Period, in kWh
CC	As previously defined
H_t	As previously defined
H_O	As previously defined
H_{FM}	As previously defined
t	As previously defined

- The formula to calculate the H_{FM} shall be:

$$H_{FM} = \sum_{i=1}^{y} \left(1 - \frac{Seller\ Actual\ BCQ\ Declared, due\ to\ force\ majeure}{Buyer\ Day\ Ahead\ Nomination}\right)$$

Where:

y	Total number of Hours in a Billing Period
Seller Actual BCQ Declared due to Force Majeure	The actual reconciled quantity of BCQ declared by the Seller to the Buyer for the relevant hour *i*, expressed in kW, which was affected by or reduced due to an event of force majeure for either the Buyer or the Seller, in accordance with the BCQ Nomination Protocol under the PSA
Buyer Day Ahead Nomination	The quantity of BCQ nominated by the Buyer for delivery for the relevant hour *i* in the Day-Ahead Nomination, expressed in kW, submitted in accordance with the BCQ Nomination Protocol under the PSA

B. Fixed Operation and Maintenance Fee ("FOMF")

The $FOMF_{CUFt}$ shall be calculated as the product of the Fixed Operation and Maintenance Rate ("$FOMR_{CUFt}$"), in PhP/kWh, and the actual energy delivered during the Billing Period or the equivalent associated energy based on the Monthly Minimum CUF, whichever is higher. The formula to calculate the $FOMR_{CUFt}$ shall be:

$$FOMF_{CUFt} = FOMR_{CUFt} \times max\ (AE_t, AED_t)$$

$$FOMR_{CUFt} = \frac{FOMR_{100\%CUF}}{CUF_t}$$

Where:

$FOMF_{CUFt}$	Corresponding $FOMF_{CUF}$ to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
$FOMR_{CUFt}$	Rate Component to calculate $FOMF_{CUFt}$, expressed in PhP/kWh, for the Billing Period.
AE_t	As previously defined
AED_t	As previously defined
$FOMR_{100\%CUF}$	Corresponding FOMR at 100% CUF, which is **PhP0.4500 /kWh.** For reference, the $FOMR_{CUF}$ from 65% to 100% is presented below:

CUF	FOMR LOCAL PhP/kWh
100%	0.4500
99%	0.4545
98%	0.4592
97%	0.4639
96%	0.4688
95%	0.4737
94%	0.4787
93%	0.4839
92%	0.4891
91%	0.4945
90%	0.5000
89%	0.5056
88%	0.5114
87%	0.5172
86%	0.5233
85%	0.5294
84%	0.5357
83%	0.5422
82%	0.5488
81%	0.5556
80%	0.5625
79%	0.5696
78%	0.5769
77%	0.5844
76%	0.5921
75%	0.6000
74%	0.6081
73%	0.6164
72%	0.6250
71%	0.6338
70%	0.6429
69%	0.6522
68%	0.6618
67%	0.6716
66%	0.6818
65%	0.6923

C. Variable Operations and Maintenance Fee ("VOMF")

The $VOMF_t$ shall be calculated as the product of the Variable Operation and Maintenance Rate ("VOMR"), in PhP/kWh, and the actual energy delivered for the Billing Period. The formula to calculate the $VOMF_t$ shall be:

$$VOMF_t = VOMR_t \times AED_t$$

$VOMF_t$	Corresponding VOMF to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
$VOMR_t$	Rate Component to calculate $VOMF_t$ which is **PhP0.2600/kWh**
AED_t	As previously defined

D. Fuel Cost ("FC")

The FC_t for the Billing Period shall be calculated as follows:

$$FC_t = \left(\frac{FP_t \times FCR_t}{1000}\right) \times AED_t$$

$$FP_t = (FCC_t \times FX_m) + NFCC_t + Applicable\ Taxes$$

Where:

FC_t	Corresponding FC to calculate the Total Generation Charge, expressed in PhP, for the Billing Period
FP_t	Applicable Fuel Price for the Billing Period, expressed in PhP/MT
FCC_t	Fuel Commodity Cost in USD/MT calculated using the formula below: $35.00\% \times \left\{66.00 \times \left[\left(96.97\% \times \frac{NFI\ 1_{3m\ avg}}{NFI\ 1_O}\right) + 3.03\%\right]\right\} +$ $65.00\% \times \left\{41.01 \times \left[\left(95.73\% \times \frac{NFI\ 2_{3m\ avg}}{NFI\ 2_O}\right) + 4.27\%\right]\right\}$
$NFI\ 1_{3m\ avg}$	The average value for the three (3) months preceding the Billing Period for which the Invoice is being prepared of the Indonesian Coal Index 4 (4,200 GAR/ 3,800 NAR) as published by the Argus/Coalindo for Indonesian Coal Index Report, in USD/MT
$NFI\ I_O$	Value of Indonesian Coal Index 4 (4,200 GAR/ 3,800 NAR) for the month of May 2026, which is 64.00, in USD/MT
$NFI\ 2_{3m\ avg}$	The average value for the three (3) months preceding the Billing Period for which the Invoice is being prepared of the Indonesian Coal Index 5 (3,400 GAR/ 3,000 NAR) as published by the Argus/Coalindo for Indonesian Coal Index Report, in USD/MT
$NFI\ 2_O$	Value of Indonesian Coal Index 5 (3,400 GAR/ 3,000 NAR) for the month of May 2026, which is 39.26, in USD/MT
AED_t	As previously defined
$NFCC_t$	Weighted average of the actual Freight Cost, Marine Cargo Insurance, Letter of Credit Opening Charges, Disport Surveyor Fees, Wharfage, Brokerage Fees, Port Charges, Pilotage Fee, and Tugboat Service Charges in PhP/MT. When applicable, Seller must disclose actual cost of NFCC in USD/MT and disclose the actual foreign exchange rate used to convert USD denominated costs into PHP. Demurrage costs arising from this Agreement shall be a pass-through cost subject to the following: (a) Any demurrage arising from the Seller's procurement of coal in excess of its requirements, including demurrage resulting from the use of a port or vessel as temporary storage for such excess coal, shall be solely for the account of the Seller and shall not be passed on to the Buyer; provided, however, that this limitation shall not apply where such excess procurement or the resulting demurrage is attributable (i) to a directive of a relevant government agency, regulatory authority, or market operator, such as the Department of Energy, the Energy Regulatory Commission, the System Operator, or the Independent Electricity Market Operator of the Philippines; or (ii) to comply with applicable laws, regulations, or mandatory fuel inventory requirements, in which case the resulting demurrage cost or PhP 190/MT, whichever is lower, shall be passed on to the Buyer, net of despatch or other similar credits. (b) Demurrage costs arising from causes other than the Seller's excess procurement of coal, negligence, or fault, as stated above, shall be passed on to the Buyer and shall be the lower of PhP190/MT or the actual demurrage cost, net of despatch or other similar credits. (c) Any penalty, fine, surcharge, or similar charge imposed by the DOE or BOC arising from the failure to timely secure, submit, or comply with the requirements relating to the Certificate of Compliance for coal importation issued by the DOE shall be solely for the account of the Seller. Seller can only recover the NFCC items listed above and shall submit to the Buyer proof of actual costs in the form of official invoices and supporting documents.
FX_m	The monthly average of the PhP/USD exchange rate for the month (i.e., first until last day of the month) for which the invoice is being prepared, as published in the Bangko Sentral ng Pilipinas website
Applicable taxes	Applicable taxes relating to FC for the Billing Period, in PhP/MT

In the event that the index (a) becomes unavailable, (b) is replaced by a new benchmark rate as determined by the relevant authorized entity, its successor-in-interest, or (c) ceases to exist, the Parties shall agree to adopt a new price index.

The FP_t to be billed by Seller shall be the lower between:

1. The sum of the (i) resulting value using the Fuel Commodity Cost Formula and (ii) the Non-Fuel Commodity Cost; or
2. The actual Fuel Commodity and Non-Fuel Commodity Cost as billed by the suppliers supported by actual invoices and other documents for the relevant Billing Period.

For this purpose, the Seller's Invoice shall include, subject to confidentiality clause, the relevant fuel supplier's invoice, certified by Seller, which will detail the actual fuel cost incurred to produce the delivered energy to Buyer. If any index or indices are used, the Seller must provide the Buyer with either (a) a screenshot or snapshot of the actual published price from the index provider OR (b) a certification from the publisher of the nominated index/indices certifying the actual published price. The Seller must also attach the monthly fuel inventory report.

Buyer reserves the right to refuse payment of the Fuel Cost if Seller fails to provide either the fuel supplier's invoice or the monthly inventory report referred to above.

FCR_t	Applicable Fuel Consumption Rate ("FCR") for the Billing Period, expressed in kg/kWh, shall be the lower between: (i) the guaranteed FCR_{CUFt}; or (ii) the actual plant FCR

If Buyer fails to utilize the Contract Capacity at the Monthly Minimum CUF, Seller may apply the higher of its actual plant FCR or the guaranteed consumption rate corresponding to the Minimum CUF for that Billing Period.

If the resulting CUF_t is a whole percentage number, the guaranteed FCR_{CUFt} shall be the corresponding FCR set forth in the table below for CUF levels from 65% to 100%.

If the resulting CUF_t is not a whole percentage number, the guaranteed FCR_{CUFt} shall be determined using the following formula:

$$FCR_{CUFt} = FCR_{CUF1} + \frac{(FCR_{CUF2} - FCR_{CUF1}) \times (CUF_t - CUF1)}{(CUF2 - CUF1)}$$

$FCR_{CUF\ t}$	guaranteed FCR corresponding to the Actual CUF for the Billing Period
CUF_t	as previously defined
$FCR_{CUF\ 2}$	corresponding FCR for CUF2 set forth in the table below
$FCR_{CUF\ 1}$	corresponding FCR for CUF1 set forth in the table below
CUF2	CUF increment of the nearest upper value, in %
CUF1	CUF increment of the nearest lower value, in %

Illustration: CUF_t 89.27%

CUF2	90%
CUF1	89%
FCR_{CUF2}	0.8207
FCR_{CUF1}	0.8227

The FCR at CUF levels from 65% to 100% are as follows:

CUF	FCR, kg/kWh
100%	0.8057
99%	0.8073
98%	0.8082
97%	0.8100
96%	0.8112
95%	0.8129
94%	0.8142
93%	0.8159
92%	0.8174
91%	0.8192
90%	0.8207
89%	0.8227
88%	0.8243
87%	0.8263
86%	0.8281
85%	0.8305
84%	0.8321
83%	0.8346
82%	0.8364
81%	0.8390
80%	0.8410
79%	0.8438
78%	0.8461
77%	0.8488
76%	0.8514
75%	0.8545
74%	0.8569
73%	0.8607
72%	0.8631
71%	0.8669
70%	0.8699
69%	0.8741
68%	0.8771
67%	0.8814
66%	0.8850
65%	0.8901

Note: For avoidance of doubt, the Buyer shall bear all other applicable costs, charges and taxes pursuant to Section 13.2 of this Agreement.

E. Value-added Tax ("VAT"), if any. VAT shall only be chargeable to the Buyer if prevailing laws expressly allow its passing on by the Seller.

Except for VAT, which shall be a pass-through component of the price, all other taxes and government dues, the WESM market fees, and ER 1-94 (Benefits to Host Community) shall be to the account of the Seller.

Replacement Power Charge

If Seller provides Replacement Power, Seller shall attach to the Seller Invoice the computation showing both the actual rate of the Replacement Power and the generation rate based on the approved tariff for this Agreement.

Davao taps business-leisure tourism to cushion El Niño impact

Tourism officials are turning to business-leisure travel to sustain Davao Region's tourism momentum and cushion the industry against potential disruptions from El Niño.

Department of Tourism (DOT) Regional Director Tanya R. Tan on Monday said the region sees opportunities in business-related travel that combines corporate activities with leisure experiences, helping destinations attract visitors even outside the traditional summer tourism season.

Business-leisure, or "bleisure," travel allows business visitors to explore local attractions before or after attending meetings, conventions and other corporate events. It also includes incentive travel, in which companies reward employees or sales teams with trips to tourist destinations.

Tan said expanding this market could help tourism businesses cope with the lean season, when weather conditions associated with El Niño may affect conventional leisure travel.

Davao is positioning itself to capture a larger share of the market through its established facilities for meetings, incentives, conventions and exhibitions (MICE).

The region already hosts conventions and exhibitions, but tourism officials want to strengthen incentive travel by working with tour operators in Davao and neighboring areas to develop and promote travel packages.

They are also seeking to attract more corporate meetings and events, which could generate visitor arrivals during periods when leisure tourism typically slows.

At the recently held Third Hospitality and Tourism Experience Conference, Davao City Tourism Operations Office officer-in-charge Willenito Tormis underscored the city's potential to draw business-leisure travelers.

Tormis said the city wants corporate visitors to extend their stays and explore more destinations instead of leaving immediately after completing their business engagements.

Among the attractions being promoted are Davao's countryside, cultural sites, food destinations and agricultural tourism facilities, which offer visitors opportunities to experience the city beyond its conference venues.

Tourism officials noted that MICE activities account for a substantial portion of Davao City's visitor market. Of the 1.5 million visitors recorded as of August 2026, a significant number came for MICE-related activities, Tormis said.

By combining business engagements with leisure experiences, Davao hopes to broaden its tourism base, encourage longer stays and keep tourism enterprises active even during challenging weather conditions. | ***Ismael Amigo***



Department of Tourism Regional Director Tanya R. Tan (second from left) poses with other regional tourism officials. Photo credit: DOT

In computing the actual rate of the Replacement Power, Seller shall declare whether the replacement energy was generated from a renewable energy source/s or from sources exempt from Value-Added Taxes and shall provide the invoice issued to it by the replacement power plant clearly showing the breakdown of the rate for the replacement energy delivered.

The generation rate based on this Agreement shall be computed in accordance with Schedule 7 as follows:

- The CRR_{CUFt}, $FOMR_{CUFt}$ and $VOMR_t$ shall be as previously defined above.
- Further, the Fuel Cost shall be calculated using a fuel rate based on the FP_t and FX_m as previously defined above and the Seller's Fuel Consumption Rate at the CUF level associated with the CRR_{CUFt} and $FOMR_{CUFt}$.
- In the event that the FP_t is unavailable due to the Facility being unable to utilize fuel and generate power for the supply under this Agreement, the fuel rate shall be based on the most recent 3-month average fuel cost, in PhP/kWh.

Thus, the Replacement Power cost shall be:

$$RP_t = [Min(RP_r, CP_r) \times RE_t] + VAT_t, if\ applicable$$

$$CP_r = [(CRR_{CUFt} + FOMR_{CUFt} + VOMR_t) + (\frac{FP_t \times FCR_{CUFt} \times FX_m}{1000})]$$

RP_t	Replacement Power cost for the Billing Period, in PhP
RP_r	Actual generation rate of the Replacement Power exclusive of VAT, in PhP/kWh
CP_r	Generation rate based on this Agreement exclusive of VAT, in PhP/kWh
RE_t	Replacement Power Energy supplied by the Seller to the Buyer for the Billing Period, in kWh
CRR_{CUFt}	As previously defined
$FOMR_{CUFt}$	As previously defined
$VOMR_t$	As previously defined
FP_t	As previously defined
FCR_{CUFt}	As previously defined
FX_m	As previously defined
VAT_t	Applicable VAT for the Replacement Power Cost for the Billing Period, if any.
t	Billing Period

24. **Line Rental.** The Line Rental Cap is PhP0.2784/kWh and shall apply on a per Billing Period basis throughout the entire Term of the Agreement. For each Billing Period, the Buyer shall pay only the lower of: (a) the Actual Line Rental Charges incurred for the energy delivered during such Billing Period; or (b) Capped Line Rental Charges.

25. **Prompt Payment Discount.** Seller shall extend a three percent (3%) discount based on the total Capital Recovery Fee, Fixed Operations and Maintenance Fee, and Variable Operations and Maintenance Fee for the Billing Period to Buyer as a PPD if:

a. Payment by Buyer is made in full or partial within fifteen (15) Days upon receipt of the Seller Invoice for a Billing Period (the "Prompt Payment Period"); and

b. Buyer is up to date with all its payment obligations under this Agreement

INDICATIVE RATE IMPACT
On the Generation Rate of CEBECO I

26. A summary of the indicative rate impact to be charged to the member-consumers of CEBECO I shows a **decrease of PhP0.4568/kWh** as shown hereunder:

Indicative Rate Impact on the Generation Rate	
Generation rate **without** MPI	PhP7.8266/kWh
Generation rate **with** MPI	PhP7.3698/kWh
Rate Impact, Increase/(Decrease)	**PhP(0.4568)/kWh**

TECHNICAL REQUIREMENTS AND OTHER DOCUMENTS

27. In support of the instant Joint Application, Applicants most respectfully submit to the Honorable Commission the following documents:

TECHNICAL DOCUMENTS	
ANNEX	**Name of Document**
01	Power Supply Agreement ("PSA")
02 and series	Certified True Copy of the Articles of Incorporation ("AOI"), By-laws, and latest General Information Sheet ("GIS") of Malita Power Inc. ("MPI"). Certified True Copy of the proof of Business Registration, Board Resolution that will indicate the list of Board Directors and Board Members of the Electric Cooperative ("EC")/Distribution Utility ("DU").
03 and series	Supply and Demand Scenario of Existing Suppliers, Contract Utilization, Average Daily Load Curve of the EC/DU. Distribution Development Plan ("DDP") and the Power Supply Procurement Plan ("PSPP") as submitted for issuance of Certificate of Conformity ("COC") by the Department of Energy ("DOE").
04	Table showing matrix of comparison showing the requirements in the DU Terms of Reference ("TOR") and the relevant PSA provision.
05 and series	Bid forms submitted by participating Generation Companies during the Bidding. ***(Confidential)*** Financial model containing the derivation of rates including the equivalent PhP/kWh ***(Confidential)*** Sample Bill. Rate Impact Analysis.
06	Certificate of Compliance ("COC") or Provisional Authority to Operate ("PAO") or any Certification coming from the ERC of the ongoing COC/PAO application or renewal, pursuant to the Guidelines for the issuance of COC for Generation Companies/Facilities including Annexes of MPI.
07 and series	Certificate of Documents Previously Submitted - Whole Electricity Spot Market ("WESM") Certificate of MPI - Shareholder's Agreement - Certificate of Registration with attached Terms and Conditions issued by the DTI – Board of Investments ("BOI") (if applicable) or proof of application to the BOI. - Environmental Compliance Certificate ("ECC") issued by the Department of Environment and Natural Resources ("DENR") or proof of application to the DENR. - Certificate of Endorsement ("COE") from the Department of Energy ("DOE") regarding Philippine Development Plan ("PDP") or proof of application to the DOE. - For Genco utilizing or will utilize Renewable Energy technology: Certificate of Confirmation of Commerciality issued by the DOE to the developer and Renewable Energy Service and Operating Contract from the DOE or proof of application to the DOE. - Certified True Copy (or Secretary's Certificate signifying that the said documents are true and correct) of the Distribution Wheeling Service ("DWS") Agreement (for embedded generators), if applicable. - Water Permit from the National Water Resources Board ("NWRB") or proof of application to the NWRB. - Transmission Service Agreement ("TSA"). - IPPA Agreement. - EPC Contract. - O&M Contract. - Project Feasibility Study. - Wholesale Aggregator Agreement. - All details on the procurement process of fuel including requests, proposals received, tender offers, etc.- Fuel/Coal/Steam Sale Agreement. (***confidential***) - Sworn Statement by the competent Genco officer detailing how the fuel was competitively procured, contract terms, unbundled price components. (***confidential***)
08	Latest Audited Financial Statement ("AFS") of MPI.
09	Affidavit of Undertaking and Explanation on the following documents: - Verified Certification showing list of Board of Directors and Board Members of the ultimate parent company, its subsidiaries, and all its affiliates of MPI. - Transmission Wheeling Contract. - Rental Agreements for rental generating units.
11	EC/DU's estimation of the potential for a reduction in load supplied by the DU due to retail completion, GEOP, etc.
LEGAL DOCUMENTS	
D and E	SPI's Secretary's Certificates
H	Brief Description of the CSP Conducted
I	BAC/Joint BAC
J	CSP Observers
K	Invitation to Bid (ITB)
L	Certificate of Conformity from the NEA
M	Publication of the ITB
N	Posting of the ITB
O	Instruction to Bidders
P	Terms of Reference (TOR)
Q and Series	Pre-bid Conference
R and Series	Eligibility Requirements
S and Series	Submission of Bids
T and Series	Evaluation of Bids
U and Series	Award of Contract
V-Series	Execution of Contract
X	Affidavit to Support Provisional Approval or Interim Relief
Y	Board Resolution of the DU/EC

MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

28. Under Rule 4 of the ERC Revised Rules of Practice and Procedure, the Honorable Commission may, upon request of a party and determination of the existence of conditions which would warrant such remedy, treat certain information submitted to it as confidential.

29. Pursuant thereto, Co-applicant MPI respectfully moves that the following documents not be disclosed and be treated as confidential except to the officers and staff of the Honorable Commission, as necessary, to wit:

Documents and/or Information	Annex
SPI's Bid Form (confidential)	**5**
Financial model containing the derivation of rates including the equivalent PhP/kWh	**5A**
All details on the procurement process of fuel including requests, proposals received, tender offers, etc.- Fuel/Coal/Steam Sale Agreement.	**7A**
Sworn Statement by the competent Genco officer detailing how the fuel was competitively procured, contract terms, unbundled price components.	**7A**

30. These documents contain certain non-public information, data and calculations involving business operations and financial trade secrets reflecting MPI's investment and business calculations. Clearly, MPI **has actual and valuable proprietary** interest to protect such documents and the same is **not readily available** to the public **nor declared non-confidential**.

31. In a recent Order dated 09 March 2026 in ERC Case No. 2025-016RC, the Honorable Commission granted the motion for confidential treatment of information filed by KEPCO SPC Power Corporation to treat as confidential the Financial Model of KSPC noting that, *"the document or information contains valuable and sensitive technical and commercial matters regarding the business operations of the Applicants, thus, constitutes trade secrets"*, citing the Supreme Court Case of ***Air Philippines Corporation vs. Pennswell, Inc., G.R. No. 172835, 13 December 2007.***

32. As defined by the Supreme Court in the aforesaid case, *"A trade secret is defined as a **plan** or process, tool, mechanism, or compound **known only to its owner and those of his employees to whom it is necessary to confide it**. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade having commercial value. 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 advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for continuous 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."***

33. Notwithstanding the confidential nature of these documents, the Honorable Commission is not precluded from reviewing and evaluating the contents of these documents in the exercise of its regulatory power to ensure that MPI's pricing and tariff structure is reasonable, consistent with the Honorable Commission's policy.

34. Thus, co-Applicant MPI most respectfully moves for the issuance of an Order granting the treatment of the afore-enumerated documents as Confidential.

PRAYER FOR THE ISSUANCE OF A PROVISIONAL AUTHORITY/INTERIM RELIEF

35. CEBECO I and MPI replead, and incorporates by reference, all the foregoing allegations, and further state that:

39.a. As discussed earlier, CEBECO I stands to suffer a power supply deficit/shortfall of 54.82MW in the year 2027 as shown in the latter's Supply-Demand Scenario.

39.b. The lack of sufficient supply has significant adverse effects within the franchise area of CEBECO I to the detriment of the member-consumers and the local economy in the area, thus, the urgent need for additional generation capacity is clear.

39.c. A provisional approval of the PSA will enable CEBECO I to draw power from co-applicant MPI augmenting the supply provided by other generators simultaneously in contract with CEBECO I, thus avoiding power deficiency and unreliability thereby mitigating the risk of being a priority in load dropping in the event the Grid will suffer an insufficient supply of power. Further, the implementation of the PSA will significantly reduce CEBECO I's exposure to the volatile prices of electricity in the WESM.

39.e. The issuance of a provisional authority/interim relief will definitely provide CEBECO I with stable, reliable, secured and reasonable cost of power to the benefit of its member-consumers.

39.f. In support of the prayer for provisional authority/ interim relief is the Affidavit of Merit executed by the Acting General Manager of CEBECO I, Engr. Getulio Z. Crodua attached hereto as **Annex "X".**

36. It is understood that the provisional authority/interim relief sought by the Applicants that may be granted by the Commission, shall be subject to adjustments and other conditions that the Commission may impose after hearing and final determination of the Honorable Commission.

PRAYER

WHEREFORE, foregoing considered, Applicants CEBECO I and MPI most respectfully pray that the Honorable Commission:

a. A provisional authority/interim relief of the Power Supply Agreement (PSA) between CEBECO I and MPI **be issued,** in order to allow MPI to supply the needed power of CEBECO I; authorizing CEBECO I to accept such power supply; and pass on the full amount of the fees and charges under the Power Supply Agreement to its consumers as may be billed by MPI;

b. Issue an Order treating **Annexes "05", "5A" and "7A"** and the information contained therein as **confidential,** directing their non-disclosure to persons other than officers and staff of the Honorable Commission, as necessary, pursuant to Rule 4 of the ERC Rules, **and prescribing the guidelines for the protection** thereof;

c. After trial on the merits, **approve** the Power Supply Agreement (PSA) entered into by and between herein Applicants including all the rates, fees, charges, and tariff adjustment mechanisms set out therein at the rates provided in the PSA.

Other reliefs just and equitable under the premises are likewise prayed for.

Respectfully submitted.

Cebu City (for Pasig City), Philippines. 1 October 2026.

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BY:

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PTR No. 927015; Province of Cebu; Feb. 17, 2022
IBP OR (To follow); Cebu City; Feb. 17, 2022
Roll No. 30385
MCLE Compliance III, 0019612; Dec. 14, 2010

ALAN BYRNE S. GAVIOLA
PTR No. 1579277; Cebu City; Dec. 09, 2025 (For 2026)
IBP No. 563859; Cebu City; Dec. 09, 2025 (For 2026)
Roll No. 62695
MCLE Compliance VIII – 0040042; Apr. 14, 2028

MALITA POWER INC.[1]

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PTR No. 3978000 / 05 January 2026 / Pasig City
IBP Invoice No. 536845 / 07 January 2026 /
Central Luzon Bulacan Chapter
MCLE Compliance No. VIII-0016943 valid until 14 April 2028
Roll No. 39024

VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, **ELENITA D. GO**, Filipino, of legal age, and with office address at the 5th Floor, 100 Eulogio Rodriguez Jr. Avenue C5 Road (North Bound) Pasig City, after having been duly sworn to in accordance with law, hereby depose and state, that:

1. I am the authorized representative of Malita Power Inc. ("MPI") a co-applicant in the Joint Application for Approval of the Power Supply Agreement between Cebu I Electric Cooperative, Inc. ("CEBECO I") and MPI;
2. I have caused the preparation and filing of the Joint Application and that I have read the contents thereof and aver that all the factual/legal allegations contained therein are true and correct based on my personal knowledge and/or on authentic documents/official records;
3. The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation and that the factual allegations therein have evidentiary support or, if specifically so identified, will likewise have evidentiary support after a reasonable opportunity for discovery; and,
4. I hereby certify that MPI has not filed/commenced any action or proceeding arising from the same issues raised in the Joint Application before the Supreme Court, Court of Appeals, or any other courts or tribunals or quasi-judicial bodies/agencies and to the best of my knowledge, no such other similar action or claim is pending therein. If ever there is a case pending before the said courts or tribunals involving the same issues, I undertake to inform the Honorable Energy Regulatory Commission of such fact within five (5) calendar days from knowledge thereof.

I am executing this undertaking in support of the Joint Application and the veracity of the allegations therein as well as for any other legal purpose this may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this OCT 01 2025 at Pasig City.

ELENITA D. GO
Affiant

SUBSCRIBED AND SWORN to before me this OCT 01 2025 in Pasig City. Affiant personally appeared and exhibited to me her Philippine Passport No. P1876103B issued on June 7, 2019 at the DFA NCR East as her competent proof of identity and with affiant waiving the right to receive a duplicate and original electronic copy of the Verification and Certification of Non-Forum Shopping in effect waiving any objection to the completeness of the reproduction of the same.

