

PRESIDENTIAL COMMUNICATIONS OFFICE
News and Information Bureau

**MALACAÑANG PRESS BRIEFING HOSTED BY PRESIDENTIAL COMMUNICATIONS
OFFICE ASSISTANT SECRETARY DALE DE VERA WITH MAHARLIKA INVESTMENT
CORPORATION PRESIDENT & CEO RAFAEL CONSING JR. AND DEPARTMENT OF
ENERGY SECRETARY RAPHAEL M. LOTILLA**
JANUARY 28, 2025 [10:42 A.M. – 11:32 A.M.]

PCO ASEC. DE VERA: Magandang umaga, Malacañang Press Corps. Welcome sa ating press briefing ngayong araw, January 28.

Naging saksi si Pangulong Ferdinand R. Marcos Jr. sa paglagda kahapon ng Synergy Grid and Development Philippines Incorporated o SGP at Maharlika Investment Corporation sa isang kasunduan na magbibigay ng share sa pamahalaan sa SGP na may 40.2% ownership sa National Grid Corporation of the Philippines. Ito ang kauna-unahang investment ng MIC na inaasahang makatutulong sa pakikibahagi ng ating pamahalaan para mabigyan ng access ang mga Pilipino sa kalidad at murang kuryente.

At para bigyan pa tayo ng detalye patungkol dito, kasama natin ngayon si Maharlika Investment Corporation President and CEO Rafael Consing Jr. at Department of Energy Secretary Raphael Lotilla. Good morning, President Consing and Secretary Lotilla. Sir, may we ask for a short opening statement?

MIC PRES. & CEO CONSING JR.: Okay. Well, thank you. Good morning everyone and thank you for giving us the opportunity to be able to answer questions.

We have been looking at this investment for quite some time now and after months of negotiations, we finally been able to achieve our objective which is to get Synergy Grid and Development Corporation of the Philippines to accept our offer to acquire 20% interest in SGP which in turn, like what you said earlier, owns about 40% effective ownership interest in NGCP.

I'm happy to respond to detailed questions later, whatever question you may have. So, we're looking forward to this press conference. Thank you.

PCO ASEC. DE VERA: Secretary Lotilla?

DOE SEC. LOTILLA: Well, thank you very much. And thank you, President Consing.

So, this ... I would like to stress that the government investment in the transmission sector is part of the government's medium-term development plan. If you recall, the Philippine Development Plan, which was approved by the President even way before Maharlika Investment Fund was created, looks at the government investment in transmission sector as a desirable objective. Because then, through this, we would be able to achieve a more reliable and more secure as well as affordable supply of electricity.

And, that investment has now been realized with Maharlika Investment Fund investing in NGCP through the Synergy Grid of the Philippines. So, we look forward to realizing the goals that have been set out by the President for the energy sector. Thank you.

PCO ASEC. DE VERA: Thank you, Secretary Lotilla and President Consing. We're now opening the floor for questions from our media friends. Racquel Bayan, Radyo Pilipinas.

RACQUEL BAYAN/RADYO PILIPINAS: Sir, good morning po. Sir, when do we expect na ma-complete po iyong acquisition para maging ganap po iyong pag-upo natin sa two board seats? And after that, sir, sino po kaya from the government side iyong kakatawan sa government doon sa two board seat sa NGCP?

MIC PRES. & CEO CONSING JR.: We are hoping to be able to sign the transaction documents within 90 days and filling that, we have an extension of another 90 days so total of a 180-day maximum. As to who will represent us, at the moment that's not been decided yet so we'll defer to the wisdom of the board as to who will be appointed. Thank you.

RACQUEL BAYAN/RADYO PILIPINAS: Sir, can we get exact figures how much did the government shell out for the 20%, iyong NGCP? And, sir, I know it's too early to say pero regarding lang po sa return of investment, kung how much po kaya iyong ini-expect natin or iyon projected natin na makukuha dito sa shares na ito?

MIC PRES. & CEO CONSING JR.: Sure, thank you. So, the total proceeds will be about 19 billion pesos representing 20% of the SGP with an effective price of 15 pesos per—as an issue price rather, 15 pesos per preferred share. And, the preferred share will guarantee us with a six and a half percent dividend yield over the first three years wherein following which within those three years, we would then need to convert or we've got the option rather to convert to common shares. Filling which, the dividend rate would then rise to 8 percent.