Doc. No.: 260
Page No.: 53
Book No.: X
Series of 2026.

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RUDILICIA P. ESPIRITU
Commission No. 274 (2025-2026)
Notary Public for Pasig City
Until December 31, 2026
5th Floor, C5 Office Building Complex,
#100 E Rodriguez Jr. Ave., C5 Road,
Bo. Ugong, Pasig City 1604, Metro Manila
Roll No. 53391
PTR No. 3977998; January 5, 2026 / Pasig City
IBP Life Member Roll No. 13322 / Camarines Sur Chapter
MCLE Compliance No. VIII-0019485; Valid until April 14, 2031

REPUBLIC OF THE PHILIPPINES)
City of Cebu.....)S.S.

VERIFICATION and CERTIFICATION AGAINST FORUM SHOPPING

I, **GETULIO Z. CRODUA**, Filipino, of legal age, with office address at CEBECO I, Bitoon, Dumanjug, Cebu, Philippines, after being sworn in accordance with law, hereby depose and say, that:

I am the Acting General Manager duly authorized by the Board of Directors to file the foregoing Joint Application;

I caused the preparation of the foregoing Joint Application. I have read and understood the foregoing Joint Application, the allegations of which are true and correct based on my own personal knowledge and/or on authentic records;

The Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation;

The factual allegations in the Application have evidentiary support, or if specifically so identified, will likewise have evidentiary support;

That CEBECO I has not commenced any action or proceedings involving the same issues before the Supreme Court, Court of Appeals, or any other tribunal or agency; that to the best of our knowledge, no such action or proceeding is pending in the Supreme Court, Court of Appeals, or any other tribunal agency; that should hereafter we learn that a similar action or proceedings has been filed or is pending before the Supreme Court, Court of Appeals, or any other Tribunal or agency, we shall undertake to report to the Honorable Commission of said fact within five (5) days from knowledge therefrom; and

IN WITNESS WHEREOF, I have hereunto affixed my signature this OCT 22 2026 day of _____ at Cebu City, Philippines.

GETULIO Z. CRODUA
Affiant
OCT 22 2026

SUBSCRIBED AND SWORN to before me this ___ day of _____ at Cebu City, Philippines. Affiant, for purposes of identification, exhibited to me his PRC identification card with Registration No. 0003895 valid until 10 June 2028.

Doc. No. 10
Page No. 3
Book No. IV
Series of 2026.

ATTY. DOMINIC A. DIÑO
NOTARY PUBLIC OF CEBU CITY
COMMISSION NO. 108-25, Until Dec. 31, 2026
ROLL OF ATTORNEY'S NO. 56281
PTR NO. CEB8476270 - 12/22/2025
MCLE Compliance No. VIII-0039359 - Valid until July 03, 2029
IBP NO. 583848 / Cebu City - January 02, 2026
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Contact No. 09088844981 / 09458209258

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Falls and shaky vaults leave Yulo medal-less in Rotterdam

BY CLARENCE CONCEPCION

Costly execution errors denied Carlos Yulo a place on the podium as the two-time Olympic and Asian Games gold medalist closed his campaign medal-less at the 54th Artistic Gymnastics World Championships in Rotterdam, Netherlands.

Yulo finished eighth and last in the floor exercise final before settling for seventh in vault over the weekend.

The Filipino star had entered the finals with medal hopes after posting 14.500 points to qualify second in floor exercise and 14.266 to rank sixth in vault.

His floor exercise bid unraveled after a loss of balance and a fall during his routine. The resulting 0.300-point penalty contributed to his 13.233-point total, leaving him behind all seven other finalists.

Frederick Richard of the United States won gold with 14.633 points. Britain's Jake Jarman earned silver with 14.600, while Israel's Artem Dolgopyat took bronze with 14.466.

Yulo's last shot at a medal came in vault, but his opening attempt was marred by an unstable landing and scored just 13.333.

Although he improved to 14.433 in his second attempt, his average of 13.883 was insufficient to challenge the leaders.

Armenia's Artur Davtyan captured vault gold with 14.850 points. Jarman added silver to his floor exercise medal with 14.650, while Norway's Sebastian Sponevik claimed bronze with 14.366.

The Philippines also failed to advance further in the men's competition through Yulo's younger brother Karl Eldrew and Juancho Miguel Besana, both of whom were eliminated in qualifying.

Yulo's medal-less finish was a setback of sorts following his two-gold performance at the Asian Games in Japan only recently. He won the same two events at the 2024 Paris Olympics, establishing himself among the world's leading gymnasts.

This time, however, execution mistakes proved decisive, preventing the Filipino champion from converting his qualifying form into another major international podium finish.



Carlos Yulo cuts a disappointed figure after faltering in his two signature events, ending his World Artistic Gymnastics Championships campaign in Rotterdam without a medal.

Young swimmer Ajido to serve as PH flag-bearer at Dakar Youth Olympics

By Clarence Concepcion

Young swimming standout Jamesray Mishael Ajido will carry the Philippine flag during the opening ceremony of the 2026 Youth Olympic Games in Dakar, Senegal, on October 31, leading the country's nine-member delegation at the international sporting event.

The 16-year-old swimmer will represent Team Philippines in the parade of athletes at Abdoulaye Wade Stadium in Diamniadio, marking another milestone in his emerging career.

Ajido earned the flag-bearing honor following a series of international appearances, including a bronze-medal finish in the men's 50-meter butterfly at the Asian Age Group Championships in Thailand.

He will compete alongside fellow swimmer Riannah Chantelle Coleman, with swimming events scheduled to begin November 1.

The Philippine contingent also includes Asian Youth Games medalists Pi Durden Wangkay and Naomi Marjorie Caesar in athletics, gymnasts Tchelzy Maayo and Hillarion Palles III, cyclist Maritanya Krog, wushu athlete Angel Polo and windsurfer Jade Justine Justiniane.

Philippine Taekwondo Association secretary-general Rocky Samson will serve as chef de mission for the delegation, which will compete across six sports during the October 31 to November 13 competition.

The Dakar Games will mark the first Youth Olympics staged in Africa, with Ajido leading the Philippine delegation at the opening ceremony before beginning his swimming campaign the following day.

NU's endless supply of talent fuels PH women's volleyball

Grassroots development is important in every sport. But what if a school has already built a system that does more than produce champions, developing young athletes who can carry the Philippine flag even before they enter their collegiate ranks?

National University-Nazareth School (NUNS) has been doing just that, turning generations of Lady Bullpups into UAAP champions, professional players, and national team prospects.

And judging by its newest crop of young talents, the NU volleyball pipeline is nowhere near running dry.

Another batch of NUNS players is making its presence felt in UAAP Season 89, with several Lady Bullpups already carrying international experience that most high school athletes can only dream of.

New generation, same winning tradition

Photo Caption: The NU Nazareth School Lady Bullpups pose for a team photo with their full roster for the UAAP Season 89 girls' volleyball tournament. Photo Credit: Allyna Estefanio

Players may graduate, and familiar faces may move on, but the winning tradition at NUNS remains very much alive.

This time, a new group of young standouts is carrying that tradition, with NUNS completing a perfect 7-0 first round in UAAP Season 89 while surrendering just one set.

The defending champions capped their opening-round campaign with a commanding 25-16, 25-18, 25-18 victory over last season's finals rival, Far Eastern University-Diliman, on October 16 at Paco Arena.

Xyz Rayco led the charge with 11 points, followed by Ysabella Cruz with 10, while Jaila Adrao and Jhaynna Bulandres added nine apiece. Micaella Gould directed the offense with 16 excellent sets, while libero Ghenievib Belen anchored the floor defense with 17 excellent digs.

NUNS has once again reminded the UAAP Junior category why its girls' volleyball program remains a force to reckon with, completing a perfect 7-0 first round in Season 89 while dropping just one set.

Under coach Karl Dimaculangan, NUNS is chasing its third straight championship after collecting eight girls' volleyball titles in the last 10 UAAP seasons.

Despite NUNS sweeping all its matches, rival teams can be thankful they never had to face a Lady Bullpups roster featuring a healthy Rhose Almendralejo. The highly touted Bacolod Tay Tung spiker and Alas Pilipinas under-18 representative spent her high school years outside the NU program but has already committed to the senior Lady Bulldogs for college. Although still recovering from ACL and MCL injuries sustained during last May's Palarong Pambansa, Almendralejo is expected to bring additional firepower to an already formidable NU program once she makes her collegiate debut.

International exposure even before college

Just like Almendralejo, what makes these current Lady Bullpups particularly interesting is that several players already know what it feels like to represent the Philippines.

In June, Alas Pilipinas Girls captured bronze at the Southeast Asian Girls' U18 Championship, better known as the Princess Cup, after defeating Indonesia in five sets in Thailand. NU-Nazareth formed the backbone of the national squad, with Rayco, Bulandres, Irish Mahinay, Frances Ramos, Khaira Manzano, Gould, Belen, Cruz, Venus De Guia, Adeleine Agustin, and Ysabelle Tuballas among the young talents representing the country.

The same group continued its international campaign at the Asian U18 Championship, gaining further experience against the continent's top promising young volleyball players.

But their toughest challenge came at the 2026 FIVB Girls' U17 World Championship in Chile. With the tournament limited to younger players, only some Lady Bullpups were eligible, including Rayco, Bulandres, Mahinay, Ramos and Manzano, who helped the Philippines secure a historic 15th-place finish among 24 nations.

Rayco made her mark throughout the tournament, emerging as the Philippines' second-leading scorer with 98 points, behind Caera Celis.

For these teenagers, playing against international opponents was no longer something to look forward to after college, as they had already experienced it while still competing at the high school level.

Now back in the UAAP, that international experience is being put to use, with the Lady Bullpups' unbeaten first round showing how much this young generation already has to offer.

Following the path of the champions who came before them

Just like what it said earlier, NU producing young volleyball standouts is hardly new.

The photo above is a reminder of how much talent NUNS has produced over the years. Several players from this photo have become the brightest names in Philippine volleyball, whether competing in the professional leagues, continuing their collegiate careers or representing the country through Alas Pilipinas.

Among them are Belen and Solomon, arguably two of the most accomplished players of their batch. The duo helped the senior NU Lady Bulldogs end their 65-year UAAP championship drought in Season 84, alongside veterans Ivy Lacsina, Cess Robles, Joyme Cagande and Jennifer Nierva. Their fellow rookies, Camilla Lamina, Sheena Toring and Erin Pangilinan, also played important roles in NU's historic unbeaten championship run.

But not all former Lady Bullpups continued their collegiate careers at NU. Thea Gagate and Maicah Larroza took their talents to De La Salle University, while Faith Nisperos and Roma Doromal suited up for Ateneo. Once part of the same high school volleyball program, they eventually found themselves on opposite sides of the net, becoming rivals in the UAAP's post-pandemic seasons.

Belen and Solomon, meanwhile, helped NU win two more championships in Seasons 86 and 87 alongside Camilla Lamina, Erin Pangilinan and Sheena Toring, with Vange Alinsug and Shaira Jardio also contributing to the team's success and helping the program's dominance even as its roster continued to evolve.

Their impact reached beyond the UAAP. Belen and Solomon began representing the Philippines in 2023 and later became regular faces in Alas Pilipinas. Nierva, Gagate, Nisperos, Lamina, Alinsug and Jardio also earned opportunities to wear the national colors.

Now, another set of NUNS players are beginning to follow that same path. But of course, reaching the senior national team is never guaranteed. But with the current Lady Bullpups already competing internationally even before finishing high school, the possibility of seeing another batch of NUNS products wearing the Philippine jersey in the coming years is becoming increasingly promising.

But for now, the young Lady Bullpups have another UAAP championship to chase. But just like the champions who came before them, their careers could eventually take them beyond school volleyball to becoming the biggest Philippine volleyball stars.

EDITOR: ISMAEL AMIGO

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Face Architect: Where aesthetic medicine meets confidence and care



For Dr. Lyndon Paolo Asuncion, aesthetic medicine is more than the pursuit of flawless skin. It is a balance of medical expertise, artistic judgment, patient confidence, and the discipline to achieve natural-looking results.

BEAUTY is often dismissed as vanity, an indulgence reserved for those who can afford to spend on their appearance. Yet beneath the growing demand for aesthetic treatments lies a more complex story—one that connects skin health, self-confidence, technology, and the business of personalized medical care.

For Lyndon Paolo Asuncion, founder, attending physician, and medical director of Skinive, aesthetic medicine is more than the pursuit of flawless skin. It is a balance of medical expertise, artistic judgment, patient confidence, and the discipline to achieve natural-looking results.

Like an architect who considers both a building's façade and its underlying structure, a dermatologist looks beyond the skin's surface. What appears to be a cosmetic concern may require medical assessment, careful treatment planning, and an understanding of the patient's overall condition.

This distinction is becoming increasingly important as dermatology and aesthetic medicine gain greater visibility. The objective is no longer simply to achieve flawless skin or reverse the signs of aging. For many patients, it is also about addressing concerns that affect their confidence while making informed decisions about their health and appearance.

For Asuncion, this philosophy defines his approach to aesthetic medicine. He sees the practice as a combination of medical science, artistic sensibility, and business management—three elements that must work together without compromising patient welfare.

Beyond the Surface

Dermatology and aesthetic medicine may share an interest in the skin, but their purposes are not identical. The field is a medical specialty concerned with diagnosing, treating, and preventing conditions affecting the skin, hair, and nails. Its scope includes acne, eczema, psoriasis, rosacea, skin infections, skin cancer, hair loss, and nail disorders. Dermatologists may also perform cosmetic procedures as part of their practice.

Aesthetic medicine, meanwhile, concentrates on improving appearance through treatments such as facials, chemical peels, skin rejuvenation, injectables, laser procedures, and other cosmetic interventions. The qualifications of practitioners vary according to the procedure and applicable regulations.

The two fields overlap, particularly in cosmetic dermatology, but the distinction matters. Aesthetic improvement should not come at the expense of proper diagnosis, patient safety, or realistic expectations.

The Philippine dermatology sector reflects



the growing importance of skin care as both a medical service and a consumer market. A peer-reviewed study using Philippine Dermatological Society directory data as of November 2023 identified 1,345 board-certified dermatologists practicing in the country. Of these, 684, or 50.86 percent, were based in Metro Manila. The study also reported 396 PhilHealth-accredited dermatologists, equivalent to 29.44 percent of the directory count, and a national density of 1.19 dermatologists per 100,000 people.

These figures point to an important consideration: access to specialist care and the distribution of dermatologists remain relevant to the development of the industry. For aesthetic medicine, the challenge extends beyond offering the latest equipment or most popular treatments. It involves determining what a patient actually needs, identifying appropriate interventions, and ensuring that the expected benefits justify the cost and risks.

A journey of discovery

Asuncion's entry into aesthetic medicine was not a straightforward career choice. His professional journey involved exploring different medical paths before finding a field that matched his interests and personality.

His attraction to the arts began early. Architecture was once his intended profession, followed by an interest in plastic surgery. Medicine appealed to him because it offered an opportunity to help people improve their lives, but he was particularly drawn to the connection between physical appearance and self-esteem.

"I was already inclined toward the arts, more on the creative side. I wanted to be an architect before, and then a plastic surgeon," he recalls.

"I wanted to be a doctor, but I didn't want hardcore medicine. I didn't want internal medicine or surgery or anything like that. I wanted to do plastic surgery because I wanted to improve people's confidence and self-esteem."

He initially considered plastic surgery, a path requiring years of specialized training. He later explored orthopedics, applying for residency at the Philippine Orthopedic Center, but eventually realized that these directions were not the right fit. Rather than treating these changes as wasted time, Asuncion's experience became part of his search for a profession that combined his medical background with his creative inclinations.

Aesthetic dermatology eventually provided that intersection. He joined the Zen Institute, where he spent seven years developing his skills and experience in the field. The move allowed him to bring together two interests that might otherwise appear separate: the precision of medicine and the artistic judgment involved in enhancing facial features.



For Asuncion, however, aesthetic work is not simply about making someone look better according to a predetermined standard. It is about understanding the individual and deciding which interventions, if any, are appropriate.

Building a practice of his own

The decision to establish an independent practice came from a recognition that aesthetic medicine requires both clinical judgment and an understanding of business.

"Aesthetic medicine combines two things: the business side and the medical side," he says.

Asuncion began his practice at Solaire in 2019, positioning himself in a market where patients could seek personalized aesthetic services. The Covid-19 pandemic disrupted the business the following year, forcing many medical and consumer-facing establishments to reassess their operations.

When restrictions eased and businesses began recovering, another setback followed: the non-renewal of his arrangement at Solaire in 2022. Rather than abandon the practice, he looked for another location. In 2023, he established himself at Parqal, the developing commercial and lifestyle destination along Macapagal Boulevard, becoming one of its early tenants.

The experience underscored a reality familiar to many entrepreneurs. Professional expertise is essential, but sustaining a business also requires adaptability, financial discipline, and the ability to respond to circumstances beyond one's control.

In aesthetic medicine, the challenge is particularly delicate. A clinic must remain commercially viable while resisting the temptation to turn every patient concern into a sales opportunity. Asuncion believes that distinction is fundamental to maintaining trust.

Confidence without excess

One criticism often directed at aesthetic medicine is that it caters to superficial concerns. Why spend money on appearance when there are more pressing needs? Asuncion says he has encountered little of this criticism directly, partly because patients who consult him usually arrive with specific concerns they want addressed. He also recognizes that appearance and emotional well-being can be connected.

"When your external features improve, it can also improve how you feel internally," he explains. "The confidence I can help bring through aesthetic medicine is different from what you might experience in hardcore medicine."

That does not mean every concern requires a procedure. Aesthetic care may involve medical assessment, medication, counseling, skin-care guidance, and, where appropriate, nutritional advice. The objective is to determine what can realistically help rather than automatically recommend an intervention.

At Skinive, this approach informs the decision to maintain a single branch. Asuncion prefers to preserve the level of attention and consistency his patients expect, particularly those who specifically seek his services.

Expanding into multiple locations could create opportunities for growth, but it could also make it more difficult to maintain the same standards across the practice. For now, he favors service quality over expansion for its own sake.

He applies the same principle to products and procedures. Treatments are not selected simply because they are fashionable or widely promoted. Their suitability for the individual patient takes precedence over their popularity.

"I don't focus on hype. I focus on what works for the patient," he says.

His preference is for subtle, natural-looking results rather than dramatic transformations that leave patients looking artificially enhanced.

"I don't want patients to end up looking artificial or overly treated."

This philosophy also influences pricing. Asuncion says he charges according to what a patient actually needs, rather than recommending additional procedures to maximize revenue.

"It doesn't matter how much a patient is willing to pay. I want to remain true to my principles."

Some patients are surprised when their final bill is lower than expected, particularly when comparing it with prices charged by larger competitors. For him, that is an acceptable outcome if the recommended treatment is appropriate.

The discipline behind the results

Aesthetic treatments are sometimes viewed as one-time purchases: undergo a procedure, achieve the desired effect, and move on. In



reality, many results depend on maintenance, appropriate skin care, and lifestyle habits.

Asuncion believes patients must understand this relationship before investing in treatment. Some procedures have temporary effects and may require maintenance. Smoking, excessive alcohol consumption, persistent stress, poor hygiene, and other lifestyle factors can undermine results or affect overall skin health.

A procedure cannot compensate indefinitely for habits that work against its intended benefits. He compares the situation to teeth whitening: the investment can be undermined if a person immediately returns to habits that stain the teeth. Similarly, patients seeking improvements in body contouring or skin appearance need to understand the limits of the procedure and the role of continued care.

The clinic's responsibility, therefore, extends beyond performing a treatment. It includes setting realistic expectations and helping patients understand what they must do afterward. This educational component may not be as immediately visible as a cosmetic result, but it is central to responsible practice.

It also reflects a broader shift in how patients approach aesthetic services. According to Asuncion, treatments that once appeared to be status symbols are becoming more accessible to people who deliberately save and budget for them.

"Before, I think it was more of a status symbol. But now, people save for treatments and work toward being able to afford them."

That change creates opportunities for the industry, but it also raises the importance of informed spending. Patients should understand not only the initial price but also the possible need for follow-up procedures, maintenance products, and lifestyle adjustments.

The growth of aesthetic medicine may also support medical tourism, an opportunity the Philippines could explore by developing competitive services and maintaining credible standards of care. Asuncion points to South Korea as an example of a market where aesthetic services have become part of a broader international medical offering.

Realizing similar opportunities locally, however, would require more than attractive clinics. Professional competence, patient safety, consistent service quality, and public confidence would remain essential.

Choosing the right doctor

For patients considering aesthetic treatments, Asuncion offers three priorities: experience, skill, and compassion.

Experience matters because clinical practice involves more than completing formal training. Over time, practitioners learn to recognize which treatments are suitable, how to manage complications, and when a procedure may be inappropriate.

Skill is equally important. Aesthetic procedures require technical competence and sound judgment, particularly when treatments involve delicate facial structures or interventions that can produce lasting effects.

Compassion, meanwhile, helps keep the patient's interests ahead of commercial considerations.

"If I think only like a businessman, I might offer every treatment available, even if the patient doesn't need it," he says. "But that's not the right approach."

Patients should also assess a practitioner's professional standards, willingness to explain options, and readiness to discuss limitations and risks. In the Philippines, those considering medical procedures should verify the practitioner's qualifications and ensure that the treatment is being performed by an appropriately trained and authorized professional.

A willingness to recommend fewer procedures can be as important as the ability to offer many. Patients should feel comfortable asking why a treatment is necessary, what alternatives exist, how long the results may last, and what aftercare will be required.

Asuncion also cautions against relying too heavily on standardized ideas of facial beauty. The golden ratio and other proportional references can inform aesthetic assessment, but applying the same template to everyone risks producing similar-looking results.

"I want patients to look natural and individual," he says.

A more personal definition of beauty

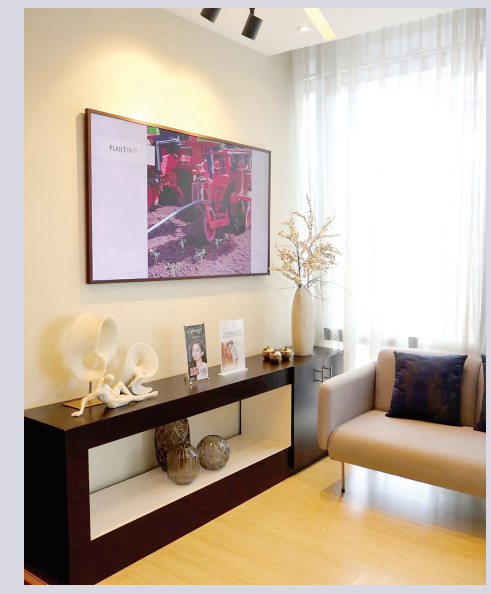
Aesthetic medicine will continue to evolve alongside advances in technology, changing consumer preferences, and greater awareness of skin care. New devices and procedures may expand the range of available treatments, while growing demand could create opportunities for clinics, suppliers, and related businesses.

Yet the industry's long-term credibility will depend on more than technological innovation or marketing. For Asuncion, the central responsibility remains understanding the person behind the concern. That means recognizing individual differences, respecting medical limits, and resisting the pressure to equate better results with more procedures.

The architect's task is not simply to improve a façade but to understand the structure beneath it. In much the same way, aesthetic medicine requires a balance between what is visible and what supports it: medical knowledge, sound judgment, patient education, and trust.

For the face architect, success is not measured by how dramatically a person changes, how many treatments a clinic sells, or how closely a patient conforms to an idealized standard of beauty.

It is measured by whether the treatment is appropriate, the result remains natural, and the patient leaves with greater confidence—without compromising the care and individuality that should come first.



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NEWSPAPER OF THE YEAR

A global context for growth

THE global economy is generally viewed as resilient, having proven more robust than expected even as the Middle East war continues to disrupt the global oil supply chain. But the International Monetary Fund (IMF) also acknowledges this resilience is now being depleted as it stands on a "fragile foundation."

IMF Managing Director Kristalina Georgieva, at the mid-October IMF-World Bank meetings in Bangkok, described a world economy that was "like on one leg," referring to growth prospects largely fueled by Artificial Intelligence (AI)-driven technology demand rather than a broad-based recovery.

Her prescription: "Rebuild buffers, reduce debt, get our house in very good order."

Against this backdrop, Asia-Pacific remains a major contributor to the global economic expansion despite a downward revision to its growth trajectory.

"Even as the war in the Middle East disrupts oil supplies and pushes up fuel prices, Asia will contribute 68 percent of world growth this year," IMF Asia and Pacific Department Director Krishna Srinivasan told a briefing at the same IMF-World Bank event on October 15.

"Asian economies have been at the center of that resilience," Srinivasan said. But "resilience is not unlimited," as governments can draw down crude oil stocks only so far, and fiscal support in many economies is adding to pressure on public finances, he added.

The IMF's analysis of millions of online job postings across Asia suggests employer demand fell by as much as 10 percent in jobs more exposed to AI, then stabilized even as the technology improved. "AI is reshaping work more than eliminating it," Srinivasan said, as employers increasingly want workers who can use it.

The IMF projects Asia-Pacific growth to reach 4.8 percent in 2026 and 4.4 percent in 2027. This comes with upgrades for India, Korea and parts of Southeast Asia.

"This is notable for a region that depends heavily on imported fuel," Srinivasan said.

Although these projections reflect a slowdown from a 5 percent expansion in 2025, they still outpace the global economy forecasts of 3.1 percent in 2026 and 3.4 percent in 2027.

Along this path, the Philippines as a largely oil import-dependent economy is seen transitioning from the downswing in 2026 to a stabilization period and then to a gradual recovery next year.

"The key test will be whether governance reforms, improved execution, and eventual monetary easing can restore confidence and revive private investment," Ruben Carlo Asuncion, chief economist at Union Bank of the Philippines, told NewsCentral's Princess de Ocampo in the following analysis and outlook for the 2027 Philippine economy. — Editor

ANALYST VIEW

PH 2027 ECONOMIC RECOVERY NEEDS REFORMS, CONFIDENCE, INVESTMENT

'2027 is likely to be a transition from stabilization to a gradual recovery.'

— Ruben Carlo Asuncion, chief economist, Union Bank of the Philippines

BY PRINCESS DE OCAMPO

THE Philippine economy's projected recovery in 2027 will depend on the execution of a comprehensive macroeconomic resilience strategy: a rebound in private investment propelled by rekindled business confidence, well managed inflation and improved government project implementation, economists said following the International Monetary Fund (IMF) forecasts for the country's growth this year and next.

First released under its 2026 Article IV assessment on September 25, the IMF forecast growth in the Philippines' gross domestic product at 3.4 percent in 2026, accelerating to 5.1 percent in 2027. The 2026 forecast marks a slowdown from 4.4 percent in 2025, but shows a gradual ascent in 2027.

In the first quarter of this year, the economy grew only 2.8 percent, slowing further to 2.3 percent in the second quarter. The Philippine Statistics Authority (PSA) reported on August 7 that in the second quarter, gross capital formation contracted 9.2 percent. The latest PSA data also showed headline inflation accelerated to 7.2 percent in September from 6.1 percent in August.

The combination of weak investment and elevated prices puts the quality of the expected recovery under scrutiny, with economists pointing to household incomes, employment, productivity and private-sector activity as key measures to assess whether growth is more broadly based.

Ser Percival Peña-Reyes, an assistant professor at the Ateneo de Manila University Department of Economics, said the recovery would require a sustained rebound in private investment, stronger public infrastructure spending and resilient household consumption.

"Ultimately, the recovery must be supported by actual improvements in productivity and business activity, rather than government spending alone," Peña-Reyes said.

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AS PENDING COURT CASES APPROACH 2027

Corruption investigations put govt accountability under scrutiny

BY CZARINA GALE OGAÑA



President Ferdinand Marcos Jr. inspected the site of an alleged ₱55.7-million flood control project in Barangay Piel, Baliwag, Bulacan, on Aug. 20, 2025 later found non-existent. This and other investigation of corrupt practices have placed the accountability of the Marcos Administration under scrutiny. | Photo credit: PCO

More than a year after President Ferdinand Marcos Jr. publicly rebuked officials and contractors in his 2025 State of the Nation Address over alleged corruption in government flood-control projects, the scale of potential losses and the accountability of those involved remain central questions as investigations move through the justice system.

Senate President Pro Tempore Panfilo Lacson estimated last December that as much as ₱180 billion could have gone to nonexistent flood-control projects since 2016, based on an extrapolation of inspection findings.

Lacson and Senate Finance Committee Chairman Sherwin Gatchalian based the initial estimate on more than 600 ghost projects among roughly 10,000 projects inspected. Lacson later cited updated Department of Public Works and Highways (DPWH) data indicating that about ₱79 billion was likely lost to ghost projects, underscoring that the estimates depended on the available inspection data.

39 cases vs 52 individuals filed

The investigations have since produced court cases against officials, contractors and other individuals. On Oct. 12, 2026, Ombudsman Crispin Remulla reported that 39 cases linked to alleged flood-control irregularities had been filed in court, involving 52 individuals. Of these cases, 35 were lodged before the Sandiganbayan and four before regional trial courts.

Among those facing charges were a sitting senator, a former senator, four congressmen including a former House speaker, a former Cabinet secretary, 33 DPWH personnel, eight contractors and other private individuals. The filing of cases marks a significant development in the investigations, but the allegations remain subject to judicial proceedings.



Buildings in Rockwell Center, Makati tower over homes in this undated file photo as concerns over infrastructure oversight, public spending and investor confidence persist. | Photo Credit: PNA

The administration's next challenge is to establish accountability through due process, recover public funds where wrongdoing is proven and address the weaknesses that allowed questionable projects to receive government funding.

A test of accountability

Victor Andres Manhit, founder and chief executive of The Stratbase Group and the Stratbase Institute for Strategic and International Studies, said the government had taken important initial steps but that the public was still waiting for results.

"Investigations by themselves are not accountability," Manhit said. "The real test is whether these cases are properly prosecuted, whether those found responsible are held accountable, whether government recovers the money that was stolen, and whether there are genuine reforms to overhaul the system that allowed these things to happen in the first place."

He also warned against selective enforcement, stressing that accountability requires laws to be applied fairly regardless of an individual's political position or influence.

The significance of the investigations extends beyond the cases themselves. The flood-control controversy has raised questions about how projects pass through planning, procurement, implementation, inspection and payment, and why alleged irregularities were not detected earlier.

"The flood control scandal, of course, exposed weaknesses in the government's entire system of checks and balances for infrastructure," Manhit said, noting that some projects were allegedly nonexistent, relocated, substandard or ineffective.

He said the government must determine how questionable projects passed through the system, who was responsible for checking them and why potential warning signs were not identified before public funds were released.

Nicomedes Alviar, a political governance scholar at the University of Asia and the Pacific, similarly identified political interference, patronage networks and weaknesses in procurement oversight as potential obstacles to accountability.

"Political dynamics pose a significant threat to anticorruption investigations, often delaying or halting progress altogether," Alviar wrote in an interview.

He said procurement in regional and district DPWH offices could be vulnerable to collusion among contractors, district engineers and local officials, while lengthy proceedings before the Office of the Ombudsman and the Sandiganbayan could delay the resolution of anti-graft cases.

Alviar recommended strengthening the investigative and prosecution capacity of the Ombudsman and Department of Justice, including through specialized forensic accounting units. He also called for digital procurement transparency and legal safeguards for whistleblowers who expose irregularities.

Taken together, the analysts' assessments point to two tests for the administration:

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Investment a key test

The 9.2 percent contraction in gross capital formation in the second quarter highlights the weakness in investment that economists said needs to reverse for growth to become more sustainable.

Peña-Reyes said a rebound in private construction, machinery, technology and business expansion would create jobs, raise productivity and strengthen future productive capacity.

Ruben Carlo Asuncion, chief economist at Union Bank of the Philippines, said the level of business confidence would determine the extent of capital spending in 2027.

"Confidence will be the decisive factor," Asuncion said, citing an easing of inflation, improved financing conditions, governance reforms and more effective implementation of approved projects as bases for a return of confidence.

He said greater policy predictability and clearer demand prospects could encourage firms to proceed with previously deferred expansion plans.

Philip Arnold Tuaño, president of the Philippine Development Institute for Studies, said investment priorities should focus on sectors that expand productive capacity while generating better-quality employment.

He identified manufacturing, modern agriculture and agribusiness, infrastructure, logistics and higher-value services, including digitally enabled industries, as areas for investment.

Inflation effect on demand

The pace of inflation will also influence how much households can contribute to growth.

PSA data showed food and non-alcoholic beverages accounted for 35.8 percent of the contribution to September's headline inflation, followed by housing, water, electricity, gas and other fuels at 24 percent and transport at 18.3 percent. Core inflation also rose to 4.7 percent from 4.1 percent in August.

Peña-Reyes said elevated inflation would reduce household purchasing power, particularly among lower-income families that allocate a larger share of their budgets to food, transport, electricity and other necessities.

"Easing inflation and stronger real wage growth will, therefore, be crucial to sustaining domestic demand," he said.

Asuncion said persistently high food, transport, housing and energy costs would restrain discretionary spending while increasing business operating costs and putting pressure on margins.

"If inflation remains elevated for longer, the recovery in both consumption and investment could be weaker than expected," he said.

Tuaño said higher prices would also leave lower-income households with less money for health, education and entertainment, potentially affecting their future incomes and productivity.

The IMF expects Philippine headline inflation to average 5.6 percent in 2026 before easing to 4.1 percent in 2027. It said further monetary tightening should depend on whether inflation remains elevated or second-round effects intensify.

Fiscal policy, governance matter

Calixto Chikiamco, president of the Foundation for Economic Freedom, said fiscal consolidation could occur alongside economic growth if government spending targets measures that improve productivity.

"Budgetary reform" is needed so that spending is focused on infrastructure, education and health, Chikiamco said.

He cautioned that high growth would not be sustainable if a large portion of the budget goes to ayudas, politically driven health spending and pork barrel.

"It's clear that good governance is at the heart of economic recovery," Chikiamco said.

The IMF similarly said the pace of fiscal consolidation was appropriate but should be rebalanced toward revenue mobilization while protecting priority social spending and creating room for higher public investment.

It recommended broadening the value-added tax base, improving the governance and design of tax incentives, and accelerating public financial management reforms to improve capital-spending execution.

External risks

The recovery will also face external pressures, particularly from commodity prices and geopolitical developments.

The Bangko Sentral ng Pilipinas (BSP) projected the country's balance of payments deficit at $9.2 billion, or 1.8 percent of GDP, in 2026 and $8.5 billion, or 1.6 percent of GDP, in 2027.

The BSP also projected a current account deficit of $19.1 billion in 2026 and $19.4 billion in 2027, citing elevated fuel and commodity prices as the principal driver.

Foreign direct investment net inflows totaled $4.1 billion in January to July 2026 and declined from the same period last year, with lower net inflows across major FDI components, according to the BSP.

Gross international reserves stood at $100 billion at end-September, providing a buffer against external shocks, the BSP said.

The IMF identified a prolonged Middle East conflict, tighter global monetary conditions and weaker remittances as external risks to Philippine growth. It also cited weaker public investment and confidence, climate events, rising corporate leverage and a prolonged property downturn as domestic risks.

The Asian Development Bank also identified geopolitical tensions, elevated energy prices, El Niño, tighter financial conditions and uncertainty

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TRANSITION TO PH ENERGY SECURITY GATHERS PACE

Govt pursues initiatives to cut exposure to global oil shocks

BY MARY JANE DE AFRIA



The Bataan Nuclear Power Plant (BNPP) stands along the coastline of Morong, Bataan, overlooking the West Philippine Sea in this file photo. } Photo credit: BNPP FB page

THE Philippines is stepping up its transition to energy security through measures designed to meet its growing electricity requirements while reducing its exposure to imported fuel and volatile global markets.

The government has set for itself a challenge of not simply securing enough energy to meet the power needs of household, businesses and industries, but also ensuring that the country's supply is resiient to disruptions that push up fuel prices, raise transport costs, and pressure household budgets.

Led by the Department of Energy (DOE), the government is expanding renewable energy sources and seeking regional cooperation, while moving forward to utilizing nuclear power, extending domestic natural gas production and building a strategic petroleum reserve.

Each initiative addresses a different part of the problem, with the impact dependent on whether the projects are completed, funding is sustained and support infrastructure keeps pace.

Vulnerabilities while in transition

The Philippines' dependence on imported energy leaves it exposed to risk beyond its control, including geopolitical conflicts, fluctuations in global oil prices and disruptions to shipping routes.

"Our biggest vulnerability in 2027 is the same one we've carried for decades: we import most of the fuel that powers our economy," Jose Layug Jr., executive board member of the Philippine Energy Research and Policy Institute (PERPI), told NewsCentral.

To some extent, the country has established domestic sources of renewable energy. "Every megawatt of solar, wind, hydro and geothermal we build is fuel we never have to import," Layug said.

The government's targets reflect the scale of that shift. The Philippines aims to raise renewable energy's share of the power generation mix to 35 percent by 2030, 50 percent by 2040 and more than 50 percent by 2050.

The regional framework is also becoming more ambitious. Under the ASEAN Plan of Action for Energy Cooperation for 2026 to 2030, member- states are working toward making their renewable energy account for 30 percent of total primary energy supply and 45 percent of installed power capacity by 2030. The plan also sets a target of reducing energy intensity by 40 percent from their 2005 levels.

The Philippines' push to expand renewable energy is not only about meeting its targets for a cleaner power mix. It is also an effort to reduce the country's exposure to imported fuels by developing more of its own energy resources, including solar, wind, hydropower, geothermal, and hydrogen energy.

However, reaching the country's renewable energy goals will require more than adding solar panels and wind turbines. It will also depend on whether the country can develop resources that are more difficult or costly to explore, attract investment, and connect new generating capacity to the grid.

Also, geothermal energy is one of the country's promising energy resources. However, developing a geothermal project requires more exploration to determine whether underground resources are suitable for commercial use, which entails financial risk.

The DOE told NewsCentral its geothermal de-risking program is intended to mitigate up to 50 percent of exploration risk. By reducing some of the financial exposure associated with early-stage exploration, the program aims to encourage developers to assess potential geothermal resources and support the development of additional domestic supply.

Transmission challenge

The broader renewable energy effort also faces a practical challenge: generating capacity must be matched by infrastructure capable of delivering electricity to consumers.

Battery energy storage can help manage fluctuations and support grid operations, but it cannot replace the transmission network needed to move electricity from generating sites to demand centers.

"Plan transmission ahead of generation, not after it," Layug said.

The DOE has incorporated battery storage systems into its Task Force 200 program. As of Oct. 12, 2026, the task force has completed 51 projects totaling 1,864.60 megawatts (MW), including 12 battery energy storage projects with a combined capacity of 229.366 MW.

In the Visayas, the government has also targeted 253 MW of battery storage by the end of 2026 and 293 MW of diesel-fired capacity in the first quarter of 2027.

Task Force 200 aims to fast-track 200 priority power generation and energy storage projects across the Philippines.

Regional power not an immediate fix

While cooperation with neighboring countries could give the Philippines more options in securing energy, this does not provide an immediate fix.

Among the initiatives at the regional level is the ASEAN Power Grid, which seeks to strengthen cross-border electricity connection and enable wider regional power trading.

The DOE said ASEAN member-states have reached consensus on an enhanced memorandum of understanding for the initiative. However, the agreement still needs completion of signatures.

The Philippines is also involved in the Brunei Darussalam-Indonesia-Malaysia-Philippines Power Interconnection Project (BIMP-PIP), a subregional effort intended to advance electricity connectivity. The initiative has been integrated into the ASEAN Plan of Action for Energy Cooperation (APAEC) 2026-2030 planning frameworks.

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whether investigators can build cases that withstand judicial scrutiny, and whether government agencies can correct the institutional weaknesses identified in the course of the investigations. The pace of investigations and the filing of cases are measurable developments, but they do not by themselves establish whether public funds have been recovered or systemic reforms have taken effect.

Project oversight, anti-corruption drive

The investigations into alleged irregularities in government infrastructure projects have placed both project oversight mechanisms and the Marcos administration's anti-corruption campaign under scrutiny. While audits, criminal complaints and court filings indicate that the allegations are being examined through different processes, the administration's performance will ultimately depend on the evidence established, the resolution of cases and the reforms implemented to prevent similar problems.

The Commission on Audit (COA) said it had conducted fraud audits on nearly 50 flood-control projects, with Bulacan among the areas under scrutiny. During a September 2026 budget hearing, COA Chairman Gamaliel Cordoba told senators that about ₱98 billion worth of DPWH flood-control projects implemented in Bulacan from 2022 to 2025 accounted for roughly 18 percent of the total value of such projects during the period. The figures cover projects under examination and do not establish that all were fraudulent.

Separately, the National Bureau of Investigation filed criminal complaints against 21 individuals, including DPWH personnel and private contractors, over alleged irregularities in flood-control projects in Davao City. Submitted to the Department of Justice on October 13 and 14, the complaints included recommended charges involving alleged falsification of documents and violations of the Anti-Graft and Corrupt Practices Act. The respondents remain entitled to due process, and the allegations must be assessed through the appropriate legal proceedings.

Irregularities in project implementation

For Manhit, the alleged irregularities point to weaknesses acrossseveralstagesofinfrastructure project implementation.

"That tells us the problem is bigger than one corrupt official or one contractor. There were weaknesses at several points in the system that allowed questionable projects to get funded and, in some cases, to be reported as completed," Manhit said.

He said the government must determine how questionable projects passed through planning, procurement, implementation, inspection and payment, and why safeguards failed to detect problems earlier. Addressing these gaps, he added, requires stronger monitoring and auditing alongside legal action against those found responsible.

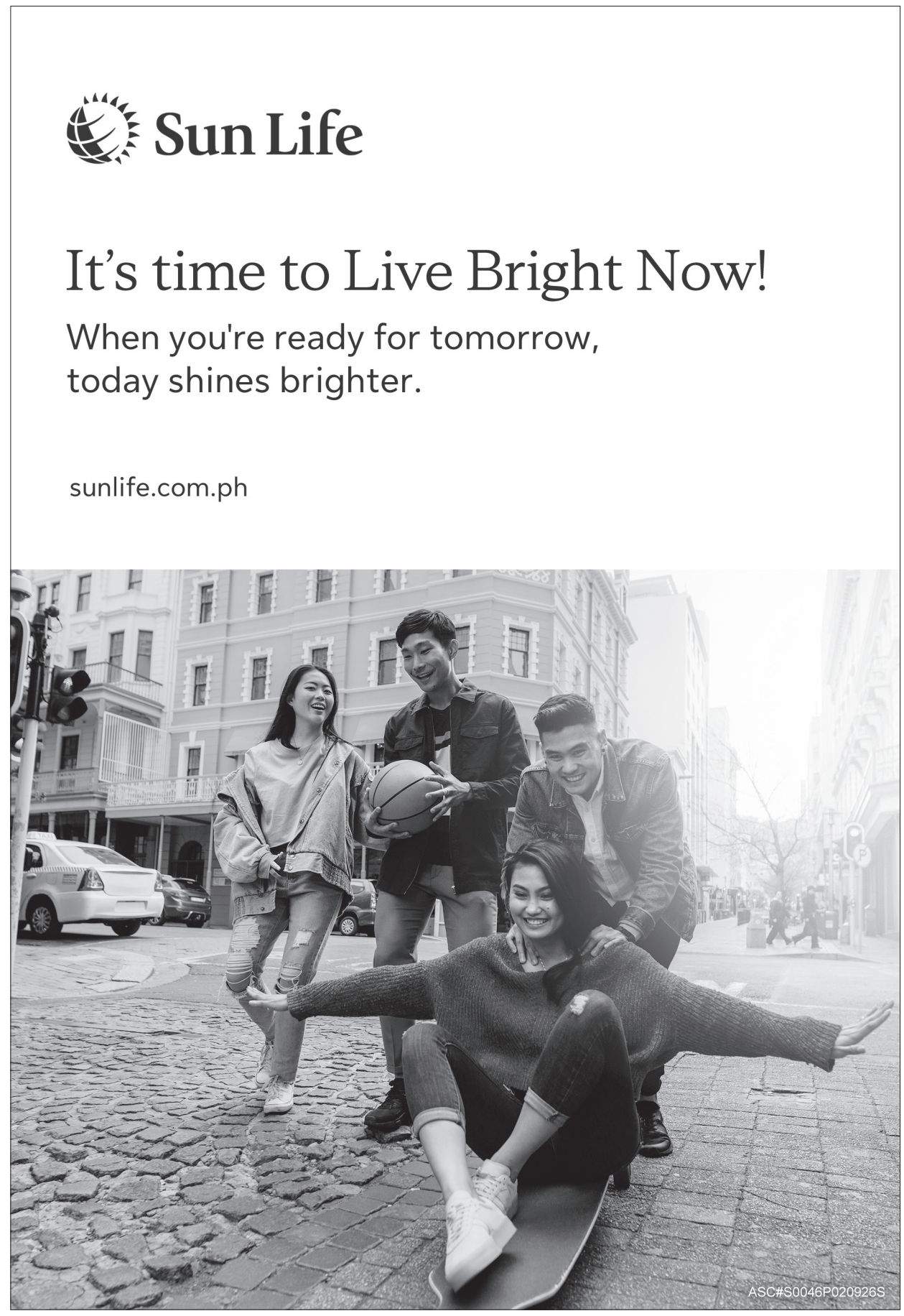
Alviar also identified contractor concentration as a potential structural risk, arguing that limited competition could weaken safeguards in public infrastructure procurement. Establishing the extent of this problem, however, requires procurement records, audit findings and other evidence showing how contracts were distributed and whether concentration contributed to irregularities in specific projects.

Transparency measure

The administration has also pursued a transparency measure through Executive Order 126, signed on Sept. 28, 2026, which institutionalized the Centralized Open Monitoring Platform for Appropriations and Spending Statistics (COMPASS). Launched by the Department of Budget and Management in June, the platform is intended to provide public access to information on government budgets, expenditures, procurement and project performance.

Alviar described the portal as a concrete step toward institutionalizing public oversight by

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PSEi TESTS YEAR LOW AFTER PESO BREACHES P63:$1

FINANCIAL MARKETS NAVIGATE VOLATILITY TOWARD 2027 REBOUND

By LUDWIG KALAMBACAL and ALYSSA JORDAN SALLE

THE Philippine financial markets are entering a critical stretch of volatility possibly through the end of the year after the peso fell to record lows against the dollar this month and the stock market benchmark index hit a 2026 low, putting investors on alert for cues on when the weakness will end and a sustainable advance will begin.

The Philippine Stock Exchange index (PSEi) has since rebounded from its 2026 closing low of 5,629.47 reached on October 1 and an intraday low of 5,564.47 points hit on October 15. The rebound was helped largely by bargain-hunting and investor interest in the GCash initial public offering (IPO), which debuted on the PSE on October 20.

By the end of last week's trade, on October 23, the PSEi stood at 5,728.63 points, down less than 1 percent from the previous session but up 1.76 percent from its 2026 closing low.

But analysts see the index bounceback from the year's low to the current levels remaining vulnerable to global interest rates, oil prices, geopolitical tensions and the strength of domestic economic fundamentals.

Extended volatility

Ser Percival Peña-Reyes, a senior research fellow at the Ateneo Center for Economic Research, expects continued volatility through the end of 2026, with a possible modest recovery if external pressures ease.

"As of October 15, the peso closed at a record-weak ₱63.06 per US dollar, while the PSEi recovered 0.82 percent to 5,663.17 points on bargain-hunting," Peña-Reyes said.

Since then, the market picture has diverged. Mynt, the parent of GCash, raised ₱60.9 billion on October 20 in the country's largest IPO, boosting investor interest in local equities. The PSEi gained for five straight sessions, closing at 5,821.51 on October 21, while the peso fell to a fresh record low of ₱63.52 per dollar on October 22, underscoring continued currency pressure.

Looking ahead, Peña-Reyes sees the peso trading between P62 and P64

FINANCIAL MARKETS | D02



Filinvest strengthens Clark commitment across key growth centers

Filinvest Malls Mimosa is set to offer a fresh way to experience leisure, dining, and shopping in Central Luzon.

AS Clark continues to grow as an important economic and investment corridor, government investment and development efforts in the area are helping create greater opportunities for business, infrastructure, tourism, and employment.

Filinvest Development Corporation (FDC) is contributing to this broader growth agenda through its long-term presence in three key hubs in Clark: Clark International Airport, New Clark City and Filinvest Mimosa Plus Clark. Across these hubs, Filinvest continues to invest in industrial, aviation, hospitality, leisure, retail, and township developments that support the government's goal of strengthening Clark's appeal businesses and investors.

At Clark International Airport, FDC as the lead consortium member of Luzon International Premiere Airport Development (LIPAD), alongside JG Summit Holdings, Philippine Airport Ground Support Solutions (PAGSS), and Changi Airports International is part of the continuing development not only of the airport but the broader effort to build the area as a logistics and aviation hub.

Recently, Lufthansa Technik Philippines recently broke ground on its new widebody maintenance, repair, and overhaul (MRO) facility, which is expected to create around 1,200 highly skilled jobs when it begins operations in 2028.

The airport also welcomed the opening of UPS's new logistics hub, a 30,000-square-meter facility that created nearly 600 local jobs and significantly expanded cargo-handling capabilities.

At New Clark City, the Group is developing Filinvest Innovation Park – New Clark City. Here, it recently welcomed Taiwan-based EDAC Group, which selected the development for its newest Southeast Asian manufacturing facility, further expanding the mix of international businesses investing in the Clark growth corridor.

Meanwhile, Filinvest Mimosa Plus Clark continues to evolve as an integrated destination for business, hospitality, leisure, retail, and lifestyle experiences. Filinvest Mimosa Plus is home to Quest Plus Conference Center Clark and Mimosa Plus Golf Course, as well as Filinvest Shoppes Mimosa, where Filinvest Hospitality recently launched Firehouse Pizza Clark, La Loca, and Recado by Carlos Villaflor.

Building on this momentum, Filinvest Malls Mimosa is scheduled to open soon, further expanding the area's offerings and enhancing the overall estate experience.

Taken together, these investments reflect Filinvest's approach to Clark as more than a collection of individual projects. By building across New Clark City, Clark International Airport, and Mimosa, the Group is investing in complementary sectors that help strengthen the infrastructure and business environment, supporting the region's growth.

Maris Racal makes everything mini in Maya Black's hyperpop music video



MARIS RACAL wants more, more, more—and she's making it Mini!

The actress turns up the pop-star energy in Maya Black's latest music video, serving edgy looks and her signature confidence against a catchy hyperpop track. But there's a twist: everything she wants literally turns into a miniature version of itself, bringing the song's "make it mini" message to life in a fun and unexpected way.

Maris Racal makes everything Mini

With its fashion-forward styling, chrome accents, and Maris in full pop-star mode, the music video gives Maya Black and Mini Payments a fresh, music-driven treatment.

And while everything might be getting smaller on screen, the idea behind it is all about having more flexibility when it comes to bigger purchases. Because with Mini Payments, getting what you want doesn't always have to mean paying for it all at once.

Watch the new music video starring Maris Racal here: https://youtu.be/b_zKjZ6u2f4?si=q8AzbC9iUSLp0sAV.

Big purchase? Make it Mini!

With Mini Payments, eligible purchases made using your Maya Black Credit Card can be converted into 3, 6, 9, or 12 monthly payments, giving cardholders more flexibility in managing bigger expenses.

Whether you're planning a gadget upgrade, buying a new appliance, or making another bigger-ticket purchase, simply select an eligible transaction, choose your preferred payment term, and track your plan directly in the Maya app, subject to applicable terms and charges.

So while Maris makes everything Mini in the music video, you can also bring that same energy with your bigger purchases. Big purchase? No biggie. Make it Mini with Maya Black and Mini Payments.

To know more, visit maya.ph/minipayments and follow @makeyourmoneymaya on Facebook, Instagram, YouTube, and TikTok to stay updated. Approval and offer are subject to credit evaluation. Maya Philippines, Inc. and Maya Bank, Inc. are regulated by the Bangko Sentral ng Pilipinas. www.bsp.gov.ph. For 24/7 assistance, visit the Help Center in the Maya app or call us from 8 AM to 7 PM daily at +632 8845-7788.

Maya named among Best Companies to Work for in Asia for second consecutive year

Digital financial services leader retains workplace and technology honors for a second year, adds People Transformation recognition

MAYA has been named among the Best Companies to Work for in Asia for the second consecutive year, earning recognition at the 2026 HR Asia Awards for its workplace culture, employee engagement and commitment to people development.

The company also received the People Transformation and Tech Empowerment awards, bringing its total to three distinctions this year. The recognition marks Maya's second consecutive win in both the Best Companies to Work for in Asia and Tech Empowerment categories, with People Transformation joining its honors in 2026.

Maya, the leading digital financial services platform in the Philippines, brings together payments, banking and credit solutions for consumers and businesses.

Organized by Business Media International, the HR Asia Awards recognizes companies for their workplace practices, employee engagement, and efforts to develop and support their people. In the Philippines, 44 companies were selected for the Best Companies to Work for in Asia award from 160 surveyed organizations.

"Being recognized again is meaningful because building a good workplace takes continuous effort," said Charee Lanza, Maya Group Chief People Officer. "We want our people to have opportunities to develop their careers, learn new skills and take on new challenges as Maya continues to grow. These awards reflect the work of our teams in making that happen."

Maya's people development initiatives include structured career and leadership programs, hands-on learning opportunities, and training that helps employees across different functions build skills in emerging technologies, including artificial intelligence (AI).

The company also uses employee feedback to improve its workplace programs, complemented by initiatives that support employee well-being, recognition and engagement.

The latest awards add to Maya's growing list of workplace recognitions as it continues to invest in the people behind its digital financial services.



Representatives from Maya People Group receive their recognition at the 2026 HR Asia Awards



C01

NewsCentral

5TH ANNIVERSARY

OCTOBER 27, 2026 | TUESDAY

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SUPER EL NIÑO THREATENS RICE, FISHERIES 2027 OUTPUT

BY LHYCA MARIEHL SANTIAGO

THE projected intensification of El Niño into a "very strong" drought through the first half of 2027 threatens the Philippines' rice and fish harvests next year, with insufficient water supply during the first-quarter planting period impeding farm cultivation. The dry conditions also increase the risk of fish kills.

The Department of Science and Technology–Philippine Atmospheric, Geophysical and Astronomical Services Administration (DOST-Pagasa) has warned in a climate advisory a strong El Niño was already active in the Tropical Pacific region and was expected to intensify into a "Very Strong El Niño" between September and December 2026, persisting through the first half of 2027.

Dry-season rice planting risks

(Pending the availability of Department of Agriculture officials in time for this interview, NewsCentral sought comments from another expert on the matter.)

Drawing from his knowledge and experience as former Department of Agriculture undersecretary, Fermin Adriano said the expected climate conditions could aggravate the challenges facing palay production, particularly during the dry-season planting period.

Corn and vegetables are also among the commodities bound to be affected, while farmers are already burdened with rising fertilizer prices.

Adriano said palay harvests had declined this year, citing the Philippine Statistics Authority (PSA)'s third-quarter report and massive flooding in Central Luzon, including Bulacan and Nueva Ecija.

In its July to September 2026 report, based on standing crop estimates as of September 1, PSA put palay or unmilled rice production at 3.10 million metric tons (MT). The estimate is down 17.2 percent

SUPER EL NIÑO | C03



Balao Rice Trading store in Pulilan, Bulacan. | Photo Credit: Jhanella Balao

Rice trader prepares for Super El Niño as rising costs squeeze buyers

BY LHYCA MARIEHL SANTIAGO

FOR Balao Rice Trading owner Jhanella Balao, keeping rice prices affordable for customers is becoming increasingly difficult as milling costs continue to fluctuate, prompting some households to further reduce purchases to even smaller quantities just to tide them over.

Bulacan is likely to be hit by "dry conditions" starting next month, as forecast by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA).