PCO ASEC. DE VERA: Eden Santos, NET25.

EDEN SANTOS/NET25: Good morning po, secretaries. Good morning, sir. Tanong ko lang po, bakit po NGCP ang una nating investment? Papaano po ito makatutulong para sa pagkakaroon ng mababang presyo ng kuryente at sapat na supply, matatag na supply ng kuryente? Alam naman po natin na sa panahong ito, tuluy-tuloy po iyong pagtaas ng singil sa kuryente. Kung mayroon bang pagbaba, napakaliit lang bahagi po.

MIC PRES. & CEO CONSING JR.: Okay, salamat. So, iyong unang tanong po muna, bakit po NGCP. So, noong una pa po na na-setup/na-establish iyong Maharlika at na-appoint po ako, siguro nakita po ng lahat ang aming mga interviews na kung saan sinasabi ko na ang unang investment po namin ay magiging sa energy sector. Napakaimportante po iyan, energy security sits at the top of our priorities. We believe, and a study in fact has been made by the DOE which points at the conclusion that power precedes progress. And, what we want to be able to do is to pursue that to our investment and by being able to support NGCP in rolling out po iyong kanilang transmission grid infrastructure.

As to the second question which is paano maibababa ang cost ng kuryente. So, kung titingnan po nila, iyong cost po ng kuryente, marami pong pinanggagalingan iyan 'no. So, iyong transmission cost, isa po iyan sa mga cost na nagbubuo ng ating binabayaranang kuryente per kilowatt hour. Tama po iyong sinasabi na 3.1% lang po iyong contribution ng ... or the cost of basically paying for the transmission cost of power to the distribution utilities. Iyong ... the way NGCP can contribute to lower electricity is by ensuring that that rollout indeed happens. Because once you have got that transmission grid infrastructure being rolled out successfully, then you would have more power players that can in fact get onto the grid and provide supply to the grid.

And, obviously just like any commodity – as you've got more supply coming in, the present power will at some point in time will come down.

Second to consider, ma'am, is the composition of that supply of power. And so, at the moment, mayroon pong aim na abutin iyong 35% renewable power ng government by 2030 and 50% by 2040. And hopefully we can help achieve that, again, by supporting the rollout of NGCP because renewable power over the long term is in fact going to reduce the cost of power for everyone.

DOE SEC. LOTILLA: Ibig ko lang dagdagan iyong sinabi ni President Consing 'no. So, naalala ninyo iyong Mindanao-Visayas Interconnection Project ay natapos lamang nitong 2024 at ang epekto nito ay ang wholesale electricity spot market prices natin ay actually bumaba dahil natapos iyong interconnection. So, iyong ... just to give as an example, iyong reduction ng spot prices in Luzon was 1 peso and 99 centavos which is almost 2 pesos (P1.99); P1.77 in the Visayas and P1.30 per kilowatt hour in Mindanao.

So, just to show you that after a transmission project is finished, it can actually contribute to lowering prices because it addresses the constraints 'no, the transmission constraints that drive prices up. So, as we rollout more of these projects, then mas lalong walang balakid sa pag-supply ng kuryente. So, noon iyong Mindanao na mayroong 800 megawatts na extra or overcapacity ay ngayon nakapag-export na sa Visayas at Luzon ng 400 megawatts dahil natapos iyong proyekto.

So, iyon iyong contribution ng transmission sa direct ... one example of direct contribution sa lowering of rates. So, sa security of supply, dahil nga ang mga generation plants ay kung magpapatayo tayo ng bagong generation plant, titingnan nila iyong transmission development plan. Saan ba ang mga linya ng NGCP at kailan ito matatapos? So, iplano nila iyong construction ng kanilang generation plants para magkatugma sa schedule din ng NGCP. Kung hindi ito magkakatugma, nagkakaroon tayo ng stranded power; hindi nagagamit kahit tapos na iyong generation plant.

So, ang ating ekonomiya cannot afford such wasted power. And that's, again, a way of increasing the security of supply dahil nga on time iyong pagpasok ng bagong generation plants dahil nandiyan iyong transmission wires, nandiyan iyong substations of NGCP.