PAGASA differentiates a drought from a dry spell: a "drought" means dry conditions with up to a 60-percent rainfall reduction from three to six months; a "dry spell" involves dry conditions where rainfall is reduced by up to 60 percent for up to three months.

Based in Pulilan town of Bulacan province, Balao Rice Trading has been experiencing frequent price increases from their usual rice mills in Bocaue, with adjustments sometimes occurring two or three times a week. Each increase ranges from ₱20 to ₱50 per sack, Balao said.

Although the full effects of "Super" El Niño have yet to be felt, Balao said the business is already dealing with rising procurement costs as it prepares for possible supply challenges in 2027.

One practical change Balao has observed is how customers adjust their purchases when prices rise.

"Even though Super El Niño has not yet started, we have had customers who used to buy one sack but now buy only 5 to 10 kilos due to the weekly price increases," Balao said.

Customers also continue to look for sellers who offer affordable but good-quality rice, making it difficult for traders like Balao to balance prices and quality without risking the loss of regular customers, she added.

Balao expects the cost of local rice varieties to continue fluctuating, seeing possible additional pressure to come once Super El Niño hits local rice production.

Rice farming depends on consistent water supply, she said. Prolonged drought and reduced irrigation could affect production, which could lead some farmers to shift to alternative crops that require less water.

"If Super El Niño strikes, our supply of palay will drop because our water irrigation system will not be enough, so, our government needs to focus more on that," Balao said.

She also expressed concern that rice-exporting countries such as Vietnam and Thailand could face their own production challenges from Super El Niño, potentially affecting a rice importer like the Philippines to access imported supply.

Rising fuel expenses have also contributed to higher purchasing costs for traders, Balao said. Traders must keep pace with prices charged by suppliers and rice millers to avoid potential losses.

To prepare for possible supply disruptions, Balao Rice Trading plans to maintain enough inventory to cover about two months of operations. The business also avoids relying on a single supplier, allowing it to compare rice prices and quality before purchasing stocks.

Managing inventory requires careful planning, Balao said, particularly because rice prices continue to fluctuate depending on local and imported supply. Buying stocks ahead of anticipated periods of tighter supply may help, but traders must avoid purchasing excessive quantities while prices remain uncertain. Proper storage is also essential to ensuring rice quality remains intact and preventing a surge in customer complaints in the future, she said.

For Balao, keeping the business viable means monitoring daily price margins, managing cash flow, comparing market prices and maintaining good relationships with suppliers and customers.

"Selling rice profitably needs better inventory management, proper procurement and good relationships with suppliers and customers," she said.

RICE TRADER | G02



MTerra Solar boosts fire emergency response in Nueva Ecija

MTerra Solar, the world's largest integrated solar and battery energy storage project spanning Nueva Ecija and Bulacan, is extending its impact beyond renewable energy through initiatives that strengthen public safety in its host communities. The project has provided Gapan City in Nueva Ecija with a new fire substation and fire truck to improve emergency response in underserved areas.

For residents of Barangays Macabaklay and Puting Tubig, the new facility addresses a longstanding challenge in accessing emergency services. Having firefighters and equipment stationed closer to these communities strengthens the city's ability to protect residents during emergencies.

Fire Chief Inspector Nercesita Bernardo Delos Santos said the distance from the main Gapan City Fire Station had previously made it difficult to serve far-flung barangays promptly. The new arrangement has since brought a significant improvement in the BFP's operations.

"Ang dating 40 hanggang 45 minutong pagtakbo ng BFP mula sa sentro ng Gapan papunta sa Macabaklay ay naging 7 hanggang 10 minuto na lamang. Mas bumibilis na po ang aming pagresponde at natutugunan ang mga mamamayan ng Gapan," [The BFP's former 40-to-45-minute run from the center of Gapan to Macabaklay is now down to just 7 to 10 minutes. Our response is faster, and we're better able to serve the people of Gapan] she said.

TRANSITION | FROM B03



The Malampaya Deep Water Gas-to-Power Project located in the West Philippine Sea off the coast of Palawan. | Photo credit: PCO

Nuclear power moves to project preparation

The Philippines is also working to establish the policy, regulatory and commercial foundation for its first nuclear power project in line with efforts to diversify power generation options and reduce its exposure to imported energy.

Speaking at the World Nuclear Supply Chain conference in Manila on October 20, Energy Secretary Sharon Garin said the government is preparing to add nuclear power to the country's energy mix, with an initial target of 1,200 MW by 2032.

The long-term targets are 2,400 MW by 2035 and 4,800 MW by 2050, although the pace of development will depend on technology choices, financing and regulatory readiness.

Garin added that the DOE is also strengthening policies, safety regulations and investment frameworks to prepare for nuclear technology adoption. She said nuclear energy is one of the options being developed to help provide a more reliable and stable electricity supply for households, businesses, and communities.

The government is positioning nuclear power to complement renewable energy, rather than a competing source.

"It is not a competition between nuclear and renewable, nor is it a competition with other technologies. They complement each other," Garin said.

But reaching the government's nuclear energy targets will require more than setting capacity goals. Hence, the DOE is working on candidate-site assessments, regulatory arrangements, procurement frameworks and commercial conditions.

Safety, emergency preparedness, radioactive waste management and workforce development also form part to prepare the Philippines' program for nuclear energy utilization.

Private sector initiatives

The private sector is also examining possible investment opportunities, particularly in small modular reactors (SMRs).

Meralco PowerGen Corporation (MGen), through its Nuclear Energy Strategic Transformation program, has secured a $2.8-million grant from the US Trade and Development Agency for a feasibility study to be conducted jointly with engineering firm Sargent & Lundy.

The study will assess potential sites and SMR technologies for possible deployment in the Philippines, with a final report expected in the third quarter of 2027.

Aboitiz Power Corporation is also evaluating nuclear energy as a potential addition to its generation portfolio, reflecting growing private-sector interest.

The government is also drawing on international cooperation, including an agreement with Japan signed on Oct. 8, 2026, covering technical exchanges, workforce development, nuclear safety, and regulatory capabilities.

Even with the potential of nuclear energy, DOE Energy Utilization Management Bureau Director Patrick Aquino cautioned against assuming the technology would automatically lower electricity prices, given the substantial upfront investments involved.

Malampaya buys time, not energy independence

Domestic natural gas forms part of the country's effort to reduce exposure to imported energy.

The Malampaya Deep Water Gas-to-Power Project has long supplied fuel for power generation, but declining production has increased the importance of sourcing new supply for the project and importing liquefied natural gas (LNG).

The Presidential Communications Office said in July imported energy sources accounted for 52 percent of the Philippines' total primary energy supply in 2025. Imported LNG supplied 55 percent of the country's natural gas supply, while Malampaya accounted for 45 percent.

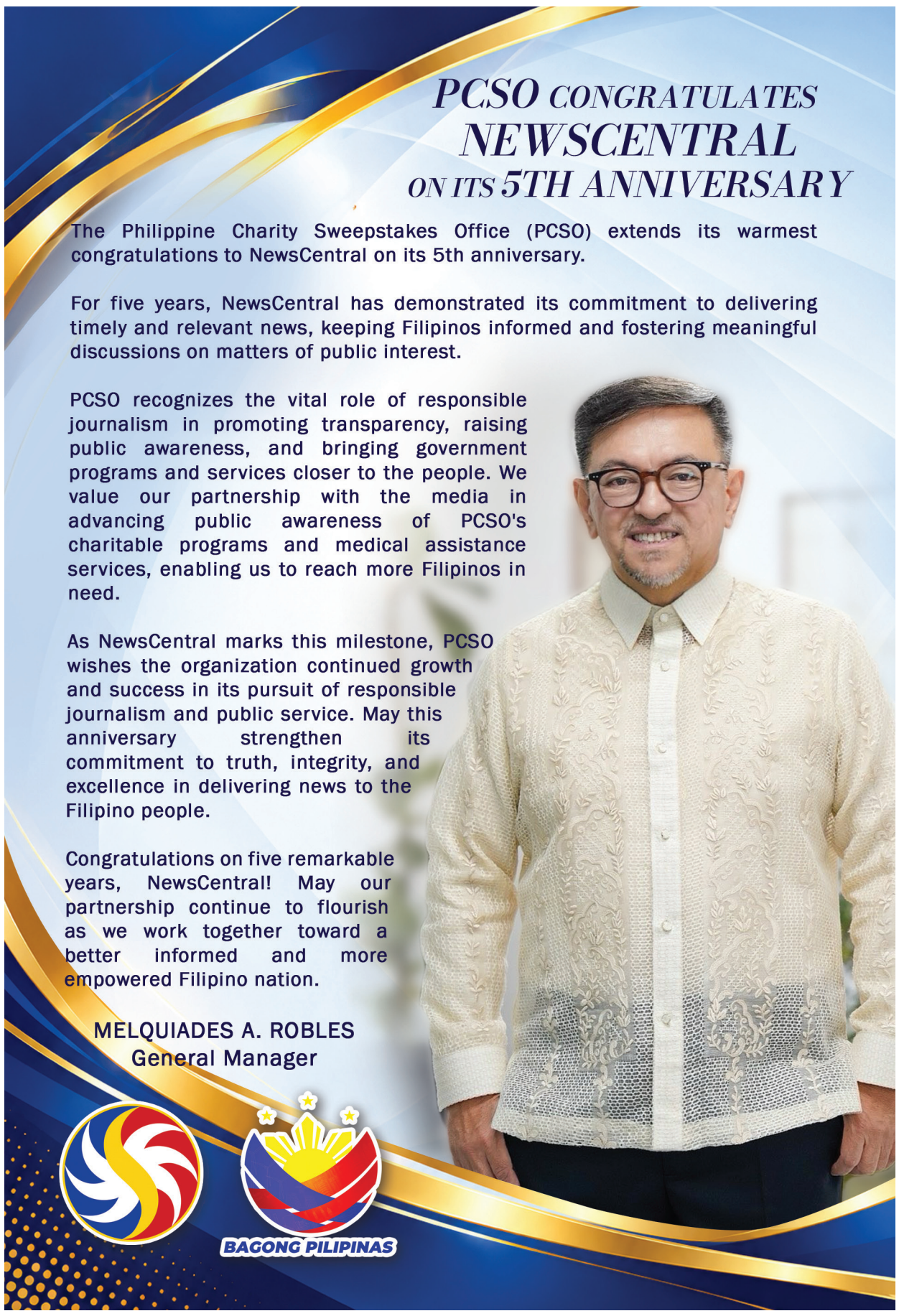


Philippine Coastal Storage and Pipeline Corporation (PCSPC) is a 160-hectare petroleum product facility located in the Subic Bay Freeport Zone, Philippines. | Photo credit: PCSPC

The figures illustrate why extending domestic production at Malampaya, located northwest of Palawan, matters.

Phase 4 of the Malampaya project includes the Malampaya East-1 and Camago-3 projects, which have combined initial estimated reserves of about 222 billion cubic feet. New supply has been targeted for the fourth

TRANSITION | G02



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Vice Mayor, City of Manila

CORRUPTION | FROM B03

making spending information more accessible. Its effectiveness, however, will depend on the completeness and timeliness of the information published, as well as whether discrepancies lead to further scrutiny and corrective action.

Assessing the administration's overall response, Manhit said the investigations and filing of cases were important first steps, but stressed that they should not be mistaken for complete accountability.

Alviar viewed the campaign as part of a longer-running effort to address corruption, saying that "any genuine effort to uproot corruption deserves our support." He cited the Ombudsman's announcement that 39 cases involving 52 individuals had been filed in connection with the flood-control scandal as a significant development, while acknowledging that much work remains before the cases are resolved.

The cases and the COMPASS portal address different aspects of accountability: judicial proceedings determine criminal liability, while public spending information can help citizens and watchdogs examine government transactions. Neither, on its own, establishes that the system has been corrected or that public funds have been recovered.

Manhit said progress should be measured through concrete results, including the prosecution and resolution of cases, the recovery of public money, the correction of questionable projects and reforms to prevent similar irregularities. The administration's performance will also depend on whether stronger oversight translates into infrastructure projects that are properly implemented and deliver their intended public benefits.



BFAR Spokesperson Nazario Briguera in an interview with NewsCentral on Oct 16, 2026 on the outlook for the upcoming El Niño. The local weather bureau has officially tagged the upcoming El Niño as "very strong."
| Photo by Lhyca Mariehl Santiago

SUPER EL NIÑO | FROM C01

from the year-earlier actual harvest of 3.75 million MT.

Adriano warned that the next dry-season crop outlook could be worse if El Niño reduced further the amount of rainwater during the first quarter of 2027.

The dry-season planting period runs from December to February, while harvesting takes place in May. Adriano said insufficient water supply during the planting period could prevent farmers from proceeding with cultivation.

"If El Niño hits during the first quarter, we may not be able to plant because of insufficient water," he said, adding the dry-season crop could post severe losses because of the expected intensity of Super El Niño.

He also pointed to fertilizer costs as another concern, saying prices had doubled, adding pressure to farmers already dealing with weather-related difficulties.

Palay would be particularly affected by water shortages given the substantial irrigation required by rice production. On a larger scale, reduced palay production could affect the economy through inflation, citing rice's significant contribution to the economy.

Adriano said a major concern would be over a possible shortage of commodities, especially rice, which could stoke fears of hunger among Filipinos if nationwide supply became insufficient.

He also raised the possibility of India and Vietnam being unable to export rice to the Philippines if they faced declining harvests and would need to prioritize securing domestic food supplies.

Changing fish distribution patterns

The fisheries sector is also preparing for the potential effects of Super El Niño, although the challenges for marine fisheries differ from threats to aquaculture.

Bureau of Fisheries and Aquatic Resources (BFAR) spokesperson Nazario Briguera clarified in an interview that the potential impact on marine fisheries does not necessarily mean fish stocks in the sea will immediately decline.

Instead, he said, warmer conditions could change the distribution patterns of marine fish, with some potentially moving to deeper waters or dispersing across different areas.

These changes could make fishing more challenging as fishers would need to contend with altered fish distribution and migration patterns, particularly among smaller fish.

Briguera said government intervention would be important in supporting affected fisherfolk. He cited fuel assistance as one of the measures intended to help those facing difficulties.

For aquaculture, BFAR warned of a high risk of fish kills if mitigation measures are not implemented. Prolonged hot and dry conditions could lower water levels in fishponds and dams, creating risks for fish production.

Briguera said BFAR had started a large-scale information and education campaign for fisherfolk, particularly those engaged in aquaculture, in anticipation of Super El Niño.

He emphasized the importance of following good aquaculture practices, particularly maintaining the proper stocking density of fingerlings in fishponds.

Briguera said overcrowding fish in a production area can increase competition for dissolved oxygen. This becomes a greater concern when water temperatures are high.

BFAR's preparations also include prepositioning fingerlings to ensure that fish farmers have access to stocks if their operations are affected and they need to resume production.

Vulnerable regions

Briguera said forecasts from PAGASA and the National Disaster Risk Reduction and Management Council (NDRRMC) had identified areas vulnerable to the effects of Super El Niño, including the Calabarzon, Bicol, Caraga, Mimaropa and Cagayan Valley regions.

He said fisheries production in less-affected areas could potentially help address supply gaps in other areas where production declines because of prolonged dry conditions.

The BFAR's concern, he said, is that fish farmers could lose their livelihoods and fish supply could be disrupted if the effects of Super El Niño were not adequately addressed.

PAGASA has likewise urged government agencies, local government units and climate-sensitive sectors to prepare early for the projected climate event.

DOST Secretary Renato Solidum Jr. stressed the importance of using climate information before the full effects of the phenomenon are felt.

"Climate information must be utilized before a crisis strikes," Solidum said. He also highlighted the importance of adjusting farming schedules and preparing communities, infrastructure and essential services in advance.

SUPER EL NIÑO | FROM D02



Heavy equipment and trucks operate along a road undergoing construction and infrastructure works in this file photo: NC Team

Public spending and investor confidence at stake

BY CZARINA GALE OGAÑA

THE consequences of weak infrastructure oversight extend beyond government agencies. When projects fail to deliver their intended functions, public resources may be wasted while communities and businesses remain without the flood protection and other infrastructure they were meant to receive.

The controversy has also raised questions about the business environment and the factors that influence investor confidence. Political scholar Nicomedes Alviar identified corruption as a persistent barrier to foreign investment, alongside poor infrastructure, high power and logistics costs, bureaucratic burdens and regulatory inconsistencies.

"For the third straight year, the Philippines dropped in global corruption prevalence rankings. The flood control scandal laid bare by President Ferdinand Marcos Jr. last year continues to leave an enraged, accountability-demanding public waiting for tangible results.

According to Transparency International's 2025 Corruption Perceptions Index (CPI), the Philippines fell six places to rank 120th out of 182 countries, Alviar noted.

The Stratbase Group's Victor Andres Manhit said investors look for predictability and trust in public institutions. Concerns that government contracts are influenced by personal connections or that rules are applied inconsistently can increase the perceived risks of doing business, he said.

He cautioned, however, against concluding that investors are already leaving the Philippines because of the flood-control allegations without evidence. Actual investment data, investor surveys, cancelled or delayed projects and statements from foreign business groups would help establish whether the controversy is affecting investment decisions.

Manhit also noted that the country continues to pursue investment opportunities through regional economic integration and trade negotiations.

"The country continues to pursue investment opportunities through trade agreements and regional economic integration. More notably, the Luzon Economic Corridor provides a platform for the Philippines to attract investments from the United States, Japan and other like-minded partners in key growth sectors, strengthen supply chains and create more quality jobs for Filipinos," Manhit said.

The broader economic outlook adds context to these concerns. The Philippine Statistics Authority reported that gross domestic product

PUBLIC SPENDING | G04



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5TH ANNIVERSARY



71 YEARS OF DIVERSIFICATION

Filinvest expands beyond real estate

BY PRINCESS CONCRENIO

FOR 71 years, Filinvest has expanded from a second-hand car financing business into a diversified Philippine conglomerate with interests spanning real estate, banking, power and utilities, hospitality, sugar and infrastructure.

Its businesses touch several aspects of everyday life, from homes and workplaces to financial services, electricity, water, hotels and transportation.

The group traces its roots to 1955, when founder Andrew Gotianun Sr. and his wife, Mercedes, started a second-hand car financing business. That business became the foundation for the group's expansion.





Filinvest Development Corp., the group's holding company, was incorporated in 1973. Over the following decades, the Gotianun family expanded into real estate and later returned to banking and financial services, while adding power, utilities, hospitality, sugar and infrastructure to its portfolio.

The result is a business group whose operations extend beyond property development and into industries that serve households, businesses and communities.

A vision that grew beyond property

Real estate became an important part of Filinvest's expansion. The group entered the property business in 1967 through the incorporation of Filinvest Realty Corp., which developed residential subdivisions. Its real estate operations later expanded into commercial districts, leisure projects, residential and office condominiums, and other developments.

Filinvest Land Inc. was incorporated in 1989 and began commercial operations in 1993 after the group's real estate operations were spun off into the company. It has since developed residential communities and commercial properties, while Filinvest Alabang Inc. has focused on integrated estates, including Filinvest City in Muntinlupa.

The group also re-entered banking in 1994 with the incorporation of EastWest Banking Corp. In subsequent years, it diversified further into sugar, power and utilities, hospitality and infrastructure.

That diversification gives Filinvest exposure to businesses with different customers, operating requirements and market cycles.

Connecting homes, work and commerce

Real estate remains a major part of Filinvest's portfolio, spanning residential, commercial and industrial developments.

For homebuyers, residential developments can represent a major household investment. For businesses, offices and industrial properties provide space for operations and expansion. Retail and hospitality projects serve consumers, travelers and communities.

Filinvest City in Alabang illustrates the group's approach to integrated development. The 244-hectare township in Muntinlupa brings together residential, commercial, business, retail, education, medical and leisure facilities within a master-planned development. The project took shape in 1995

71 YEARS | D04

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PH 2027 ECONOMIC | FROM B02

surrounding artificial intelligence-related investments as risks to the regional outlook.

Recovery beyond the GDP metric

Economists said the strength of the 2027 recovery should ultimately be assessed through indicators beyond the headline GDP figure.

Peña-Reyes said policymakers should monitor employment and real wages, inflation and household consumption, private investment, productivity and sectoral growth, as well as fiscal and external sustainability.

"The strongest evidence of recovery would be sustained growth accompanied by rising real incomes, productive employment, stronger private investment, and more balanced sectoral performance," he said.

Tuaño said wages and household income should be examined alongside employment quality, including underemployment, employment status and working hours. Poverty, income distribution and regional and sectoral indicators should also be tracked to determine whether growth is broad-based.

Asuncion said stronger business loan demand, a sustained pickup in private capital spending, improved business confidence and the rollout of approved projects would indicate that the recovery is becoming more firmly established.

"2027 is likely to be a transition from stabilization to a gradual recovery," Asuncion said. "Consumption will remain important, but the key test will be whether governance reforms, improved execution, and eventual monetary easing can restore confidence and revive private investment."

For the Philippine economy, analysts view the 2027 outlook as resting not only on a higher GDP growth rate but also on whether investment, household incomes, employment and productivity improve while inflation and external risks remain manageable.

The IMF'S executive summary for Asia-Pacific:

The outlook for Asia and the Pacific is being shaped by three major factors: the energy shock arising from the conflict in the Middle East, the AI-driven technology boom, and continued trade reconfiguration.

The region overall has shown resilience so far. However, the effects are uneven across the region, and even within economies, where tech-related sectors are benefiting more than other parts of the economy. Furthermore, buffers are not unlimited, and going forward, the resilience is likely to be tested.

• Large economies have mitigated disruptions from the oil shocks through inventory drawdowns, diversifying energy sources, and substituting toward alternative energy inputs, supplemented by other policy support. By contrast, many low-income, agricultural, and Pacific island economies have been harder hit, by higher fuel, transport, electricity, and fertilizer costs, despite policy support, intensifying cost-of-living pressures and straining public finances.

• The AI-driven technology boom has provided an important offset for economies in East and Southeast Asia, although the evolution of AI investment and its long-term economic effects are uncertain. Strong global demand for semiconductors, AI infrastructure, and related technology products has boosted exports and investment, particularly in economies integrated into technology supply chains.

• Robust intra-Asian trade, supported by expanding trade agreements and growing services exports, has also reinforced the region's resilience, despite elevated tariffs and export restrictions.

As a result, aggregate regional growth in the first half of 2026 has outperformed earlier projections, but has been uneven across economies. Regional growth is expected to moderate from 5 percent in 2025 to 4.8 percent in 2026, up from 4.4 percent in our April forecasts.

Growth projections have been revised up sizably for those benefitting from the ongoing technology boom—notably Korea and several ASEAN economies—and also for China, India, and Japan. Downward revisions have been seen in countries facing higher inflationary pressures without gains from the technology boom, particularly low-income and Pacific Island economies. Risks remain tilted to the downside.

A prolonged conflict in the Middle East could sustain high energy prices. A correction in AI-related investment or asset valuations could weigh disproportionately on Asia given its central role in global technology supply chains. Higher global sovereign yields could spill over to regional bond markets and worsen fiscal vulnerabilities. In addition, a severe El Niño episode could disrupt agriculture, fisheries, and hydropower generation, adding to food and energy inflation.

Conversely, stronger productivity gains from AI and deeper trade integration could provide upside potential. Policies should balance near-term stabilization with rebuilding buffers. Monetary policy should remain focused on price stability and respond promptly where inflationary pressures become more persistent. Fiscal policy should prioritize preserving sustainability while protecting vulnerable households.

Cebu Pacific Brings Sustainable Ground Operations Initiative to Clark Airport

Cebu Pacific (PSE: CEB) has become the first carrier to use bridge mounted equipment (BME) at Clark International Airport (CRK), expanding its push for more sustainable ground operations.

Since October 2026, CEB has been using BME installed by CRK operator Luzon International Premiere Airport Development Corporation (LIPAD). The system supplies electricity and cooled air directly to aircraft parked at the gate, reducing the need to run jet fuel-powered auxiliary power units (APUs).

By drawing on airport-supplied power and cooling, aircraft use less fuel while parked, which helps lower emissions and noise during ground operations.

"Cebu Pacific fully supports Clark International Airport's APU OFF initiatives as part of our commitment to more sustainable operations. By reducing our reliance on onboard power generation while aircraft are parked, we can help lower fuel consumption and emissions. We are proud to be the first airline to use this airport facility at Clark," said Lei Apostol, CEB vice president for customer service operations.

LIPAD noted that the BME installation is part of its sustainability efforts to reduce fuel use, emissions, and noise at the airport.

"The operation of our new Bridge Mounted Equipment (BME) is inline with CRK's commitment to a more sustainable operations and help our airline partners reduce fuel consumption and carbon emissions. We are grateful for Cebu Pacific's support for this initiative," said Noel Manankil, President and CEO of LIPAD.

The move follows CEB's adoption of BME in Cebu in 2024, where it was also the first carrier to use the equipment. The airline has also deployed electric ground support equipment (GSE), ground power unit (GPU) and air-cooling units (ACU) at Mactan-Cebu International Airport (MCIA) and the Ninoy Aquino International Airport (NAIA), which helps reduce emissions compared and reliance on the aircraft's APU when on the ground.

Through these efforts, CEB continues to work with airport partners to improve ground operations and reduce their environmental impact.

CEB operates 35 domestic and 26 international destinations across Asia, Australia, and the Middle East.



Cebu Pacific and Clark International Airport's inaugural plug-in of bridge-mounted equipment (BME) to a CEB aircraft.

Cebu Pacific Honors Cebuano Roots with Bisaya Version of 30th Anniversary OST

Cebu Pacific (PSE: CEB) celebrates its roots with the release of the Bisaya version of its 30th anniversary original soundtrack (OST), "Where Dreams Fly", performed by OPM band Oh! Caraga.

"Oh! Caraga brings an anthemic feel to 'Where Dreams Fly', giving our 30th anniversary OST a new energy that transcends language. The dreams of our passengers, both in the Philippines and beyond, have always been at the heart of Cebu Pacific's story. Through this Bisaya version, we hope more travelers connect with the song in a language that feels close to home," said Michelle De Guzman, CEB Marketing Director.

The music video pays tribute to Cebu, where the airline's story began, and to the dreams, creativity, and entrepreneurial spirit of the Cebuanos that continue to inspire generations of Filipinos.

It features familiar symbols from CEB's special 30th anniversary Airbus A321neo aircraft, the Dreamer Plane, including puso (hanging rice), mangoes, guitars, and stars, alongside the Dreamer Girl. Cebu-based artist Happy Garaje, who designed the 30th anniversary special livery, also makes a cameo.

Meanwhile, the boy riding a bicycle in the music video pays tribute to the airline's founder, John Gokongwei Jr., linking his story to the aspirations of generations of dreamers. CEB's journey traces back to Gokongwei's home province of Cebu, where he started dreaming of a better future riding his bicycle through local neighborhoods to sell goods.

In March 1996, Gokongwei carried this dreamer spirit into the skies as CEB launched its maiden Manila-Cebu flight, making air travel even more accessible to every Juan. Since then, the airline has flown over 250 million passengers, connecting families, opening doors to new opportunities, and bringing Filipinos closer to the people and places that matter to them. Gokongwei would have turned 100 years old this year.

As a center for trade, tourism, craftsmanship, and artistry, Cebu also demonstrates how connectivity can support the Philippines. Through its Cebu hub, which serves the most domestic destinations with 24 local routes and 9 international routes, CEB makes it easier for travelers to fly to and from Cebu.

More than a celebration of three decades in aviation, the release honors Cebu and the people whose stories reflect the possibilities that greater connectivity can bring.

The Bisaya version of Where Dreams Fly, performed by Oh! Caraga, is available on YouTube, Spotify, Apple Music, Facebook, and TikTok.



Photo credit: PSE

FINANCIAL MARKETS | FROM B04

per dollar for the remainder of the year, depending on oil prices, US interest-rate expectations and capital flows.

The PSEi could recover toward 5,700 to 6,000 points, he said, but sustained gains would require stronger corporate earnings, improving economic data and greater investor confidence.