So, again, nagko-contribute rin ito sa reliability and resiliency dahil like nakita natin noon, iyong sa Panay, nagkaroon ng blackout. Pero dahil natapos na iyong transmission lines, iyong supply from Mindanao could go to Cebu, and from Cebu, go to Negros and Panay where they are needed.

So, that's just examples of how itong mga broad objectives ay makakamit natin kung magkaroon ng mas magandang pamamalakad at pag-i-expand ng transmission lines.

EDEN SANTOS/NET25: One lang po. Since nagsimula na po tayong pumasok sa investment, mag-invest ang Maharlika Investment Corporation, paano po natin matitiyak sa taumbayan na hindi po mapapasok ng korapsyon iyong pondo gaya po ng pangunahing nagiging pangamba po, ano, dito sa pondo na ito?

MIC PRES. & CEO CONSING JR.: Okay, good question po iyan 'no. So, in fact, kapag makita po nila iyong gagawin natin dito sa NGCP plant investment into SGP and NGCP, puro primary shares po siya – one hundred percent primary shares. Meaning, ang ibig sabihin po niyan is kapag primary shares po, lahat po ng capital na i-invest po natin, pupunta diretso sa kumpaniya para siya namang gamitin para pagsuporta sa rollout ng CAPEX ng NGCP.

CHRISTIAN YOSORES/RADYO 630: Good morning, sirs. To President Consing, sir: You were appointed November 2023, right, sir? Pero bakit po kaya umabot nang January 2025 tayo nakapag-secure ng first investment? Ano po iyong mga naging challenges sa MIC para ngayon lang po makapag-secure ng first investment?

MIC PRES. & CEO CONSING JR.: Actually, hindi naman po siya challenges 'no but rather, this is the process in terms of setting up an organization. When I joined po on November 3, 2023, we only had a law behind us. The board was appointed on December the 3rd, and our first board meeting occurred on January 3rd of 2024. And from January 3rd, it took us quite a bit of time in terms of setting up the organization, obtaining our approvals, writing our frameworks, drafting the charters, and basically ensuring that we've got in place a proper organization in order for us to be able to move forward. We received our authority to hire only in the latter part of July, and from then, of course, we had to choose the right people. And once we have identified also our investment, it took time for us to undertake, well, due diligence, our preliminary due diligence, for example, in SGP and other projects that we will announce after SGP.

So, it takes a bit of time in terms of looking for and executing these investments. So, I would not look at this as a delay but rather, it takes really that much time to undertake investments.

CHRISTIAN YOSORES/RADYO 630: One follow-up lang po. Iyong dito po sa deal po sa synergy grid, what made them say yes po sa naging offer natin to have 20% stake doon sa—

MIC PRES. & CEO CONSING JR.: I believe that both parties saw a compelling benefit for having, in fact, the government, well, a.) New capital coming in to help the rollout, and b.) To have, in fact, someone like Maharlika or an institutional investor to basically work with them in, again, achieving these rollout plans and vision of NGCP. So, I think that made a lot of sense for both.

CHRISTIAN YOSORES/RADYO 630: Last na lang po. So, sir, na-mention ninyo na energy security is top priority. After NGCP, may mga nakasunod na po bang mga other areas of investment na nilu-look forward po ang Maharlika investment?

MIC PRES. & CEO CONSING JR.: Yes, from energy perspective 'no, yes. So, in fact, before, you may have seen that we have announced, for example, an MOU with Mindoro and also with Palawan. So, if you step back, what are we trying to do? So, once we identified energy as our top priority, we've then decided to ask ourselves, which part of that energy ecosystem in fact requires the most numbers of investment, the biggest amount of investment and the highest impact? And that would be in the distribution lines. I don't mean utilities but rather, transmission whether it's grid, whether we're speaking of the grid infrastructure, or if we're talking about the secondary transmission grids in the islands.

You all familiar with the terms SPUG 'no, the Small Power Utilities Groups, there are about 34 of them. And roughly about 70% of that, of the subsidy that goes to SPUG, in fact, only goes to two SPUG – that would be Mindoro and Palawan. So, it tells you that there's demand, people currently are paying for the true cost of power because the demand for power there is beyond what the current NPC and capacity can provide. So, beyond that, they're in fact paying for the two costs of power.