"These are just analytical estimates, not official forecasts or guaranteed market targets," Peña-Reyes said. "The risk of further declines remains if geopolitical tensions intensify, inflation accelerates, or global interest rates stay elevated."

Challenging environment

Luis Limlingan, head of sales at Regina Capital Development Corp., also sees a challenging environment. A peso that remains weaker than P62 to the dollar and a

FINANCIAL MARKETS | D03

MARKET PULSE

AS PROPERTY FUNDAMENTALS HOLD

PH REITs find selective growth opportunities

BY LUDWIG KALAMBACAL

PHILIPPINE real estate investment trusts (REITs) are finding new growth opportunities as high occupancy, rising rents and expansion into retail, logistics and specialized assets strengthen the sector, even as elevated interest rates weigh on valuations.



REITs let investors participate in real estate through a listed security. They are bought and sold like stocks and, like mutual funds, give investors exposure to a portfolio of assets without requiring them to buy or manage the properties themselves. Unlike mutual funds, however, REITs are corporations that own income-generating real estate.

With property fundamentals remaining supportive, REITs are drawing selective interest from investors, according to Wendy Estacio-Cruz, head of research at Unicapital Inc. She sees opportunities in REITs with resilient cash flows, strong balance sheets and visible dividend growth.

"We maintain a cautious stance on Philippine REITs, although we continue to see selective opportunities in names with resilient cash flows, strong balance sheets and visible dividend growth," Estacio-Cruz said.

Unicapital expects average rental growth of 4 to 5 percent in 2026 and 2027, while average occupancy across its coverage is projected at about 95 percent.

The outlook points to continued support from the property side, even as interest rates remain an important consideration for investors weighing REIT dividends against returns from government securities.

Diversification opens new opportunities

Retail and specialized properties are among the segments Estacio-Cruz favors, particularly those with defensive lease structures.

Established retail locations can benefit from steady tenant demand and provide room for rental growth, while industrial and logistics properties can offer more predictable income streams through longer-term leases.

The expansion beyond traditional office assets is allowing REIT managers to diversify their portfolios across property sectors with different demand drivers.

Renewable-energy-linked properties also offer potential, particularly where income is supported by long-term contracts and financially credible lessees.

Hospitality can provide another source of diversification, although the stability of returns depends on whether income comes from fixed leases or variable hotel operations.

"We favor increasing exposure to retail and specialized assets with defensive lease structures, alongside selective investments in quality offices," Estacio-Cruz said.

Dividends remain central

For investors, the ability to turn stronger property performance into sustainable and growing dividends will remain a key measure of REIT performance.

Estacio-Cruz said the quality of a REIT's assets is as important as the size of its portfolio. She added that investors should pay close attention to occupancy, rental growth and lease expiries, as well as how acquisitions and asset infusions translate into dividends per share.

"We expect investors to place emphasis on asset quality and dividend accretion than portfolio size alone," she said.

Asset infusions could become important catalysts for REITs, particularly those able to add high-quality properties without undermining dividend growth through share dilution.

But timing also matters. Delays in planned infusions could postpone the earnings contribution investors are expecting.

Rates still pose a hurdle

Interest rates remain a key consideration for the sector.

Estacio-Cruz expects rates to stay elevated, with potential BSP monetary easing beginning only in the second half of 2027. That could keep REITs competing with government securities for income-focused investors.

REITs under Unicapital's coverage currently offer an average one-year forward dividend yield of 7.9 percent, compared with an 8 percent yield on 10-year government bonds.

The relatively narrow yield gap could constrain the sector's valuation upside while rates remain elevated. That could change as monetary easing becomes more visible and bond yields decline.

"Looking into 2H27, clear direction for monetary easing could support a sector rerating as lower bond yields improve REITs' relative yield appeal," Estacio-Cruz said.

Against that backdrop, REITs with resilient cash flows, sustainable dividend growth and strong property fundamentals could remain more attractive as investors weigh income opportunities across the market.

Selective opportunities

Rather than anticipating an across-the-board rebound, Estacio-Cruz expects investors to differentiate between REITs based on the quality of their properties, cash flows and capital allocation.

Investors are also watching how REITs sustain occupancy, rental growth and dividends as they expand their property portfolios.

"We would look beyond headline yields and focus on whether REITs can sustain and grow their dividends," she said.

Other factors include upcoming lease expiries, rental growth and how asset infusions affect dividends per share after any share issuance.

For the sector, the combination of property fundamentals, portfolio diversification and the direction of interest rates will remain key factors shaping REIT performance through 2027.

FINANCIAL MARKETS | FROM D02

PSEi at about 5,700 to 6,000 points could raise import costs, pressure consumer purchasing power and increase the cost of servicing dollar-denominated debt.

A sustained recovery, Limlingan said, would require currency stability from the Bangko Sentral ng Pilipinas (BSP), easing global interest rates, inflation moving toward the BSP's 2 to 4 percent target and stronger corporate earnings.

Some brokerages and financial institutions still see the PSEi ending 2026 at 6,200 to 6,500 points, he said, although the path is likely to remain volatile because of geopolitical trade friction, oil prices and the pace of monetary easing by global central banks.

A range of scenarios

Michael Ricafort, chief economist at Rizal Commercial Banking Corp., presented a wider range of outcomes during FINEX Week in Makati City, reflecting the uncertainty surrounding oil supplies, inflation and monetary policy.

In his better-case scenario, which he assigned a 10 to 20 percent chance, crude oil is seen falling to $60 to $70 a barrel if the US and Iran reach a permanent peace agreement and shipping through the Strait of Hormuz gradually normalizes.

Under that scenario, the peso ends 2026 at P59 to P60 per dollar, inflation averages 5 to 6 percent, and economic growth ranges from 4 to 5 percent; with the BSP policy rate at 5 to 5.5 percent by year-end.

The downside is considerably more severe.

Ricafort assigned a 20 to 30 percent chance to his worst-case scenario, in which crude oil rises to $150 to $200 a barrel amid prolonged disruptions in the Strait of Hormuz and the Red Sea.

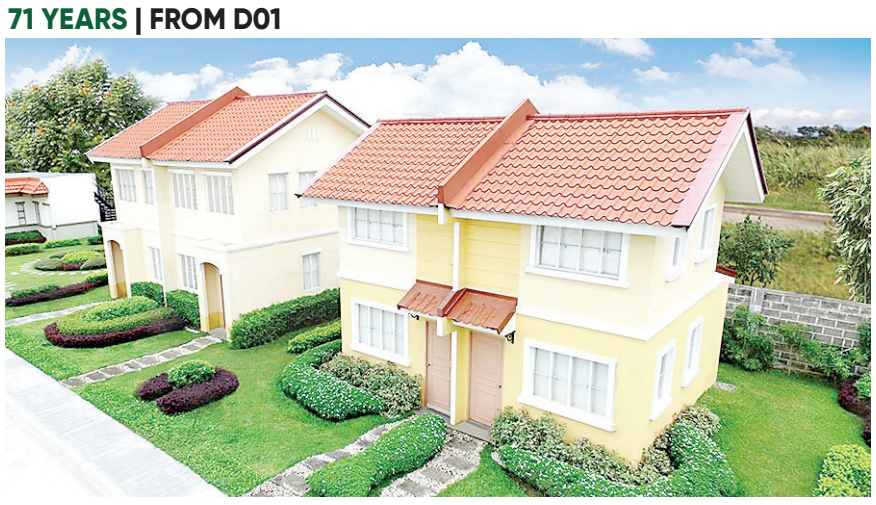
In that scenario, inflation averages 7 to 8 percent, while economic growth slows to between negative 1 percent and 1 percent; the peso weakens to P63 to P65 per dollar, and the BSP policy rate is up at 6 to 7 percent by end-2026.

Ricafort also warned of rising nonperforming loans, possible energy rationing, disruptions to some businesses and price controls that could squeeze companies with limited pricing power.

For 2026 as a whole, Ricafort's base economic outlook is for growth of 3 to 4 percent, below the government's 3.5 to 4.5 percent target. He sees the peso

FINANCIAL MARKETS | FROM G02





through Filinvest Alabang, a joint venture with the Philippine government.

Beyond Filinvest City, Filinvest Land's portfolio extends to residential and commercial properties serving different market segments.

Taken together, these developments serve different needs, from providing homes and workplaces to creating spaces for businesses, retail and other services.

Expanding across key industries

Filinvest's portfolio also includes businesses in banking, power and utilities, hospitality, sugar and infrastructure.

EastWest provides banking products and services to consumers and businesses, while FDC Utilities Inc. operates in power generation, retail electricity and water-related services. Its 405-megawatt power plant in Misamis Oriental began commercial operations in 2016. The group has also expanded into renewable energy and water-related businesses.

Its presence in consumer-facing industries extends to hospitality and sugar. The hospitality business develops and manages hotels, while Pacific Sugar Holdings Corp. owns three Mindanao-based sugar companies involved in sugar milling, refining and sugarcane farming.

In infrastructure, Filinvest is part of the consortium behind Luzon International Premiere Airport Development Corp. (LIPAD), which operates Clark International Airport. In 2019, Filinvest entered into a 25-year agreement covering the operation and maintenance of the airport's existing passenger terminal, as well as the fit-out, operation and maintenance of its new terminal.

Each business faces its own market conditions and operating risks, requiring Filinvest to manage capital and investment priorities across sectors.

The next phase of growth

In February 2026, Filinvest Development Corp. outlined its next phase, highlighting its diversified portfolio and greater collaboration across business units under its goal of enabling Filipino dreams.

Josephine Gotianun Yap, vice chairperson of Filinvest Development Corp., said the group aims to sustain growth and profitability while sharing the benefits of its business performance with stakeholders.

“We are building to sustain our growth, staying profitable in a competitive environment while sharing the benefits with all our stakeholders,” Yap said in a statement published on Filinvest's official website.

The company also said it was strengthening synergies among its businesses and using its various platforms to operate as a more cohesive group.

That approach brings together businesses with different roles in the economy, from residential and commercial development to banking, power and utilities, hospitality, sugar and infrastructure. Each operates in its own market while contributing to the broader portfolio.

As Filinvest moves into its next phase, the breadth of its operations remains central to the group's business model. Its portfolio spans places where people live and work, financial services, and infrastructure and other essential services that support economic activity.

Alagang Ayala advances social infrastructure to power nation-building and business growth

Ayala Corporation is putting greater focus on social infrastructure, bringing together platforms in healthcare, education, community development, and sustainability to support human capital while strengthening its presence in sectors with strong, sustained demand. The move underscores a push to scale essential services and aligns business growth with evolving needs in human capital and access.

Ayala Chairman Jaime Augusto Zobel de Ayala framed the role of the private sector during the recent InvestPH 2026 panel organized by the Philippine Stock Exchange, saying public-private partnerships can broaden private participation and allow government to direct more resources to education and health.

“If you look at how countries move forward, there are three basic pillars. Number one is education, for the future. Number two is making sure citizens are healthy. Number three is ensuring that they earn an income,” Zobel de Ayala said.

That perspective is now being brought together under Alagang Ayala, the Ayala Group’s social infrastructure platform. Ayala believes that by aligning business capabilities with community needs, social infrastructure can create shared value that expands opportunity and advances inclusive progress.

“While continued investment in physical infrastructure is important, we must invest just as intentionally in the social foundations that make thriving possible. Alagang Ayala reflects our conviction that infrastructure must also build people—and, in turn, help build a stronger and more prosperous nation,” said Ayala Corporation Chief Social Infrastructure Officer Paolo F. Borromeo.

Ayala's healthcare platform, AC Health, was established in 2015 with a vision to help transform health for every Filipino.

Today, AC Health has touched the lives of more than 6.5 million Filipinos through its network of seven hospitals, 18 multispecialty centers, over 350 corporate clinics, and nearly 900 pharmacies under Generika Drugstore and St. Joseph Drug. Its integrated healthcare ecosystem also includes pharmaceutical importation and distribution businesses, IE Medica and MedEthix, which strengthen its portfolio of trusted healthcare products.

AC Health's integrated ecosystem gives Ayala a presence across different points of care-- from medicines and consultations to hospital services and specialized treatment--enabling Ayala to address the growing demand for quality and affordable healthcare across the Philippines.

Education is another major component, with iPeople serving as the group’s platform for quality and workforce-relevant learning. A joint venture with the Yuchengco Group’s House of Investments, iPeople includes Mapúa University, Mapúa Malayan Colleges, National Teachers College, APEC Schools and the University of Nueva Caceres.

Mapúa’s expanded partnership with Arizona State University gives students access to globally benchmarked content, international pathways, AI-enabled education, and online learning options, supporting skills for a technology-driven economy.

National Teachers College, founded in 1928, was the country’s first higher education institution to offer collegiate



programs dedicated to teacher education and is among the Philippines’ top producers of teachers and school administrators.

Ayala Foundation supports public education through its CENTEX programs. In San Marcelino, Zambales, its CENTEX Digital Education pilot reached more than 1,600 Grades 4 to 6 learners in nine public elementary schools. After 12 weeks, average math scores rose from 27 percent to 56 percent. The program is being expanded by DepEd Zambales to 60 schools, with at least 22,500 learners expected to benefit. The Foundation is also expanding its CENTEX Early Grades program, working with local governments, schools, and child development centers to strengthen teaching practices, engage parents, and improve learning outcomes for children ages 3-5 years old.

Across its community development programs, the Foundation helps communities build sustainable livelihoods and increase household incomes through integrated, place-based initiatives that improve access to education, health, financial inclusion, and basic services. It also mobilizes volunteers through its public volunteer platform, engaging more than 4,300 individuals who contributed over 129,000 volunteer hours in 2026 alone.

Ayala’s sustainability and mobility platforms add another layer. Through ACEN’s solar, wind, and geothermal projects, the Ayala Group supports access to clean, reliable, and affordable forms of renewable energy. ACEN currently has more than seven gigawatts of attributable renewable energy capacity. Borromeo cited Makati City’s shift to renewable electricity through ACEN as one example of cleaner energy addressing energy security and costs.

Meanwhile, ACMobility is a prime mover in electrifying mobility in the country, building an electric vehicle ecosystem that includes EV distribution and charging infrastructure nationwide. Through this growing ecosystem, ACMobility is helping institutions and consumers alike transition to cleaner, more future-ready transport solutions. An example is Valenzuela City’s shift of its police patrol fleet to electric vehicles which can help reduce emissions and lower operating costs as it serves the community.

For Ayala, the measure of Alagang Ayala will depend on how these platforms improve access, affordability, resilience and outcomes as they are scaled, while supporting businesses in areas important to national development.

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CONGRATULATIONS TO OUR FOUNDING PARTNER AND CHAIRMAN

Donnies T. Alas

Recipient of the ACPAPP Lifetime Achievement Award 2026

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Alas Oplas & Co., CPAs (AOC) is proud to celebrate the recognition of its Founding Partner and Chairman, Donnies T. Alas, who was conferred the ACPAPP Lifetime Achievement Award 2026 by the Association of Certified Public Accountants in Public Practice (ACPAPP).

His enduing commitment to excellence, mentorship, and service continues to inspire generations of CPAs and professionals.



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NewsCentral

5TH ANNIVERSARY

OCTOBER 27, 2026 | TUESDAY

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PROPERTY DEVELOPERS URGED TO PLAN FOR INTERNET INFRASTRUCTURE



A Globe Telecom cellular tower in Tarlac forming part of the network infrastructure that keeps communities connected. | Photo credit: Globe Telecom

BY KOMFIE MANALO

PROPERTY developers are being urged to factor internet and telecommunications infrastructure into project planning as residential and commercial communities expand, helping ensure new developments can accommodate growing demand for connectivity.

Globe Telecom Inc. is calling for closer coordination among property developers, local governments and telecommunications providers to speed up infrastructure deployment and make network expansion more predictable.

The company said early planning for telecommunications requirements can help reduce delays when new townships, subdivisions and other real estate projects are developed.

The push comes as local governments continue to process applications for telecommunications infrastructure. The Department of the Interior and Local Government said 12,241 permits and clearances for telecommunications infrastructure projects had been approved across 707 cities and municipalities as of September 2026.

The government has sought to streamline the approval process through Executive Order No. 32, issued in 2023. The order simplified requirements for telecommunications and internet infrastructure and directed local government units to process applications within prescribed timelines and prevent backlogs.

Joel Agustin, Globe senior vice president and head of network planning and engineering, said faster permitting remains important to network expansion.

"Faster permitting is important in bringing better connectivity to more Filipinos. We appreciate the efforts of LGUs to simplify these processes and help telecommunications providers move forward with their projects. Continued cooperation between government and the industry will help us expand our network and reach more communities, especially those that remain underserved," Agustin said.

Globe has continued to invest in network infrastructure as demand for data services grows. The company allocated ₱26.3 billion in capital expenditures in the first half of 2026, with 91 percent directed to data-related initiatives.

The spending included 878 new 5G sites and 80,052 fiber-to-the-home lines, according to the company.

For property developers, incorporating telecommunications requirements earlier in the development process can help address the infrastructure needs of new communities before construction is completed.

The approach applies to large-scale developments such as townships and commercial districts as well as residential projects, where connectivity has become an important infrastructure requirement for households and businesses.

Closer coordination among developers, telecommunications companies and local governments could also help address site requirements, permits and other approvals before network deployment begins.

The government's streamlined permitting framework is intended to support faster infrastructure rollout as demand for digital services continues to expand.

For telecommunications providers, the availability of suitable sites and timely approvals remain key considerations in extending network coverage and upgrading existing infrastructure, particularly in areas where connectivity remains limited.

UnionBank Wealth Unlocked: Helping Clients Navigate Opportunity, Risk and Legacy

UnionBank Wealth brings together global and local perspectives to help clients make informed decisions across generations.

As investors navigate shifting global markets, rising healthcare costs and the challenge of preserving wealth across generations, access to informed and diversified financial strategies has become increasingly important.

Through its latest market outlook series "Next in Wealth: Unlocked", UnionBank Wealth brought together global and local investment specialists to help clients consider opportunities, manage risk, protect accumulated assets and prepare the next generation for responsible wealth stewardship.

Growing wealth through diversification

The investment discussions centered on a practical principle: portfolios intended to endure should not depend on a single market, asset class or source of return. Specialists from Lombard Odier, BlackRock, Fidelity International and ATRAM Group examined how global and Asian opportunities, diversified income sources and disciplined portfolio construction can help investors pursue growth while managing downside risk.

Among the perspectives shared were the potential role of Asian bonds and income-generating assets, the need to balance dividends and growth, and the importance of assessing opportunities through a long-term framework rather than reacting to short-term market movements. Local market considerations were also discussed to help clients place global themes in the context of their own objectives, time horizons and risk tolerance.

Protecting wealth from unexpected risks

The conversations also emphasized that investment performance is only one part of wealth planning. A major health event can place pressure on accumulated assets, disrupt cash flow and affect plans for the family or business. InLife specialists discussed how appropriate local and international healthcare coverage can help absorb unexpected medical costs and support financial continuity.

For clients, the broader takeaway was to consider risk protection alongside expected returns. Building financial resilience means identifying potential gaps early and aligning insurance and healthcare solutions with the size, location and complexity of the risks a family may face.

Preparing wealth for the next generation

Emphasized at the "Next in Wealth: Unlocked" series was that succession planning is not limited to transferring assets. It also involves preparing future wealth stewards to understand family goals, financial responsibilities and the decisions required to preserve or grow what they inherit. The discussions highlighted the value of starting these conversations early, establishing a long-term framework and giving the next generation practical financial knowledge.

The UnionBank Wealth NextGen Academy was presented as one avenue for supporting that preparation, with its next chapter planned in partnership with the Asian Institute of Management. The series also examined how UnionBank Global Transfer and PayDirect can simplify selected financial tasks across borders and everyday obligations, helping clients manage their finances more efficiently as family needs evolve.

"Clients increasingly need a wealth approach that connects investments, insurance and payments rather than treating each need in isolation. UnionBank Wealth brings these capabilities together with global and local perspectives, supported by relationship managers who undergo executive education at INSEAD, so clients can make coordinated decisions for today and for the generations that follow."

— Gauraw Srivastava, Head of Wealth Management, UnionBank

Albert Cuadrante, UnionBank Chief Marketing and Experience Officer, discusses how digital innovation can simplify everyday financial management, enabling clients to focus on growing, protecting, and passing on their wealth..

The series also examined how clients can manage their finances more efficiently across borders and generations.



From Left to Right: UnionBank Chief Financial Officer Manuel Lozano, UnionBank Financial Services and Insurance Brokerage Inc. (UFSI) President and CEO Ramon Melchor Tejero, UnionBank Chief Marketing and Experience Officer Albert Raymond Cuadrante, UnionBank Head of Wealth Client Relationships Therese Chan, UnionBank President and CEO Ana Aboitiz-Delgado, UnionBank Head of Wealth Management Gauraw Srivastava, UnionBank Treasurer and Global Markets Head Johnson Sia, and UnionBank Retail Sales Network Head Gautam Sharma..

Digital capabilities such as UnionBank Global Transfer and PayDirect were presented in the context of simplifying everyday financial management, while the UnionBank Wealth NextGen Academy supports the financial education of future wealth stewards. As UnionBank Chief Marketing and Experience Officer Albert Cuadrante, noted during the series, making financial tasks simpler and more intuitive allows clients to focus on the decisions that have the greatest impact on their long-term goals and legacies.

A more meaningful client experience

Beyond the wealth-planning discussions, clients were treated to an engaging evening of music from acclaimed Philippine entertainment luminaries. "Stellar Diva" Bituin Escalante performed throughout the series, while InLife "Dreamweaver" and Brand Ambassador, the acknowledged "Megastar" Sharon Cuneta-Pangilinan, made a surprise appearance at the Quezon City leg, entertaining guests with songs and anecdotes about InLife, UnionBank cards, and her long history with the Aboitiz brands.

The segment gave attendees an opportunity to relax and be entertained, connect with fellow clients and continue conversations with specialists and relationship managers, reinforcing the event's central message that enduring wealth is built through informed decisions, trusted relationships and long-term planning.

A broader perspective on enduring wealth

Ana Aboitiz Delgado, UnionBank President and CEO, brought the conversation beyond markets and portfolios, underscoring that wealth is ultimately about the people, aspirations, and legacies behind every financial decision.

"Behind every portfolio is a personal story shaped by family, aspirations, responsibilities and the legacy each client hopes to build. Enduring wealth therefore requires more than identifying opportunities. It calls for disciplined diversification, appropriate protection and thoughtful preparation of the next generation."

— Ana Aboitiz Delgado, President and CEO, UnionBank

As markets, family priorities and financial risks evolve, building enduring wealth requires an approach that brings together growth, protection, convenience and responsible succession. By making expert perspectives and practical financial solutions more accessible, UnionBank Wealth helps clients make informed decisions for the present and for the generations that follow.

The "Next in Wealth: Unlocked" series was held in Cebu and Metro Manila last September 2026.

To learn more about UnionBank Wealth, visit unionbankph.com/wealth or email ubwealth@unionbankph.com.

NewsCentral 50TH ANNIVERSARY

PACES & SPACES + DESIGN

A long-term approach to residential lot selection

BY PRINCESS CONCRENIO

SELECTING a residential lot is a long-term decision that involves more than size or location. For homebuyers, it also means weighing the kind of life they want to build: proximity to business districts, larger lots, greener surroundings and the freedom to design a home that adapts to a family's changing needs.

In Silang, Cavite, one residential development illustrates these considerations through a landscape shaped by rolling terrain, mature trees and extensive open spaces.

Ayala Westgrove Heights, developed by Ayala Land Premier, spans more than 400 hectares and offers residential lots for buyers who want to build homes suited to their preferences. The development occupies land that was formerly a mango orchard, with much of its mature vegetation and natural character preserved.

Rather than purchasing a finished house with a predetermined layout, buyers can select a lot and plan a residence around their household's requirements, subject to design guidelines and applicable regulations.

Building around family needs

For families considering a lot-only purchase, the appeal lies in decisions about layout, architectural style and use of space. A household with young children might prioritize a spacious garden and shared family areas. Others may prefer dedicated home offices, outdoor entertaining spaces or accommodations for multigenerational living.

Ayala Westgrove Heights offers residential lots generally ranging from 400 to 1,100 square meters across the development, although dimensions vary by phase and availability. Its current Phase 2D offering lists lots ranging from 720 to 1,090 square meters in the initial tranche.

This flexibility comes with responsibilities. Buyers must account for construction costs, professional fees, permits, utility connections, landscaping and the time required to complete a home. The total investment can differ considerably depending on terrain, design and chosen materials. Evaluating the lot's orientation, slope, drainage and buildable area is as important as considering its size.

The development's natural setting is central to its residential character. Rolling landscape, preserved trees and landscaped open spaces offer an environment distinct from densely built urban neighborhoods.

Shared facilities include the main clubhouse, kidsgrove clubhouse and sports center, alongside village parks. Depending on the facility, residents can access swimming pools, basketball courts, tennis facilities and children's play areas. These spaces provide alternatives for exercise, family activities and neighborhood gatherings without requiring residents to travel elsewhere for every recreational need.

The surrounding area also places the community within reach of educational institutions and commercial destinations in the Silang and Santa Rosa corridor. The nearby Nuvali development offers additional retail, dining and leisure options.

Costs, location and long-term considerations

A large residential lot may offer flexibility, but it does not automatically make homeownership more affordable. Beyond the purchase price, buyers need to consider the cost of building and maintaining a house, as well as recurring expenses such as property taxes, utilities, security and homeowners association dues where applicable.

Location is another practical consideration. Residents who regularly travel to Metro Manila should assess commuting routes, toll expenses and travel times during peak hours. Access to major roads can support mobility, but it does not eliminate traffic or the costs associated with daily travel. Buyers should also verify current lot availability, title documents, development restrictions and construction requirements before committing to a purchase.

Choosing a residential lot involves looking beyond property boundaries. The surrounding landscape, community facilities and location all influence how a home will function over the years.

Ayala Westgrove Heights offers an option for buyers who value the freedom to build their own residences within a large, established community. Its appeal rests not simply on lot size but on the opportunity to shape a home around individual priorities while living amid a landscape that retains elements of its natural character.

For buyers prepared for the financial and practical demands of building from the ground up, the right lot can provide a foundation for a home designed around their family's needs. The decision involves not only how much land can be acquired but also how thoughtfully that space can be used over the long term.

Evolving suburban landscape brings a new take on coastal living

BY RIZAL RAOUL REYES

FOR families seeking more space without moving too far from Metro Manila, suburban living is taking on a new appeal.



The dining and kitchen area of The Coral model unit at Cerulean Residences. Photo credit: Century Properties Inc.

Cerulean Residences, a 25-hectare development in General Trias, Cavite, by Century Properties Group Inc., brings resort-inspired amenities to a horizontal community aimed at the "premium economy" market.

Century Properties has built much of its residential portfolio around high-rise developments in Metro Manila. With Cerulean, the company is expanding into horizontal housing as it seeks to reach families looking for house-and-lot options outside the capital.

In a press interview, Julienne Cruz, vice president for corporate communications and marketing at Century Properties Group Inc., said the company is targeting the "premium economy" market.

"It is similar to the analogy to airplane seats," she said.

"We're targeting Filipino families, mostly local and also, of course, expatriates. After many years of building mostly vertical residences, we're now developing more horizontal developments for the premium segment," she added.

Cruz said Century Properties has long been associated with high-end condominium developments. The company later entered the affordable housing market through its smart-home business and is now expanding its presence in the premium horizontal segment.

"Now we're developing the premium sector, mostly vertical venturing outside of Metro Manila," Cruz said.

The company is focusing on growth areas outside the capital, particularly in Luzon, as infrastructure improvements expand access to locations beyond Metro Manila.

"We're excited because we're now giving another option for families to move up and live better if they're ready to move into a house and lot."

For Cerulean, the strategy is closely tied to infrastructure development in Cavite. The project is located along Arnaldo Highway in Barangay San Francisco, near the Cavite–Laguna Expressway Governor's Drive exit.

Cruz said the development is aimed at younger families, including couples starting to have children and looking for additional room.

"You can actually work in the CBD and then come home. This is the response of the company on the trend that growth is outside the NCR," Cruz said.

"It's also following the infrastructure developments of the government. We're very grateful for opening up new opportunities for developers like us to meet the market's demands. We also recognize that a lot of Filipino families also want to migrate outside of the CBD and have more

Parañaque LGU braces for El Niño

PARAÑAQUE CITY -- Government offices in the city met recently to come up with plans on how to abate possible effects of the El Niño which has started affecting the country and might intensify in the coming months.

Mayor Edwin L. Olivarez said he directed city government offices to quickly come up with plans as warmer temperatures are already being felt in Metro Manila.

"Inatasan po natin ang ating concerned offices na agad bumuo ng mga plano para maibsan ang epekto ng El Niño sa ating mga kababayan, dahil ramdam na po ang pagtaas ng temperatura at ito po'y inaasahan na tatagal nang ilang buwan," Olivarez said.

At their meeting, heads and staff members of different government offices in the city threshed out details and responsibilities of a task force that would address effects of the El Niño.

Initial discussions revolved around ensuring water supply to Parañaque's more than 800,000 residents, emergency water gathering techniques, addressing possible effects of the El Niño to food supply and prices, logistics, and information dissemination.

The City Disaster Risk Reduction and Management Office was named head of the task force and will be assisted by the Department of Interior and Local Government-Parañaque, while the City Environment and Natural Resources Office (CENRO) serves as task force secretariat.

The City Agricultural, Fisheries, and Aquatic Services Office will lead the task force's food security cluster, the CENRO will head the cluster for water security, and DILG-Parañaque will handle public safety.

A cluster for energy security was also formed, and others may be created as the task force adds relevant offices and meets every week.

Also in attendance during the meeting were representatives from the Business Processing and Licensing Office, City Engineering Office, City Planning and Development Coordinator's Office, City Building Administrator's Office, and the Public Information Office.

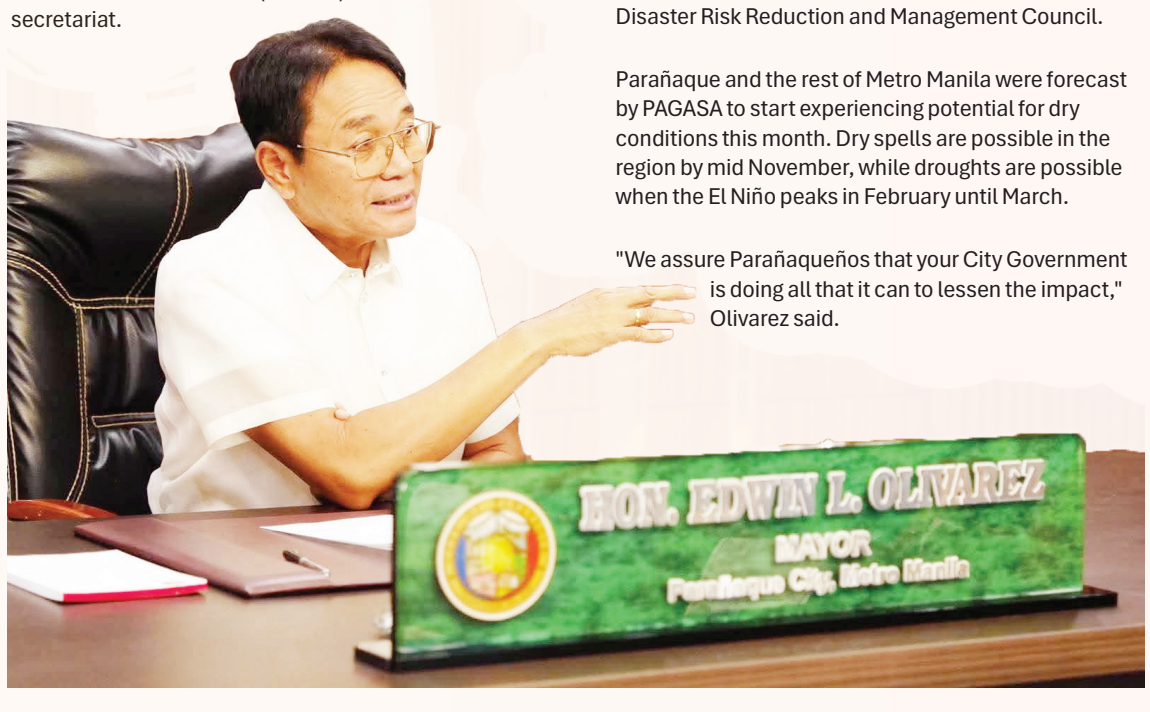
Olivarez said the task force will also coordinate with barangays, concerned national government agencies, private companies such as water concessionaire Maynilad and power distributor Meralco, and non-government organizations.

Earlier, state weather bureau PAGASA reported that dry conditions, dry spells, and drought are already being felt in Northern Luzon, Cagayan Valley, Central Luzon, MIMAROPA, Bicol, Western Visayas, and Caraga regions.

At least 388,375 persons are already affected and a total of P5.6 billion worth of crops have been damaged by heat in those regions, according to the National Disaster Risk Reduction and Management Council.

Parañaque and the rest of Metro Manila were forecast by PAGASA to start experiencing potential for dry conditions this month. Dry spells are possible in the region by mid November, while droughts are possible when the El Niño peaks in February until March.

"We assure Parañaqueños that your City Government is doing all that it can to lessen the impact," Olivarez said.



MARKET PULSE

Real costs and risks behind a home purchase

BY LUDWIG KALAMBACAL AND PRINCESS CONCRENIO

A property's selling price can make a home appear affordable, but it tells only part of the story.

For buyers, the financial commitment can extend to association dues, taxes, insurance, maintenance, repairs, utilities, parking and financing costs. Beyond money, a purchase can carry legal, construction, environmental and market risks that may not be apparent during a sales presentation.

"Many buyers concentrate on the property's selling price, location, amenities, developer's reputation and projected appreciation," said Eugene Tamayo III, a licensed real estate broker and banking executive.

"These are important considerations, but they do not necessarily establish whether the property is financially sustainable, legally sound, suitable for the buyer's needs or competitive in the long term," he added.

That makes the assessment of a home purchase less about whether a property looks attractive and more about whether the costs, risks and intended use hold up beyond the transaction.

Looking beyond the selling price

Affordability starts with more than the amount needed for a down payment or monthly amortization.

The latest Family Income and Expenditure Survey from the Philippine Statistics Authority put average annual family income in the National Capital Region (NCR) at ₱574,370 in 2025, while average annual family expenditure reached ₱460,500. Housing, water, electricity, gas and other fuels accounted for 27.3 percent of NCR family spending, the largest expenditure category in the region.

For a property buyer, the relevant calculation extends beyond the mortgage. Association dues, real property taxes, insurance, maintenance, repairs, utilities and parking can materially change the cost of ownership. Interest-rate changes can also affect borrowers with repricing loans.

Tamayo distinguishes between being able to purchase a property and being able to sustain ownership.

His assessment includes testing household cash flow, emergency reserves, interest-rate increases, income disruptions and the opportunity cost of committing capital to the property.

"My advice is to establish the household's sustainable budget first and select the property second—not the other way around," he said.

The same distinction applies to investment properties. Expected rent needs to be weighed against vacancy, maintenance, taxes, association dues and other expenses rather than measured against the purchase price alone.

Checking what is actually being bought

A property's location and appearance can create a strong first impression, but due diligence extends to the property itself and the surrounding area.

Tamayo identifies physical and environmental conditions as among the risks buyers can overlook, including flooding, drainage problems, waterways, slope stability and earthquake exposure. Traffic, roads, water supply, waste management and access to schools and health facilities can also affect how useful a property remains over time.

Future infrastructure can add another layer of uncertainty. A proposed road, rail line or commercial development may improve accessibility and support property values, but an announcement is not the same as a funded or operating project.

For projects being sold to the public, regulatory documents are another part of the transaction. The Department of Human Settlements and Urban Development advises buyers to check a project's Certificate of Registration and License to Sell.

Pre-selling properties require additional scrutiny because buyers commit to a property that does not yet exist in its finished form.

Tamayo said buyers can examine the Contract to Sell, promised completion and turnover dates, construction progress, permits and written specifications. Model units, renderings and brochures can illustrate a project but should not substitute for contractual documentation.

Delays can also create a financial mismatch if a buyer is paying installments while continuing to pay rent elsewhere.

At turnover, physical inspection becomes important. Plumbing,

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EVOLVING | FROM E02

space for their families," she added.

Cruz also pointed to changes in work arrangements since the pandemic, saying the continued availability of remote and hybrid work has given some families more flexibility in choosing where to live.

A changing suburban market

For families able to work remotely or commute less frequently, suburban communities can provide larger homes while maintaining access to major employment centers.

Cerulean's location in General Trias places it near CALAX and other road links connecting Cavite with neighboring provinces and Metro Manila. The development incorporates residential areas with open spaces and shared amenities.

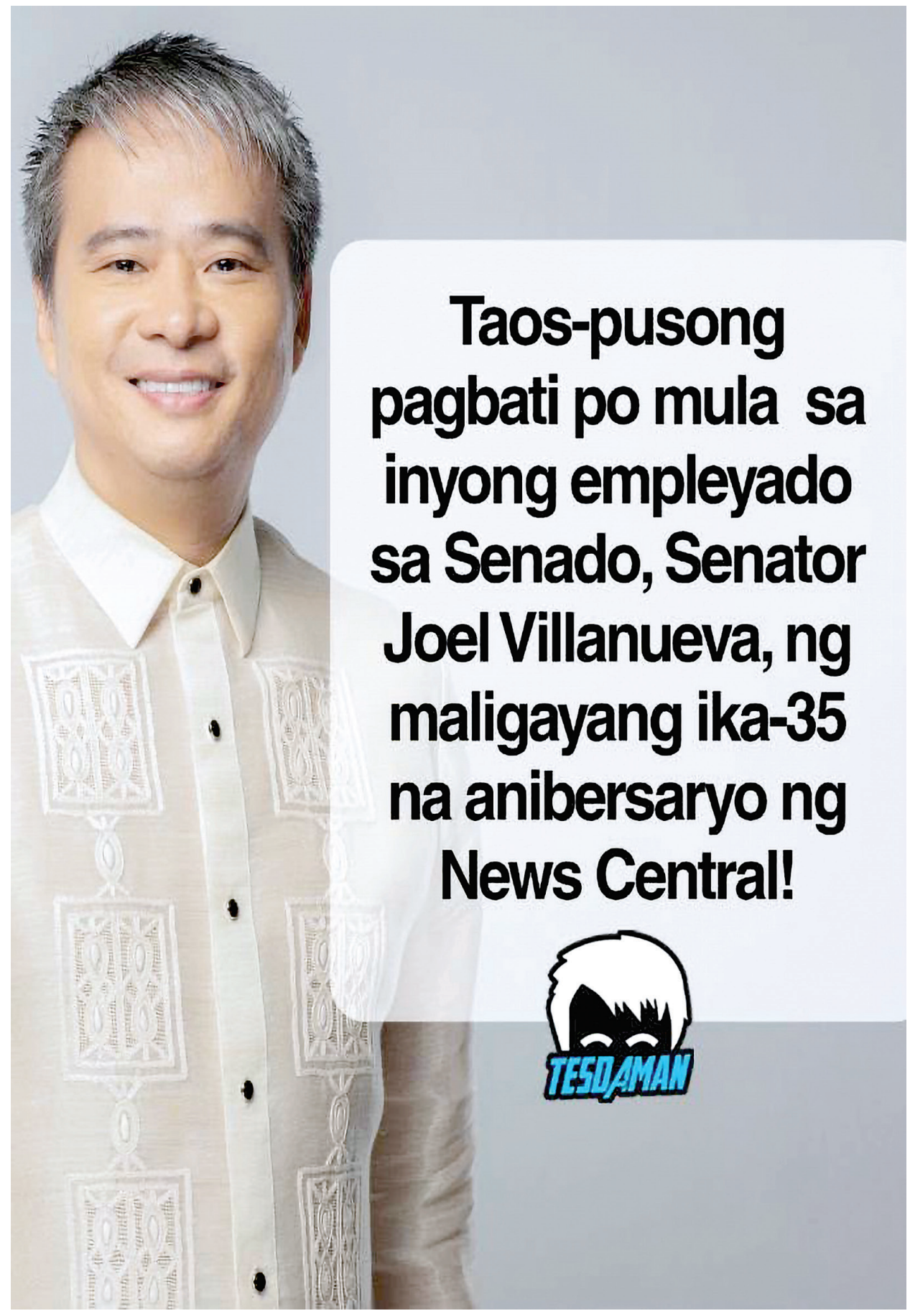
The project's initial buyer profile includes both overseas and domestic markets. Overseas Filipino workers account for roughly 40 percent of early interest, with inquiries coming from the United Arab Emirates, the United States and Singapore. Local buyers account for the remaining 60 percent, including young professionals, growing families and remote workers.

Resort amenities in a horizontal community

Cerulean's coastal theme is reflected in its water and recreational facilities.

The development includes man-made beaches, wave pools, waterslides and splash pads. A multi-sport area features basketball and pickleball courts, an indoor archery

EVOLVING | FROM G02





CEBU CITY — In celebration of National Shelter Month, the Chamber of Real Estate & Builders' Associations, Inc. (CREBA) held its 2026 National Convention on October 21–23 at the Citadines and Radisson Blu Hotels in Cebu City, marking its 53rd founding anniversary under the theme "Beyond Shelter: Creating Communities, Transforming Lives."

The three-day gathering brought together real estate developers, builders, professionals, government officials, policymakers, and industry partners to discuss housing delivery, sustainable development, investment opportunities, and innovations shaping the Philippine real estate sector.

CREBA National President Noel "Toti" M. Cariño emphasized that housing extended beyond providing roofs over people's heads to creating complete, connected, and sustainable communities supported by infrastructure, transportation, education, healthcare, and livelihood opportunities.

"Real estate is not simply about buying and selling property. Real estate is about people," Cariño stressed.

Chaired by CREBA National Director Jose R. Soberano III, the convention featured discussions on the state of the housing sector, the Expanded Pambansang Pabahay para sa Pilipino (4PH) Program, global best practices, generational wealth, professionalizing real estate services, science-based urban planning, housing legislation, infrastructure, and digital innovation.

The sessions underscored the importance of stronger public-private partnerships, responsive policies, professional excellence, and innovative approaches to making housing more accessible and sustainable for Filipino families.

Cebu provided a fitting venue for the gathering, reflecting the opportunities presented by economic growth and the need to ensure that development translated into better living conditions for communities.

The convention received the support of industry partners and sponsors, led by Platinum Sponsors Boysen Paint, Vistaland & Lifescapes, Cebu Landmasters Inc., and Communityline Development Corporation, alongside numerous other companies and institutions committed to advancing Philippine real estate and housing.

CREBA National Chairman Jerry M. Navarrete underscored the convention's significance as both a reflection of the organization's more than five decades of housing advocacy and a renewed commitment to nation-building.

As CREBA marked its 53rd year, the gathering reaffirmed its vision of moving beyond the construction of houses toward building stronger communities, expanding opportunities, and improving lives.

Ultimately, the convention reinforced CREBA's continuing commitment to working with government and the private sector to advance sustainable housing solutions and help realize its vision of a home for every Filipino.

NewsCentral 5TH ANNIVERSARY

CARP: Advancing social justice and empowering Filipino farmers



AGRICULTURE has long been a cornerstone of the Philippine economy, providing livelihoods to millions of Filipinos and sustaining communities across the country. Yet, for generations, many farmers cultivated land they did not own, leaving them vulnerable to economic hardship and uncertain land tenure. In response to this longstanding inequality, the government pursued agrarian reform as a means of promoting social justice and improving the lives of landless farmers.

The Comprehensive Agrarian Reform Program (CARP) was institutionalized through Republic Act No. 6657, or the Comprehensive Agrarian Reform Law of 1988, signed into law on June 10, 1988. Building on earlier agrarian reform initiatives, including the land-to-the-tiller policy under Presidential Decree No. 27 on Oct. 21, 1972, CARP established a broader framework for distributing agricultural lands to qualified farmer-beneficiaries, subject to legal requirements and limitations.

CARP sought not merely to redistribute land, but also to address the deeper inequalities associated with land ownership. Its underlying principle is that qualified farmers who cultivate the land should have a fair opportunity to benefit from its productivity. The program also recognizes the importance of providing just compensation to affected landowners and supporting sustainable agricultural development.

The benefits of CARP to farmer-beneficiaries

One of the most significant benefits of CARP is land tenure security. Through the award of agricultural land, qualified beneficiaries may gain a more secure foundation for their livelihoods and their families' future. The Certificate of Land Ownership Award (CLOA) serves as an important instrument documenting the rights of beneficiaries under the program.

Land ownership can also encourage farmers to invest more confidently in improving their farms, adopting better cultivation practices and increasing agricultural productivity. With greater security over the land they till, beneficiaries have an opportunity to build long-term economic stability and improve their standard of living.

LAND OWNERSHIP CAN ALSO ENCOURAGE FARMERS TO INVEST MORE CONFIDENTLY IN IMPROVING THEIR FARMS, ADOPTING BETTER CULTIVATION PRACTICES AND INCREASING AGRICULTURAL PRODUCTIVITY. WITH GREATER SECURITY OVER THE LAND THEY TILL, BENEFICIARIES HAVE AN OPPORTUNITY TO BUILD LONG-TERM ECONOMIC STABILITY AND IMPROVE THEIR STANDARD OF LIVING.

Beyond land distribution, CARP recognizes the importance of support services. These include access to agricultural credit, irrigation, farm-to-market infrastructure, technical assistance, training, post-harvest facilities and marketing support. When effectively delivered, these services can help farmers increase production, reduce losses, strengthen their bargaining position and improve household income.

Agrarian reform may also generate broader social benefits. By expanding opportunities for landless farmers, it can help reduce rural inequality, strengthen local economies and promote more inclusive development. A farmer who earns a stable livelihood can better support the education, health and future opportunities of the next generation.

Beyond land distribution: The continuing challenge

Despite its important objectives, the success of CARP cannot be measured solely by the number of hectares distributed or titles issued. Land ownership does not automatically translate into prosperity. Farmers may still face high production costs, limited access to financing, inadequate infrastructure, climate-related risks, fluctuating commodity prices and difficulties reaching reliable markets.

Consequently, the long-term success of agrarian reform depends on the government's continuing commitment to deliver effective support services, strengthen farmer organizations and cooperatives, promote modern agricultural technologies and develop sustainable market opportunities.

It is equally important that implementation remains transparent, efficient and consistent with the law, protecting the legitimate rights of farmer-beneficiaries while respecting the rights of affected landowners, including their entitlement to just compensation.

A continuing commitment to social justice

CARP represents an important chapter in the country's pursuit of a more equitable agricultural sector. Its promise extends beyond land distribution: it is about dignity, economic opportunity, food security and the ability of Filipino farmers to build a better future through their own labor.

Ultimately, agrarian reform succeeds when land ownership becomes a genuine pathway to sustainable livelihood and rural prosperity. By combining equitable land distribution with adequate institutional, financial, technological and market support, the Philippines can strengthen its farmers, not only as beneficiaries of reform, but as essential partners in national development.

The enduring challenge is to ensure that the promise of CARP is realized in the daily lives of farming communities, where social justice is measured not only by the land awarded, but also by the opportunities, security and prosperity that farmers are able to achieve.

In the course of my work as head of CARP for a universal bank, I have had the opportunity to engage with various Department of Agrarian Reform (DAR) officials nationwide. I am pleased to acknowledge their accommodation, willingness to collaborate and efforts to explore practical solutions to expedite the processing and collection of CARP proceeds.

I would also like to express my heartfelt gratitude to DAR Assistant Secretary for Operations Marjorie Ayson and her team, including Atty. Rexie Maristela, Atty. Eric Francis Luna, Engr. Manuel Nebreja, Atty. Christine Evangelista and Chief Agrarian Reform Program Officer Sonia Ancheta, for their willingness to engage in dialogue and to engage landowners in constructive discussions. Such initiatives help bridge institutional concerns, address operational challenges and identify workable approaches toward a more efficient, transparent and mutually beneficial implementation of CARP.

Undeniably, the success of agrarian reform depends not only on the policies and laws that govern it, but also on the willingness of stakeholders to work together in good faith. Through sustained dialogue, mutual understanding and genuine collaboration, we can help ensure that the objectives of agrarian reform are pursued while respecting the legitimate concerns of all parties involved.

About the Author

Dr. Eugene Tamayo III is head of the Comprehensive Agrarian Reform Program (CARP) and assistant vice president at Philippine National Bank. He is a licensed real estate broker with a Ph.D. in business management and postdoctoral studies in total quality management. He is also a Certified Residential Specialist (CRS), Certified Management Consultant (CMC) and ISO internal auditor.

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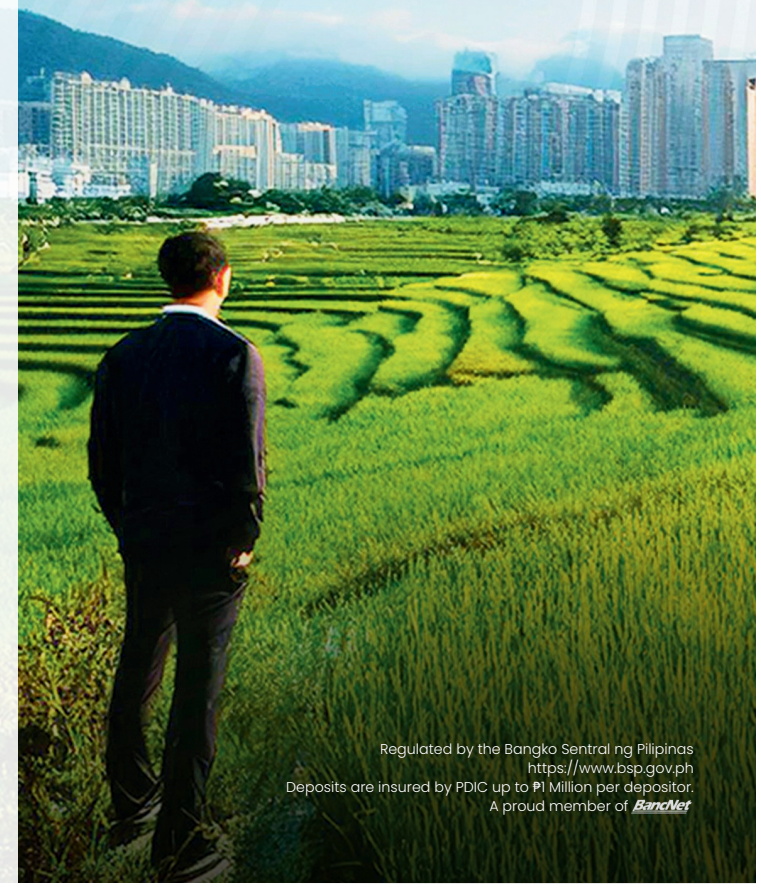
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PROVINCIAL COMMUNITY GIVES HOMEBUYERS AN OPTION BEYOND THE METRO

BY PRINCESS CONCRENIO

FOR homebuyers looking beyond Metro Manila, finding a home can involve weighing space, location, access to workplaces and commercial areas, and proximity to major roads.

In Baliwag, Bulacan, Seriya offers house-and-lot units within a residential development that includes townhouses and duplex homes.

Developed by Ovialand Inc., Seriya is located along the Baliwag-Candaba Road and marks the developer's entry into Central Luzon. The project was launched in 2023 as part of Ovialand's expansion beyond Southern Luzon.

The development is near commercial establishments in Baliwag and provides access to the North Luzon Expressway through the Pulilan exit. It is also within reach of other parts of Bulacan and routes leading to Metro Manila and neighboring provinces.

Travel times will vary depending on traffic conditions, destination and transportation options.

Seriya offers several house configurations. Property listings include the Manor

PROVINCIAL | F02

Globe proposes creation of national utility resiliency plan; make connectivity a disaster recovery priority



Globe is calling for telecommunications restoration to be made a national priority alongside power and other essential utilities during disasters, through a proposed National Utility Resiliency Plan that would address barriers that delay the return of critical services. The framework would set clear protocols for government agencies, local government units, utilities, and telecommunications operators to work together and help communities regain essential services faster.

Globe raised the proposal during the GSMA Policy Principles for Mobile Network Resilience discussion recently held in New Delhi, India. The company urged GSMA to advocate comprehensive utility resiliency plans among governments as severe weather and natural disasters put increasing pressure on critical infrastructure.

"When disaster strikes, connectivity becomes a lifeline. People need it to reach their families, receive emergency information, call for help, and coordinate relief efforts," said Atty. Froilan Castelo, Globe General Counsel. "Restoring telecommunications should therefore happen alongside power and other essential utilities, supported by a national framework that allows government and industry to move quickly and work together."

Under the proposed plan, telecommunications restoration teams could be given priority access to government transportation and logistics resources when roads and other infrastructure are damaged or inaccessible. Military and police personnel could provide appropriate support in reaching critical facilities, while local permitting requirements for emergency repairs could be temporarily streamlined to prevent delays.

Telecommunications networks depend on other critical infrastructure to operate, including commercial power, fuel, transportation, and secure physical access to network facilities. This means restoration can be delayed even when operators have teams, generators, and equipment ready for deployment.

"We can build stronger networks, prepare our teams, and position resources ahead of severe weather, but there are dependencies that no telecommunications operator can address alone," Castelo said. "If power is unavailable, roads are impassable, or our teams cannot reach affected facilities, restoration becomes more difficult. A national plan can help remove these bottlenecks when every hour of connectivity matters."

Globe continues to invest in strengthening network resilience through backup power, network redundancy, disaster preparedness, and the prepositioning of personnel and equipment in high-risk areas. In the first half of 2026, Globe invested ₱26.3 billion in capital expenditures, with about 91% directed toward data-related requirements to strengthen and expand its network.

The company is also using Starlink satellite-to-mobile technology as an additional layer of connectivity when terrestrial infrastructure is unavailable or damaged. During the June 2026 Mindanao earthquake, Globe deployed the technology for the first time in a disaster response, helping provide coverage for affected communities in General Santos and Sarangani.

Globe said a national resiliency framework should also consider appropriate incentives for additional investments required to make critical telecommunications infrastructure more resilient. Stronger structural standards, additional backup systems, and greater network redundancy carry significant costs, making a supportive policy environment important to sustaining resilience investments while operators continue expanding and improving their networks.

"Network resilience cannot be the responsibility of telecommunications operators alone," Castelo said. "When power, transportation, telecommunications, and other essential services recover together, communities recover faster. Resilience has to be planned as a national system, not utility by utility."

Globe calls for earlier connectivity planning to build future-ready developments

Globe is encouraging property developers to make connectivity part of the early planning and design of new homes, commercial spaces, and estates, rather than addressing network requirements after construction is underway. Bringing connectivity into the conversation earlier can help developers avoid costly redesigns and retrofitting while ensuring properties are ready for the digital needs of residents, tenants, and businesses from the time they move in.

The company brought together around 150 participants at Collaboration Forum 2026, including more than 100 external partners from the property sector. With the theme "Design Today. Connect Tomorrow.", the forum gathered developers, architects, designers and technical teams to discuss how connectivity can be considered early in the design and construction of new developments.

"The earlier we bring those perspectives together, the better we can plan for what comes next. While the plans are still being shaped, let us sit down together and determine what needs to be built in from the start, with enough flexibility to evolve over time," said Carl Cruz, Globe President and CEO.

Discussions covered residential, commercial, and estate developments, where connectivity requirements can become more difficult and costly to address once designs are finalized or construction is underway. Early collaboration gives developers, architects, technical teams, and connectivity providers more room to identify potential constraints and determine what infrastructure needs to be incorporated before plans are locked in.

This also aligns with Globe's support for the government's ongoing review of the National Building Code of the Philippines, which presents an opportunity to recognize connectivity as an essential utility in modern developments. Globe has emphasized the need to incorporate telecommunications infrastructure, including fiber-ready facilities and in-building connectivity solutions, into building standards to ensure reliable connectivity from the outset, reduce costly retrofitting, and support future digital needs.

This becomes more important as homes, workplaces and communities rely on connectivity for more of their day-to-day needs. For Globe, understanding how a development will be used allows network requirements to be integrated into development masterplans, while giving developers greater flexibility to accommodate new technologies and growing demand for digital services.

Through the forum, Globe is strengthening its role as a strategic connectivity partner to the property sector, working closely with developers and industry stakeholders to make connectivity an integral part of development planning.. As new communities take shape, this collaboration can help ensure that the infrastructure people and businesses depend on is already part of the plan, enabling seamless connectivity from day one of occupancy, while creating future-ready spaces that support how people live, work and connect today and in the years ahead.

For more information about Globe, visit www.globe.com.ph.



PROVINCIAL | FROM F01

Classic townhouse and Manor Luxe end-unit townhouse, both with three bedrooms and two bathrooms.

A duplex configuration is also available, providing another housing layout for prospective buyers.

The development also includes shared amenities. Project announcements have identified an air-conditioned clubhouse, swimming pool and community chapel among the planned facilities.

Buyers should confirm which amenities are operational and which remain under development before purchasing.

Location is also a consideration when evaluating a home. The distance to schools, hospitals, workplaces and shopping areas can affect daily travel, while transportation availability and costs can add to a household's regular expenses.

Financing is another part of the purchase decision. Buyers need to consider monthly amortization, down payment requirements, loan approval, association dues and other ownership costs in addition to the property's selling price.

They should also inspect the actual unit, review the specifications stated in the contract and verify the property's documentation before making a purchase.

For buyers considering a home outside Metro Manila, factors such as location, house configuration, amenities and total ownership costs can help determine whether a property meets their requirements.



MARKET PULSE

Metro Manila condo sales rise 17% as developers offer steep discounts

BY RIZAL RAOUL REYES

RESIDENTIAL condominium sales in Metro Manila rose for the third consecutive quarter in 2026, as developers offered aggressive discounts and flexible payment schemes to attract buyers amid affordability pressures and economic uncertainties.

Sharon Roset-Saclolo, associate director for research, valuation and consultancy at Leechiu Property Consultants (LPC), said during the property consultancy's media briefing that about 8,454 condominium units were sold during the third quarter, up from 7,255 units in the second quarter.

She said the latest sales figure represented a 17 percent increase quarter on quarter, indicating that demand remained resilient despite geopolitical uncertainties, financing constraints and elevated property prices.

However, Roset-Saclolo said the market's recovery continues to depend on measures that help convert buyer interest into actual transactions, particularly as prospective homeowners become more selective and value-conscious.

"Demand is there," she said, emphasizing that incentives from developers and government financing programs are helping bridge the affordability gap and connect prospective buyers with available housing inventory.

LPC's third-quarter report showed that developers remained cautious about launching new projects as they prioritized selling existing units and preserving liquidity rather than aggressively expanding their portfolios.

New condominium launches totaled 1,574 units during the quarter, down 39 percent from the previous quarter.

The limited new supply, coupled with improving sales, helped reduce Metro Manila's unsold condominium inventory to approximately 80,000 units, equivalent to about 28 months of supply.

Although inventory levels remain elevated, Roset-Saclolo said the market is gradually moving toward better balance as developers focus on absorbing existing stock.

Roset-Saclolo said a substantial portion of unsold units remains concentrated in the upper-middle to upscale segments, particularly properties priced between ₱4 million and ₱12 million. These segments have also accounted for a significant share of transaction activity over the past three quarters, suggesting that more aggressive marketing could accelerate inventory absorption.

To entice buyers, Roset-Saclolo said developer incentives have become a crucial factor in sustaining residential property sales, with some projects offering discounts of as much as 60 percent, alongside extended payment terms, free furnishings and appliances, complimentary internet subscriptions and waived association dues.

According to Roset-Saclolo, sales of ready-for-occupancy (RFO) units in the latest quarter were 89 percent higher than in the comparable quarter of 2025, reflecting the impact of more aggressive promotional campaigns.

While advertised condominium prices may remain elevated, the effective acquisition costs for buyers can be substantially lower after discounts and other incentives are applied.

Roset-Saclolo cautioned, however, that the steepest discounts are available only for selected projects and may be limited to cash buyers. "These offers also create opportunities for property investors seeking better rental returns," she said.

"Although rental adjustments have moderated and asking rates in some locations are approaching market levels, rental yields remain compressed because condominium capital values are still high," she added.

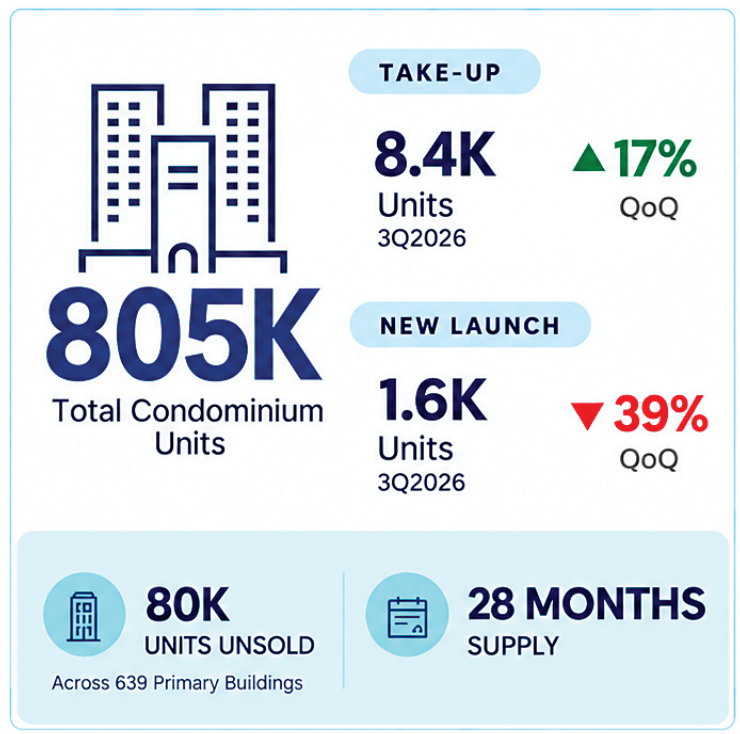
Buyers who can negotiate substantial discounts may achieve better effective rental yields than those purchasing units at advertised prices. In some cases, potential yields from discounted primary-market units have exceeded those available from secondary-market acquisitions.

Rental rates post mixed changes

Roset-Saclolo said the rental market showed mixed movements during the third quarter. Asking rents in Makati and Bonifacio Global City increased by 0.2

METRO MANILA | F03

Metro Manila Residential Condominium



RENTS	3Q2026 Average Price (Php/Sqm)	YoY 3Q2026 vs 3Q2025	QoQ 3Q2026 vs 2Q2026	Vs. Pre-Pandemic 3Q2026 vs 1Q 2020
MAKATI	889	0.1%	0.2%	-18.1%
BONIFACIO GLOBAL CITY	1,116	-2.1%	1.0%	1.1%
TAGUIG	695	-3.8%	-2.8%	12.1%
ALABANG/ MUNTINLUPA	737	-5.7%	-1.7%	-42.5%
ORTIGAS/ MANDALUYONG	723	-3.8%	-0.8%	-25.2%
BAY AREA/ PASAY	703	-14.3%	-0.5%	-58.8%

Note: Secondary / Mid-Range segment; Pre selling 2020 buildings.

Source: Leechui Property Consultants Inc.



Strong economy, weak property demand? Metro Manila's reality check

BY LUDWIG KALAMBACAL AND PRINCESS CONCRENIO

A strong local economy does not always translate into strong property demand.

Gross domestic product (GDP) measures the value of economic activity, but real estate performance depends on whether households and businesses can afford, access and sustain the properties being offered.

Eugene Tamayo III, a licensed real estate broker and assistant vice president at Philippine National Bank, said GDP is only a starting point when assessing a city's property prospects.

"A larger economy does not necessarily translate into a stronger property market because economic output and effective property demand are two different measures," Tamayo said.

The Philippine Statistics Authority's (PSA) 2025 Provincial Product Accounts show the scale of Metro Manila's largest city economies. At constant 2018 prices, Quezon City recorded about ₱1.40 trillion in GDP, followed by Makati at ₱1.27 trillion, Manila at ₱1.06 trillion, Taguig at ₱686.68 billion and Pasig at ₱541.59 billion.

Those rankings, however, do not necessarily correspond to property-market strength.

"Based on my two decades of experience as a licensed real estate broker and 21 years in the banking industry, I believe that the more meaningful indicators are not simply the size of the local economy, but the quality of employment, household income, access to financing, business formation, population movement and the relationship between property prices and purchasing power," Tamayo said.

Economic size vs. property demand

The differences among Metro Manila's major economies illustrate why GDP alone cannot determine property prospects.

John Alexis Samuel, director of consultancy valuations at Savills Philippines Inc., said Quezon City ranks first because of its size, population and diverse industries. Its economic activity is spread across a large area, resulting in property values that vary considerably from one location to another.

Makati and Taguig present a different picture. Their smaller land areas and central locations limit available land while concentrating corporate tenants and high-income buyers.

"Scarcity and centrality, rather than output, are the main drivers of their values," Samuel said.

The same principle can benefit cities outside the top five.

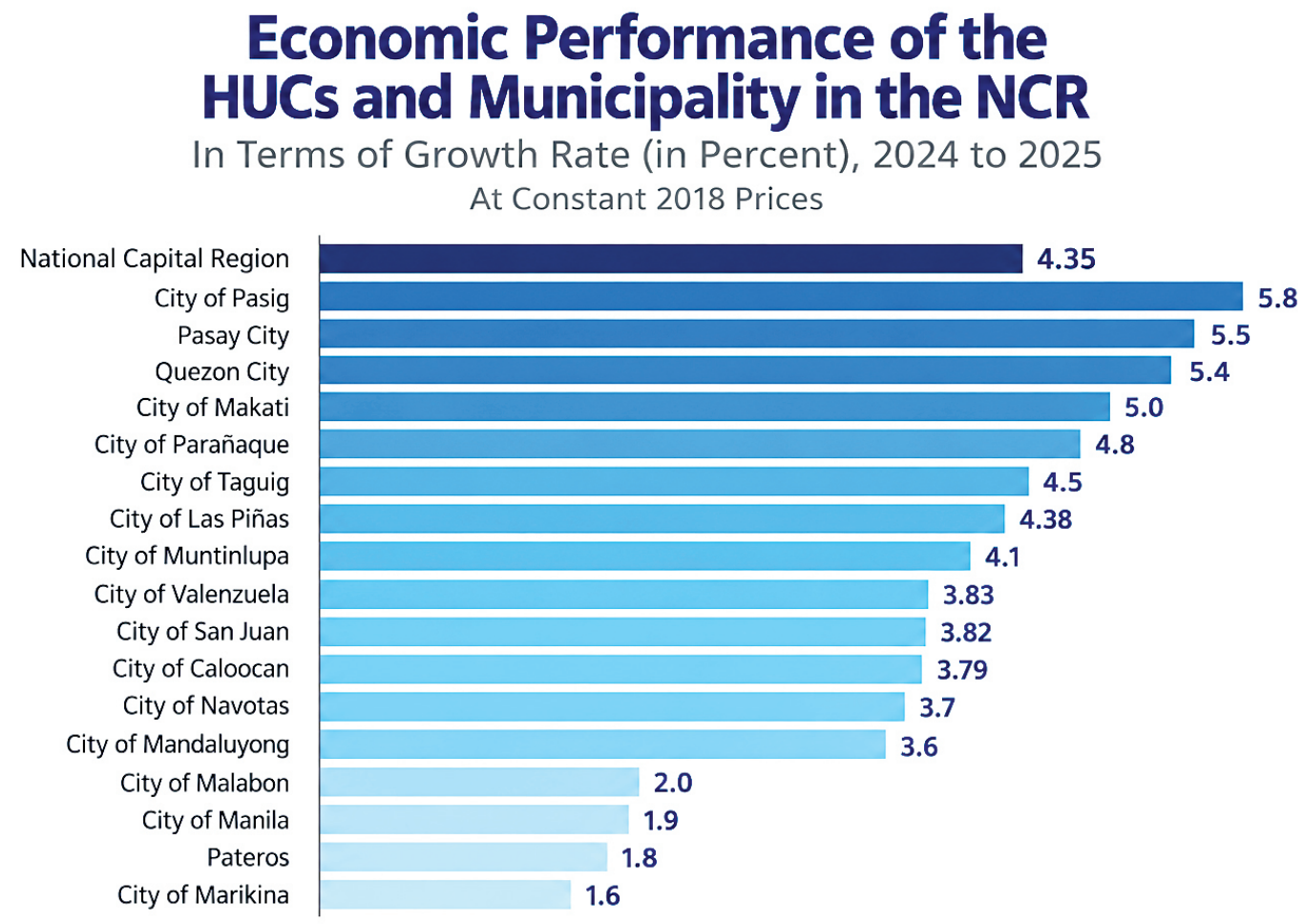
Samuel said Parañaque, which ranks sixth among NCR city economies, serves as a southern gateway because of its proximity to the airport and connection to the Manila Bay corridor. That strategic position supports commercial, logistics and mixed-use development.

Parañaque and Pasay also benefit from airport traffic, tourism, gaming and hospitality activity, while Mandaluyong benefits from its location between the Ortigas and Makati business districts, Samuel said.

Pasig recorded the fastest GDP growth among NCR cities in 2025 at 5.8 percent, followed by Pasay at 5.5 percent, according to the PSA. Growth, however, is an indicator of economic momentum rather than a direct measure of property demand.

Joey Bondoc, director of research at Colliers Philippines, has also identified Pasay and Parañaque as potential locations for mixed-use development because of their concentration of offices, residences, hotels, retail and entertainment facilities.

STRONG ECONOMY | G04



METRO MANILA | FROM F03

percent and 1 percent, respectively, while other locations generally recorded modest declines. The biggest reported reduction was in The Gate, which registered a 22.8 percent decrease.

Roset-Saclolo said the relatively limited movements in most locations suggest that several submarkets are approaching market rental levels, unlike the more pronounced corrections that characterized the post-pandemic adjustment period.

Government financing and developer incentives

Beyond developer-led promotions, government initiatives to improve housing accessibility and expand financing options are also part of the measures available to prospective homebuyers.

The country's housing backlog remains a consideration for buyers whose purchasing capacity is constrained by property prices and borrowing costs.

Roset-Saclolo said public- and private-sector initiatives are aimed at making homeownership more attainable while helping developers sell existing inventory.

The combination of discounts, flexible payment arrangements and financing options gives buyers additional considerations when evaluating properties, including price, accessibility, quality and readiness for occupancy.

Residential prices vary across regions

Outside Metro Manila, residential property markets recorded varied price movements during the third quarter, with infrastructure development, population growth, industrial activity and expanding employment centers supporting demand in some areas.

In North Luzon, developments such as the New Manila International Airport, New Clark City, industrial investments, township projects and emerging technology-related initiatives continued to shape residential property activity.

Lot prices in Bulacan declined by approximately 6 percent during the quarter, while Pampanga prices were largely unchanged.

Roset-Saclolo attributed the decline in Bulacan partly to the composition of available supply. Higher-end projects had already sold out, leaving a larger proportion of lower-priced properties in the market and weighing on average selling prices.

Discounted prices in selected North Luzon projects ranged from 5 percent to 35 percent below regular prices.

South Luzon also recorded mixed price movements during the quarter. Cavite prices increased by approximately 2 percent, while Laguna prices declined by 4 percent.

Discounts for cash purchases in selected projects across the southern corridor ranged from 16 percent to 35 percent below developers' asking prices.

The price movements varied by location, while discounts offered by developers provided buyers with different pricing options across Metro Manila and the provincial markets.

NewsCentral 50TH ANNIVERSARY

MERALCO BOLSTERS PREPAREDNESS FOR EL NIÑO, RENEWS CALL FOR DEMAND-SIDE MANAGEMENT



READY FOR EL NIÑO. Meralco ensures good condition of its facilities through regular maintenance activities, as well as upgrades and improvements to its distribution network in preparation for the expected increase in electricity demand due to the El Niño phenomenon.

As the El Niño phenomenon intensifies across the Philippines, Meralco has assured its customers of its readiness to address the anticipated surge in electricity demand. The country's largest distribution utility is working closely with the Department of Energy, the National Grid Corporation of the Philippines, power suppliers, and other relevant stakeholders to monitor developments and mitigate the impact on consumers.

Meralco has been proactively implementing all necessary measures to ensure supply availability and manage upward pressure on electricity prices given the expected increase in demand due to higher temperatures. As part of its preparations, Meralco has contracted sufficient supply to meet the requirements of its over 8.3 million customers.

According to Meralco Vice President and Head of Utility Economics Lawrence S. Fernandez, the distribution utility expects additional capacity to augment its current contracted supply. This will come from a completed competitive selection process for 200 MW of baseload capacity, and the scheduled 250MW increase in supply coming from MTerra Solar—the world's largest solar power and energy battery storage facility project operating in the country.

"With higher temperatures expected during the El Niño, we anticipate increase in electricity demand. We therefore call on our customers to be mindful of their consumption and to practice energy efficiency, which will also help in managing their electricity bills," Meralco Vice President and Head of Corporate Communications Joe R. Zaldarriaga said.

READYING THE DISTRIBUTION NETWORK

Meralco works relentlessly to ensure that its facilities are in good condition through regular maintenance activities, as well as upgrades and improvements to its distribution network.

Part of Meralco's infrastructure hardening efforts is replacing aging transformers and secondary lines as well as old post insulators to address capacity and loading-related concerns. Meralco crews also conduct regular trimming of trees surrounding distribution facilities to reduce the risk of falling branches and debris that could cause power interruptions.

The power distributor is also accelerating the commissioning of additional feeders to relieve critically loaded circuits, and distribution automation circuit segmentation efforts which are designed to minimize the number of affected customers during incidents of power interruptions.

To ensure timely response to possible electricity service concerns that may arise during El Niño, Meralco has sufficient inventory of line materials for regular maintenance activities and has also increased the stock of commonly used materials for power restoration activities. The distribution utility is also prepared to increase the field deployment of personnel and crews to attend to customer concerns.

DEMAND-SIDE MANAGEMENT

Just like during the dry season when temperatures rise and consumption spikes, demand-side management plays an important role in managing a tight supply situation.

As a contingency measure, Meralco continues to encourage more businesses and industrial establishments to participate in the government's Interruptible Load Program (ILP), which supports demand-side management during periods of tight power supply.

Under the ILP, participating large-load customers use their own generator sets or temporarily shift their operations instead of drawing electricity from the grid when needed. This helps free up available power supply for other customers, particularly households, during Red Alert conditions or when available supply is insufficient to meet demand, helping reduce the risk of power interruptions.

Meralco is also empowering its customers with energy efficiency knowledge and tools that they can use not just during El Niño but all year long:

AIR-CONDITIONING UNITS

- Optimize temperature setting. The Department of Energy (DOE) recommends a 25°C setting for aircon units. For every one degree lower in thermostat setting, savings may reach up to 5% to 7% of total aircon operating cost.
- Observe proper maintenance. Check refrigerant and air ducts for leaks. Clean evaporator filters and condenser fins regularly. Follow the prescribed maintenance schedule of your aircon unit.

REFRIGERATORS



- Don't overfill: A refrigerator operates at peak efficiency when optimally filled. Keep the refrigerator full to at least two-thirds capacity. Do not overload to allow for proper air circulation of the cool air inside.
- Store food properly: Do not put hot food in the refrigerator. Storing hot food can cause the appliance's compressor to work harder to reach the desired cooling temperature.

LIGHTING

- Utilize natural light. Use natural light when and where possible. Turn off lights when not in use.
- Go LED. Replace inefficient lighting systems such as incandescent bulbs with light emitting diode (LED) lights.

WASHING MACHINE

- Optimize use. Maximize the operation of your washing machine by washing at full to near-full loads. Refrain from overloading the washing machine as it will reduce the cleaning action and water circulation
- Refrain from over washing. Do not over wash clothes by following the appropriate washing machine settings for the type of fabric vis-à-vis load

"Through simple energy efficient practices, we can help ensure reliable service while promoting sustainability and resilience in the face of both seasonal and global challenges," Zaldarriaga said.

Aside from energy efficiency tips, Meralco also empowers its customers to better manage their electricity use with the help of the Appliance Calculator available in the My Meralco App which provides information about the power consumption and cost of using different appliances.

Customers can report their electricity service concerns through the My Meralco app or through Meralco's official social media accounts on Facebook (www.facebook.com/meralco) and X (@meralco). They may also text their concerns to 0920-9716211 or 0917-5516211 or contact the Meralco Hotline at 16211.





MERALCO APPLIANCE CALCULATOR



Suzuki e Vitara: When the familiar meets what's next

FOR drivers who have been behind the wheel of conventional vehicles, moving to an electric vehicle may come with questions. What will it feel like to drive? How different will the experience be? For SUV owners, will an electric vehicle still deliver the practicality and versatility expected from an SUV?

The Suzuki e Vitara seeks to prove electric mobility does not mean leaving behind the things you already value in an SUV. At first glance, the e Vitara makes its electric identity clear. Its bold exterior, distinctive lighting and modern design give it a character that is unmistakably forward-looking. Yet, behind it is the familiar versatility of an SUV.

The cabin combines a modern digital cockpit with practical features designed around the driver and passengers. The commanding seating position gives you a clear view of the road, while the spacious and thoughtfully designed interior makes traveling feel comfortable.

The e Vitara's electric powertrain delivers smooth, responsive acceleration, while the absence of the usual engine noise creates a quieter driving experience. This can be a new sensation that can become natural in the long run.

When it comes to energy, instead of making a routine trip to a filling station, charging becomes another part of vehicle ownership. For those with access to home charging, plugging in can become as familiar as charging any household devices.

The arrival of the e Vitara does not change what Suzuki has always offered drivers. It simply adds another choice for those who want to explore a different kind of mobility. The e Vitara is for drivers who want to experience electric mobility while continuing to enjoy the confidence, practicality and versatility associated with an SUV.



MPIF strengthens 13-year partnership with Del Carmen to advance mangrove conservation in Siargao

Metro Pacific Investments Foundation (MPIF), the social development arm of Metro Pacific Investments Corporation, has reaffirmed its commitment to protecting Siargao's coastal communities by signing a Memorandum of Agreement (MOA) with the Municipality of Del Carmen to enhance the Mangrove Protection and Information Center II (MPIC II).

Signed during the municipality's 106th founding anniversary celebration, the agreement includes approximately ₱1.219 million in financial assistance to improve the facility, building on 13 years of collaboration between MPIF and the local government to protect the island's mangrove ecosystems.

Del Carmen Municipal Mayor Alfredo M. Coro II, MPIF President Melody Del Rosario, and JZL Builders & Enterprises representative Jay Russell Lidres sign the MOA to improve the MPIC II in Del Carmen, Siargao.

The signing followed the State of the Municipality Address (SOMA) of Del Carmen Municipal Mayor Alfredo M. Coro II and was accompanied by a ceremonial cheque turnover.



Del Carmen Municipal Mayor Alfredo M. Coro II, MPIF President Melody Del Rosario, and JZL Builders & Enterprises representative Jay Russell Lidres sign the MOA to improve the MPIC II in Del Carmen, Siargao.

The partnership began 13 years ago when MPIF and the Municipality of Del Carmen collaborated to establish what the Foundation described as the first and only mangrove center in Mindanao. Since then, their shared commitment has focused on protecting coastal communities, preserving marine biodiversity, and sustaining local livelihoods.

Since 2013, the Foundation has extended an estimated amount of ₱11.7 million in support to Del Carmen, covering the development and improvement of conservation facilities, allowances for local mangrove eco-guides, and recovery assistance following Typhoon Odette.

"Protecting our mangroves is not just planting trees. It is about protecting lives, livelihoods, and the future of our communities," said Melody del Rosario, MPIF President.

With the improvement of MPIC II, MPIF hopes to create more opportunities for students, residents, and visitors to learn about the importance of mangrove conservation. The facility is envisioned as a hub for environmental education, community participation, research, and knowledge sharing.

At the heart of these efforts are local communities who help care for Del Carmen's mangroves. MPIF continues to support three local mangrove eco-guides through monthly allowances, recognizing their role in sharing environmental knowledge and encouraging others to take part in protecting the island's natural resources.

Del Carmen Municipal Mayor Alfredo Matugas Coro II underscored the municipality's commitment to sustainable development.

"Our next 15 years are all about ensuring sustainability and equitable growth," said Mayor Coro II, emphasizing the importance of balancing development with environmental protection.

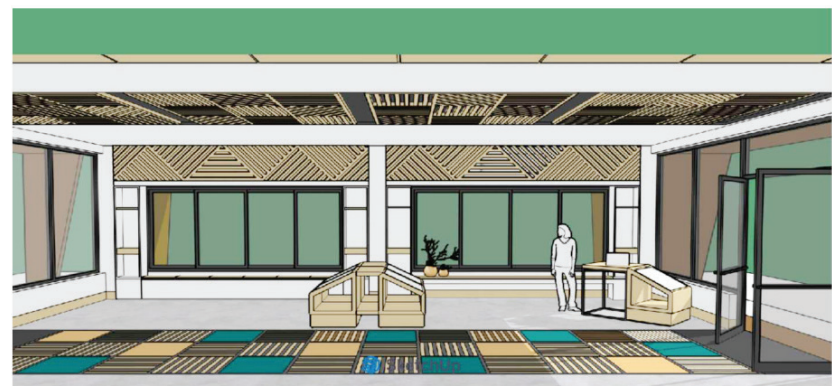
For MPIF, the agreement is not simply about improving a facility, but about sustaining a partnership that continues to create opportunities for communities to learn, participate, and take ownership of conservation efforts.

"In development work, it is easy to launch a project. What is more important and more challenging is to sustain it, nurture it, and ensure that it continues to create value long after the launch," MPIF President del Rosario added.

Through its continued partnership with Del Carmen, MPIF aims to strengthen mangrove conservation efforts, promote environmental education, and support long-term protection of Siargao's coastal ecosystems.



MPIF formally turns over ₱1,219,145.25 in financial assistance to the Municipality of Del Carmen to support the improvement of MPIC II, reinforcing their 13-year partnership in mangrove conservation.



A look at the proposed interior improvements of MPIC II in Del Carmen, Siargao, with support from MPIF.



A look at the proposed exterior improvements to MPIC II in Del Carmen, Siargao, with support from MPIF.

REAL COSTS | FROM E03

electrical systems, waterproofing, doors, windows and ventilation are among the areas that can reveal defects. Significant issues can warrant professional inspection and documentation before acceptance.

Testing the deal against reality

For buyers purchasing a home for personal use, financial return is not necessarily the only consideration. Location, convenience and suitability to the household can have value that does not appear in a rental-yield calculation.

For investors, however, projected appreciation needs to be separated from measurable market fundamentals.

That means looking at actual rents, vacancy, comparable transactions, competing projects and the costs of maintaining and managing the property.

Metro Manila's residential market illustrates why location alone does not guarantee demand. Colliers reported that Metro Manila's residential vacancy rate rose to 25 percent in the third quarter of 2025, driven in part by oversupply in the Bay Area, where vacancy exceeded 50 percent. Meanwhile, vacancies in the Makati Central Business District, Rockwell Center and Ortigas Center remained below 15 percent.

The differences show why a property's investment prospects cannot be determined simply by its proximity to a major business district or a planned infrastructure project.

Tamayo's framework is to test the assumptions behind the purchase: whether expected rental income is realistic, whether comparable properties support the valuation, whether promised infrastructure is actually progressing and whether the investment remains viable if rents fall, vacancy rises, interest rates increase or a project is delayed.

"Buy based on verified fundamentals, and treat future appreciation as potential upside rather than a guaranteed outcome," he said.

There are also circumstances in which the risks become difficult to justify, including unresolved ownership or title concerns, missing regulatory approvals, material misrepresentations, unexplained changes to contractual terms or project delivery, serious physical or environmental problems and financial commitments that no longer fit the buyer's capacity.

For installment buyers, the Maceda Law provides certain protections under specific conditions, but its application depends on the circumstances and the terms of the transaction. Buyers considering cancellation of a significant purchase may need to review the reservation agreement or Contract to Sell and obtain legal advice where rights are disputed.

Ultimately, a home purchase involves more than agreeing on a price. It combines a household's capacity to carry the property, the legal and physical condition of the asset, the reliability of the surrounding market and the reasons for buying it in the first place.

"The most expensive mistake in real estate is not always walking away from a promising deal. Sometimes, it is proceeding with a bad deal simply because one has already invested too much to turn back," Tamayo said.

TRANSITION | FROM C02

quarter of 2026, extending the project's productive life from 2027 to 2034.

If delivered as planned, the additional gas from Malampaya could help sustain domestic supply and reduce the pressure to rely on imported LNG.

Petroleum reserve still needs fuel

The country's vulnerability to global oil shocks has also prompted the government to establish a strategic petroleum storage system.

The proposed reserve will enable the country to maintain fuel stock for use during supply disruptions. The plan, however, poses a tough challenge: building storage capacity is just the first step; filling it up and maintaining the stock is the bigger issue.

During a Senate Committee on Energy hearing on October 15, Philippine National Oil Co. (PNOC) Deputy Manager Antonio Buenviaje said land development for the planned government-owned reserve facility had been completed.

The project is targeted to have its first tank by the end of 2027. A total of six tanks are planned to be completed by 2028, with a total storage capacity of 1 million barrels.

The government has sought ₱8 billion for the facilities, but that amount does not cover the cost of the fuel inventory. Buenviaje said PNOC was discussing possible arrangements with international oil companies, including Saudi Aramco, to place or supply fuel in the planned storage facilities.

Buenviaje said the mechanisms for using the government stockpile were included in bills pending at the House of Representatives and the Senate supporting the establishment of the strategic fuel reserve.



A solar-powered electric vehicle (EV) charging station at the Senate of the Philippines building in Pasay, inaugurated on Jan. 26, 2026. | Photo credit: PNA

Energy efficiency

The DOE has been promoting energy management and professional certification through its energy management initiatives.

"Energy efficiency ultimately depends on people who know where energy is being wasted, how those losses can be addressed, and how savings can be sustained," Garin said.

The emphasis on efficiency adds another dimension to the energy transition. New generation projects take time to develop, while improvements on how buildings, facilities, and businesses use electricity can help reduce unnecessary consumption.

SUPER EL NIÑO | FROM C01

Despite these challenges, Balao said retaining customers is a greater concern for business owners than rice shortages and price increases.

"As business owners, we are more worried about losing our customers than rice shortage and price increases. Customers will buy whatever the price because rice is part of our daily living," she said.

She stressed that businesses depend on customers to survive, adding that losing them is one of the reasons some businesses fail. Even when customers can no longer afford to buy a full sack, smaller purchases continue to sustain the business.

"Even though we have many challenges like rice shortages, price increases, transportation increases, Filipinos definitely continue buying even 1 kilo a day, and each kilo is still important to our business," Balao said.

As Balao Rice Trading prepares for 2027, maintaining consistent rice quality remains important alongside managing costs and securing supplies.

For the business, the challenge is to keep serving customers while navigating the uncertainty of price trends, preparing inventory carefully and preserving the trust that helps sustain its operations.

PAGASA said Bulacan is among the provinces that will be hit hard by "dry conditions" in November. This means Bulacan will experience two consecutive months of below-normal rainfall, or up to a 60-percent reduction.

Be that as it may, Bulacan may still be considered fortunate, with more provinces--four in the Bicol Region--expected to be hit by the "drought" from November this year to April 2027.

FINANCIAL MARKET | FROM E03

ending the year at P61 to P62 per dollar and the PSEi at 6,500 to 7,000 points. His inflation forecast is 6 to 7 percent, with the BSP policy rate at 5.5 to 6 percent.

Defensive sectors

The uneven market backdrop is also shaping views at the individual-stock level. Ron Acoba, chief investment strategist of Trading Edge, expects intermittent relief rallies through the remainder of 2026 and much of 2027. However, he said elevated bond yields, high interest rates, inflation, oil prices, sluggish economic growth and weak earnings could continue to weigh on the market.

He favors defensive sectors, particularly telecommunications and consumer essentials, which may be relatively resilient when households and businesses face economic pressure. Acoba also identified Puregold Price Club Inc. as a company to watch.

The emphasis on defensives reflects a market where investors may increasingly discriminate between companies rather than simply buy the broader index. Even companies selling essential goods or providing recurring services can face higher operating costs, weaker consumer spending or pressure on profit margins.

Acoba advised investors against aggressive buying simply because share prices have declined. He recommended maintaining liquidity, focusing on companies with sound fundamentals and monitoring changes in earnings expectations.

Higher rates weigh on bond market

The pressure is not confined to equities. Government securities are also reflecting the market's reassessment of inflation and interest rates.

Treasury bill yields increased at the Bureau of the Treasury's October 19 auction. The Treasury awarded ₱44.23 billion in bills against a ₱45-billion offer, with average yields of 5.992 percent for 91-day bills, 6.229 percent for 182-day bills and 6.444 percent for 364-day bills.

At the October 20 bond auction, investors submitted ₱27.58 billion in tenders for a reissued Treasury bond against a ₱30-billion offer. The Treasury accepted ₱21.38 billion at an average yield of 7.83 percent. The bond had an original tenor of 20 years, with about 4.8 years remaining.

Ricafort said bond yields have continued to increase as geopolitical tensions in the Middle East, higher oil prices and peso weakness fuel inflation. He also said further US Federal Reserve rate hikes could be matched by the BSP to manage inflation and stabilize the peso.

The market is also contending with a global bond selloff, Ricafort said, as investors demand higher yields amid concerns over persistent inflation and rising government borrowing requirements.

The BSP on October 22 raised its target reverse repurchase rate by 50 basis points to 5.50 percent. The overnight deposit facility rate was raised to 5 percent, while the overnight lending facility rate increased to 6 percent.

A more uneven 2027

The outlook becomes somewhat more constructive in 2027, although analysts expect the recovery to be gradual rather than broad-based.

Peña-Reyes said inflation could eventually ease if energy and food prices stabilize, but supply-side risks remain. The government's latest assumptions put 2027 inflation at 4 to 5 percent.

"The peso could stabilize or recover modestly if the US dollar weakens, oil prices decline, and foreign investment improves," Peña-Reyes said. "However, a persistent external deficit and strong dollar demand could limit appreciation."

He expects the PSEi to have room for a gradual recovery if domestic growth strengthens, corporate earnings improve and interest-rate expectations become more favorable.

Limlingan sees the benchmark index consolidating at around 6,400 to 6,700 points in 2027. He said lingering high interest rates, domestic headwinds and continued foreign capital outflows could limit gains.

"Overall, it's a moving target and revising the 2027 index target could change overnight depending on how geopolitical developments unfold," Limlingan said.

Ricafort's 2027 projections are more bullish, with GDP growth seen at 5.3 to 5.5 percent, the peso at P61.50 to P62.50 per dollar at year-end and the PSEi at 7,000 to 7,500 points. He expects average inflation at 4.5 to 5.5 percent and the BSP policy rate at 6 to 6.5 percent.

Peña-Reyes said the key indicators to watch are inflation, BSP and Federal Reserve decisions, oil prices, foreign investment flows, corporate earnings and government efforts to restore confidence and accelerate productive investment.

"All told, 2027 could be a year of gradual market stabilization rather than an immediate, broad-based recovery," he said.

EVOLVING | FROM E03

range, a fitness gym and a lap pool.

Linear greenways connect residential areas, with landscaped spaces, acacia lawns, pebble walks and gardens incorporated into the community.

Homes designed for changing needs

The residential offerings include townvillas under The Marina collection and single-attached homes under The Coral series.

The units include carports provisioned for electric-vehicle charging, perimeter fencing and gates, study rooms, second-floor master balconies and open-plan living areas that can accommodate home offices or changing household needs.

Cerulean forms part of Century Properties' expansion into horizontal housing beyond its traditional concentration on vertical residential projects. Its location, house-and-lot formats and combination of residential and recreational amenities position the development within the growing suburban housing market in Cavite.

PUBLIC SPENDING | FROM C03

infrastructure, the results matter beyond the legal process. Public funds allocated for flood control are intended to protect lives, homes, livelihoods and economic activity. Their effective use is therefore a public-service concern as well as a question of governance.

More than a year after the controversy drew national attention, the filing of court cases and introduction of transparency measures represent developments in the government's response. Whether these efforts amount to meaningful progress will depend on what follows: fair and timely proceedings, evidence-based accountability, recovery of public funds and reforms that help ensure infrastructure projects deliver their intended benefits.

The test is not simply whether the investigations continue, but whether they produce verifiable results that strengthen public oversight and help prevent the misuse of government funds in the future.

Aging with grace: Gary V's enduring legacy at 62

BY ROBERT REQUINTINA

TWO years after shifting his focus to more intimate concerts, Gary Valenciano—known to millions as Mr. Pure Energy—remains a force in Philippine music.

Now 62, Gary takes center stage this October with a 10-night concert series, "Back At The Museum," at Greenhills' Music Museum, delivering the same electrifying performances that have endeared him to generations of fans. But beyond the music and the moves, Gary's authenticity and resilience continue to set him apart.

Defying Age and Industry Expectations

In an entertainment world obsessed with youth and appearances, Gary stands out by embracing who he is. While many peers turn to facial treatments and stem cell therapies, Gary steers clear—choosing faith, discipline, and holistic wellness instead.

"My health is okay. I do regular checkups. My health is good. If it weren't good, I wouldn't pursue it," he told the media in a recent press conference.

His candidness about his well-being, honed over years of managing diabetes and surviving cancer, is as much for his audience as it is for himself.

"I never want people to see me when I am not okay because I am tired. I want to give the audience the best performance they expect from me, more than what they paid to see."

For Gary, authenticity is non-negotiable. He avoids cosmetic interventions not only because of health concerns—such as the risk that stem cell therapies might trigger dormant cancer cells—but also because he believes that true energy is born from within.

"No, I haven't had any procedures on my face. I am a Type 1 diabetic... I have not done any stem cell treatments because I am a cancer survivor."

Intimacy Over Scale

Gary's decision to stage his latest concert series at the Music Museum reflects a deepening commitment to connection. "There's less traffic here in Greenhills compared to venues with crowds of 10,000 to 15,000. I've realized more people would rather attend intimate shows," he shared.

While open to guesting in larger arena events, he prefers the closer interaction and honesty that smaller venues enable. His approach to performing has evolved with age and wisdom.

"I don't do back-to-back concerts anymore because the body can only do so much... I want to give the audience the best performance they expect from me. More than what they paid to see."

Faith and Purpose at the Core

After surviving multiple health battles and the pressures of show business, Gary draws strength from his faith. "I've realized I am just human. But I've also realized that nothing is impossible if you allow Him to be your strength," he reflected.

For Gary, longevity in entertainment is not just about endurance, but about purpose, gratitude, and giving his all—every single night.

His ongoing "Back At The Museum" series is not just nostalgia; it's a celebration of artistic resilience and reinvention.

Whether recording new music, launching his "Unshaken With Gary V" podcast, or performing live, Gary's passion and faith remain the true sources of his undiminished energy.

Looking Forward: New Projects, New Connections

Gary's plate is far from empty. He plans to tour the Philippines, emphasizing smaller, more personal venues.

Despite physical changes that come with age, Gary's commitment to excellence—and to honesty with his audience—remains unshaken.

A key part of his mission now is connecting with the youth. Through his advocacy, "Face to Face," Gary visits universities to motivate and inspire students, sharing hard-earned wisdom about overcoming challenges and pursuing purpose.

Asked to sum up his journey, Gary offered a single word: "blessed." For him, success in music and in life is about more than fame or flawless appearances—it's about impact, authenticity, and a grateful heart.

As he continues to perform, mentor, and inspire, Gary Valenciano proves that real energy—pure energy—comes not from a bottle or a procedure, but from a life lived with passion and purpose.

'Filipiñana' begins Oscar campaign

BY ROBERT REQUINTINA

RAFAEL Manuel's "Filipiñana" has been selected as the Philippines' official entry for the Best International Feature Film category of the 99th Academy Awards.

A Committee of Filipino film industry experts, approved by the Academy of Motion Picture Arts and Sciences (AMPAS) and convened by the Film Academy of the Philippines (FAP). The Committee reviewed eight films and evaluated them based on artistic merit, cultural relevance, and international campaign potential.

In selecting "Filipiñana," the Committee considered the film's integrity, the producers' commitment and capacity to meet the Oscars campaign requirements, and the film's ability to embody the pride of Philippine cinema.

The Committee also recognized the film's strong visual style but, more importantly, its incisive examination of class, power, labor, and social realities, as well as its growing international profile.

Director-General Paolo Villaluna congratulated the team behind "Filipiñana" on the Committee's selection.

"The film offers a visually distinct and controversial portrait of the Filipino experience: through the eyes of a young Filipina at an elite country club, the film exposes the structural violence, class disparity, and post-colonial inequities that persist even now beneath a meticulously manicured surface of privilege. Its growing international critical recognition affirms both its artistic merit and its capacity to carry a Filipino story rooted in universal questions of power, identity, and survival to a global audience. The Film Academy will work closely with the 'Filipiñana' team throughout the Oscars campaign, providing the support they need and making the most of this opportunity for Philippine cinema," Villaluna said.

Lead producer and Epicmedia Productions Inc. COO Bianca Balbuena thanked the team for the opportunity to represent the Philippines and reaffirmed the team's commitment to the Oscars campaign.

"We've been working hard since Sundance and Berlinale. We have the support of Oscar winners- Film4 (Zone of Interest, Poor Things) and US distributor Kino Lorber (Mr Nobody Against Putin). In New York, it is Film Forum's biggest opening-weekend performer of the decade and has risen 141% in its second week at the US box office. Our UK distributor BFI will release the film in UK theaters in November. I hope all this awareness and acclaim can take us far. It is a steep climb to the shortlist, but we are a whole village, and we'll be toiling tirelessly," Balbuena said.

Set within the self-contained world of an elite country club outside Manila, "Filipiñana" follows 17-year-old Isabel, a young woman from rural Ilocos who works as a "tee girl," lining up golf balls for the club's wealthy members.

Isabel becomes fascinated by Dr. Palanca, the club's president, but as she uncovers the violence beneath the club's pristine surface, she discovers her seemingly innocent fascination is tied to a darker shared history.

The film uses the enclosed world of the country club to examine the tensions between privilege and labor, wealth and inequality, and the structures that allow social hierarchies to endure.

Manuel said these concerns also extended to how "Filipiñana" was made, with the production team deliberately seeking a healthier working environment for the cast and crew, particularly below-the-line workers who often bear the pressure of rushed, compressed shooting schedules.

"By representing the Philippines in the Oscars, hopefully "Filipiñana" also represents how healthier production processes are a viable economic and artistic route for making a film that can compete at the highest levels," Manuel said.

The film stars Jorrybell Agoto, Carmen Castellanos, Teroy Guzman, Carlitos Siguion-Reyna, Isabel Sicat, and Nour Houshmand.

Agoto said the selection carries both honor and responsibility for the cast and the film, adding that "we will work hard to represent the country well. This film portrays a different side of the Philippines, a different kind of what our cinema is and what it can be."

"Filipiñana" made its world premiere in the World Cinema Dramatic Competition of the 2026 Sundance Film Festival, where it received the World Cinema Dramatic Special Jury Award for Creative Vision.

The film subsequently had its European premiere in the Perspectives section of the 76th Berlin International Film Festival. It has also screened at the San Francisco International Film Festival, where it received the New Directors Award, and at the Independent Film Festival of Boston, where it won the Grand Jury Prize for Best Narrative Feature. It was also awarded the Luna de València for Best Feature Film at the Cinema Jove International Film Festival.

Its international distribution has continued to expand. Kino Lorber acquired North American distribution rights following its Sundance recognition, while BFI Distribution acquired the film for theatrical release in the United Kingdom and Ireland.

Kino Lorber CEO Richard Lorber reaffirmed the distributor's commitment to the film's campaign, adding that "we have been supporting the film via publicity, marketing, and advertising throughout its theatrical release and already have plans in place to transition that support into a successful Oscars campaign. With the quality and appeal of 'Filipiñana,' I strongly believe it can go the distance."

As the Philippine entry, 'Filipiñana' now begins its campaign for consideration in the Best International Feature Film category at the 99th Academy Awards.

The 99th Academy Awards will be held on March 14, 2027, in Los Angeles.

Praise for 'Filipiñana':

"With stunning visual command and sensitivity to the setting, the filmmaker thoughtfully evokes a world where characters languish. Through its static form, the filmmaker highlights the insidious tension between luxury and labor..." - Sundance Film Festival Jury

"Its scenes are finely composed and precisely staged yet fluidly energetic. They are exemplary in their sensory beauty, in the delicately understated (and thus all the more powerful emotions) they embody, in the world they conjure, in the analytical insight they unfold. With 'Filipiñana,' Manuel opens new vistas in the future of the cinema." - Richard Brody/New Yorker

"A poised, potent study of power and corruption. ... 'Filipiñana' is a film of great formal poise that hides a discourse about power, patriarchy, corruption and violence beneath a placid surface of sprinklers, golf carts and obsessively tended greens. A rich, densely cinematic film." - Lee Marshall/ Screen International

Established in 1981, the FAP serves as the umbrella organization for film professionals in the Philippines, tasked with promoting the welfare, training, and representation of film industry professionals.

Recognizing cinema's cultural significance and economic contribution, and seeing a need to modernize the Film Academy's role, President Ferdinand Bongbong Marcos signed Executive Order No. 70 s. 2024, "promoting the development of the Philippine film industry, strengthening the Film Academy of the Philippines," turning it into a government agency and underlining the national government's commitment to champion cinema and the creative industries.

The revamped Film Academy focuses on key initiatives: supporting industry professionalization, skills development, labor and welfare benefits, film awards and recognition, and strategic support for Oscars and international recognition.

By developing and protecting its workforce, the Film Academy aims to improve Philippine industry practices and skills and make it the leading audiovisual soft power in Southeast Asia.



STRONG ECONOMY | FROM F03

The condominium market shows why economic activity and property demand can diverge.

Colliers reported that Metro Manila's condominium vacancy rate reached 25 percent in the third quarter of 2025, while vacancy in the Bay Area exceeded 50 percent. Makati Central Business District, Rockwell Center and Ortigas Center, by comparison, recorded vacancy rates below 15 percent.

Sustainability and affordability test

For Tamayo, the distinction between sustainable demand and speculative activity is central to evaluating a property market.

"I distinguish a sustainable property market from a speculative one by asking a fundamental question: Will people still want and be able to occupy, rent, or purchase these properties even if land prices stop increasing?" Tamayo said.

Samuel similarly said sustainable markets are characterized by end-users rather than investors holding units for resale, committed infrastructure rather than projects that have only been announced and demographics capable of absorbing the properties being built.

He also cautioned that rising land prices without corresponding growth in incomes or rents can indicate speculative activity.

Affordability is particularly important in cities where economic activity attracts workers who cannot afford housing in the same market.

Developers may need to consider smaller or more efficient units, phased launches and rental or rent-to-own options, Samuel said. Nearby municipalities can also become suburban housing hubs, but only if transport, utilities, schools and health facilities keep pace with population growth.

Colliers reported nearly 30,000 unsold ready-for-occupancy condominium units across Metro Manila at the end of 2025. The firm also reported improving absorption during the year, led by the mid-income segment.

"The answer is the alignment between the property product and the needs of its target market," Tamayo said. "A smaller city or district may attract stronger demand for affordable housing because it offers a better price-to-income ratio, or for warehouses because it provides better road access and logistics facilities," Tamayo said.

Where the next opportunities may emerge

Beyond the largest economies, Samuel identified Mandaluyong, San Juan and Marikina as locations with potential because of their links to employment centers, established business activity and existing support facilities.

Mandaluyong's position between Ortigas and Makati is a particular advantage, he said.

Improved connectivity could further expand the catchment areas of these locations as the Metro Manila Subway and additional rail projects are completed. But Samuel said sustained business demand will also depend on accessibility, the cost of doing business, utilities, permitting, local taxes, governance and planning.

Looking three to five years ahead, Samuel expects Quezon City to have some of the strongest development potential among the five largest NCR economies.

He cited its economic scale, large and stable population, infrastructure improvements and available land for redevelopment. He also identified infrastructure delays, higher business costs, political instability and weak planning as risks that could alter the outlook.

For developers and investors, the distinction between economic output and property demand comes down to whether economic activity produces enough buyers, tenants and occupants for the properties being developed.

"The fundamental principle is that economic activity creates the potential for property demand, but affordability, accessibility and actual occupancy convert that potential into a viable market," Tamayo said.

SUPER EL NIÑO | FROM C03

PAGASA has developed localized climate projections and its CliMap platform, which provides historical climate data and localized projections down to the municipal level.

The agency also cautioned that El Niño's generally warmer temperatures and below-normal rainfall do not rule out localized heavy rainfall, particularly in the western parts of the country, due to the southwest monsoon and active tropical cyclones.

PAGASA said the Habagat season officially closed on October 5, marking the end of the rainy season over the western sections of Luzon and the Visayas.

As the country prepares for the projected "Very Strong El Niño," the outlook presented by Adriano and BFAR highlights concerns over dry-season palay production, possible commodity shortages, changing marine fish distribution and the risk of fish kills.

Both agriculture and fisheries preparations will be important in addressing the challenges identified for 2027, with Adriano warning of potential rice supply concerns and BFAR outlining measures intended to help fisherfolk and fish farmers cope with the expected conditions.

PUBLIC SPENDING | FROM C03

grew 2.3 percent year on year in the second quarter of 2026, while gross capital formation declined by 9.2 percent.

The World Bank projected Philippine growth of 3.7 percent in 2026, citing policy uncertainty that had reduced fixed investment, affected private-sector confidence and lowered foreign direct investment, alongside higher global energy prices. It also identified clearer infrastructure governance as important to restoring investor confidence and supporting public and private investment.

These indicators reflect economic pressures facing the country, but they do not establish that corruption alone caused slower growth or weaker investment. The relevance of the flood-control investigations to the economy lies in whether government spending delivers reliable infrastructure, strengthens confidence in public institutions and supports economic activity.

As the investigations proceed, the administration's progress will increasingly be judged by outcomes that the public can independently assess.

Manhit said the public should look at how many cases reach prosecution, how many are resolved, how much public money is recovered, how many questionable projects are corrected or stopped, and what reforms are implemented to prevent similar irregularities.

He also stressed that accountability should be reflected in the quality of public infrastructure and in the daily lives of Filipinos.

"Ultimately, accountability is not just about identifying corruption; it is about ensuring that taxpayers' money translates into roads, bridges, flood-control systems and other public infrastructure that actually work," he said.

Alviar also called for measurable indicators across procurement, fiscal management and judicial performance. He recommended accelerating digitization across public procurement, government services, tax administration and licensing to reduce discretionary human intervention. He also urged stronger oversight of public spending, including unprogrammed funds and confidential and intelligence funds, and called for the Commission on Audit to be protected in carrying out its mandate.

"Furthermore, true accountability requires more than just jail sentences for corrupt officials; the government must systematically recover ill-gotten assets and restore them to the public treasury," Alviar wrote.

By 2027, the public could assess progress through the status and resolution of cases, convictions supported by evidence, funds actually returned to the Treasury, improvements to defective or incomplete projects and the implementation of procurement and oversight reforms. Asset recovery figures should distinguish between money frozen, assets preserved, amounts ordered returned and funds actually recovered by the government.

These measures would help determine whether investigations have led to consequences under the law and whether the government has addressed weaknesses in the systems responsible for public spending. They would also help establish whether greater transparency is translating into stronger oversight and more reliable infrastructure.

For households exposed to flooding and communities that depend on public

PUBLIC SPENDING | G03

Alagang Ayala advances social infrastructure to power nation-building and business growth



Ayala Corporation is putting greater focus on social infrastructure, bringing together platforms in healthcare, education, community development, and sustainability to support human capital while strengthening its presence in sectors with strong, sustained demand. The move underscores a push to scale essential services and aligns business growth with evolving needs in human capital and access.

Ayala Chairman Jaime Augusto Zobel de Ayala framed the role of the private sector during the recent InvestPH 2026 panel organized by the Philippine Stock Exchange, saying public-private partnerships can broaden private participation and allow government to direct more resources to education and health.

"If you look at how countries move forward, there are three basic pillars. Number one is education, for the future. Number two is making sure citizens are healthy. Number three is ensuring that they earn an income," Zobel de Ayala said.

That perspective is now being brought together under Alagang Ayala, the Ayala Group's social infrastructure platform. Ayala believes that by aligning business capabilities with community needs, social infrastructure can create shared value that expands opportunity and advances inclusive progress.

"While continued investment in physical infrastructure is important, we must invest just as intentionally in the social foundations that make thriving possible. Alagang Ayala reflects our conviction that infrastructure must also build people—and, in turn, help build a stronger and more prosperous nation," said Ayala Corporation Chief Social Infrastructure Officer Paolo F. Borromeo.

Ayala's healthcare platform, AC Health, was established in 2015 with a vision to help transform health for every Filipino.

Today, AC Health has touched the lives of more than 6.5 million Filipinos through its network of seven hospitals, 18 multispecialty centers, over 350 corporate clinics, and nearly 900 pharmacies under Generika Drugstore and St. Joseph Drug. Its integrated healthcare ecosystem also includes pharmaceutical importation and distribution businesses, IE Medica and MedEthix, which strengthen its portfolio of trusted healthcare products.

AC Health's integrated ecosystem gives Ayala a presence across different points of care-- from medicines and consultations to hospital services and specialized treatment--enabling Ayala to address the growing demand for quality and affordable healthcare across the Philippines.

Education is another major component, with iPeople serving as the group's platform for quality and workforce-relevant learning. A joint venture with the Yuchengco Group's House of Investments, iPeople includes Mapúa University, Mapúa Malayan Colleges, National Teachers College, APEC Schools and the University of Nueva Caceres.

Mapúa's expanded partnership with Arizona State University gives students access to globally benchmarked content, international pathways, AI-enabled education, and online learning options, supporting skills for a technology-driven economy.

National Teachers College, founded in 1928, was the country's first higher education institution to offer collegiate programs dedicated to teacher education and is among the Philippines' top producers of teachers and school administrators.

Ayala Foundation supports public education through its CENTEX programs. In San Marcelino, Zambales, its CENTEX Digital Education pilot reached more than 1,600 Grades 4 to 6 learners in nine public elementary schools. After 12 weeks, average math scores rose from 27 percent to 56 percent. The program is being expanded by DepEd Zambales to 60 schools, with at least 22,500 learners expected to benefit. The Foundation is also expanding its CENTEX Early Grades program, working with local governments, schools, and child development centers to strengthen teaching practices, engage parents, and improve learning outcomes for children ages 3-5 years old.

Across its community development programs, the Foundation helps communities build sustainable livelihoods and increase household incomes through integrated, place-based initiatives that improve access to education, health, financial inclusion, and basic services. It also mobilizes volunteers through its public volunteer platform, engaging more than 4,300 individuals who contributed over 129,000 volunteer hours in 2026 alone.

Ayala's sustainability and mobility platforms add another layer. Through ACEN's solar, wind, and geothermal projects, the Ayala Group supports access to clean, reliable, and affordable forms of renewable energy. ACEN currently has more than seven gigawatts of attributable renewable energy capacity. Borromeo cited Makati City's shift to renewable electricity through ACEN as one example of cleaner energy addressing energy security and costs.

Meanwhile, ACMobility is a prime mover in electrifying mobility in the country, building an electric vehicle ecosystem that includes EV distribution and charging infrastructure nationwide. Through this growing ecosystem, ACMobility is helping institutions and consumers alike transition to cleaner, more future-ready transport solutions. An example is Valenzuela City's shift of its police patrol fleet to electric vehicles which can help reduce emissions and lower operating costs as it serves the community.

For Ayala, the measure of Alagang Ayala will depend on how these platforms improve access, affordability, resilience and outcomes as they are scaled, while supporting businesses in areas important to national development.