So, there has been negligible investment in these areas over the past years, and we feel that investing in these island grids would in fact also spur development, but this time, driven by the

countryside. So, whether we're talking about the national grid or island grids, you see that it's basically the most important part of that entire electricity ecosystem.

DOE SEC. LOTILLA: So, don't forget the developmental aspects of the investments of Maharlika as well. Because here the islands of Mindoro and Palawan, for example, are among the faster growing island economies in the country. And the additional investments that can be made is going to unleash a lot of potential in these islands.

I like always to say that the town of Sablayan in Mindoro Occidental is bigger than even the entire province of Cavite. So, when we open up the ... when we complete, for example, the backbone, the circumferential backbone for electricity in the entire island, then we will be able to share the capacities throughout the entire island, and tap the renewable energy sources and more importantly, bring down the price of electricity being paid by the people in Mindoro itself, and reduce the subsidy that is being provided and paid for by the consumers in the on-grid areas of the country.

So, this is where all of these converge. President Consing has more to say about these things.

MIC PRES. & CEO CONSING JR.: You know, basically, I'm just supporting the point being made by the Secretary. So hence, Secretary, if I may quote a study, the conclusion of the study of DOE. You know, the DOE conducted a study before wherein they determined the impact of electrification in the rural areas. And it was determined there that if you provide a poor family, from zero to eight hours of electricity, it raises their propensity to generate income and expenditure of roughly about 14 to 15 percent. And if you raise that from eight to sixteen hours, it goes up by about a third. And if you raise that to 24 hours of electricity, it in fact goes by, rises by about 50%.

So, it tells you that power precedes progress and that's what we want to be able to help, catalyze and also enable in these particular SPUG areas.

PCO ASEC. DE VERA: Next question, Pia Gutierrez, ABS-CBN News.

PIA GUTIERREZ/ABS-CBN NEWS: Kay President Consing. Sir, you were talking about due diligence, did we consider before making the investment of the issues being faced by the NGCP right now especially in Congress particularly iyong mga allegations of violations of their franchise and especially with lawmakers even pushing the return of the control of the country's power grid to the government?

MIC PRES. & CEO CONSING JR.: Yes. So, we've taken preliminary due diligence following the signing or the acceptance for offer. We will then undertake deeper due diligence but that said we are aware of all these issues and we have considered that in our investment decision.

DOE SEC. LOTILLA: I just would like to add briefly that you know the country/the Philippines is unique and that it is congress that grants franchises directly to public utilities. So, that's the reason why we in the Department are happy that congress is taking an active role in discussions regarding the franchise not only of NGCP but of other public utilities in the energy sector as well is because it raises the quality of discussions and we are able to identify what are the things that we would need to do in order to help delivery on the part of the public utilities of their services to the public.

So, it's a continuing activity and I am happy to hear the intelligent discussions that are going on, questions are raised, there are answers that are given and we see this as a continuing healthy

process to improve the overall performance of our public utilities which are businesses affected with public interest.

PIA GUTIERREZ/ABS-CBN NEWS: Secretary, do you see this investment as the push needed para maayos na iyong mga franchise issues especially with all the issues in congress?

DOE SEC. LOTILLA: Well, at very least for example when Maharlika invest then it will have a view of what's taking place within NGCP and help come up with informed decisions. So, balancing the need for projects in order to spur development and the need also to have healthy returns/fair returns for the investor itself.

So, I think that it is good for the government to have a presence there precisely to achieve that balance.

PCO ASEC. DE VERA: Tuesday Niu, DZBB.

TUESDAY NIU/DZBB: Good morning, sirs. To President Consing, sir, ngayon na may investment po tayo sa NGCP, pakibigyan ninyo nga po kami ng picture of what or how iyong MIC ay makaka-get hold of the control, not necessarily control siguro, or influence sa operation ng NGCP.

MIC PRES. & CEO CONSING JR.: Thank you. So, the objective, ma'am, was not to take control but rather just to be able to achieve some level of influence and you achieve that by way of board seats. And, we're basically starting from zero, so part of this we did not have any board seats. We we're looking over the shoulder of the shareholders but the reality is that we had absolutely no access to such information and now we will have access to that information. And like what the Secretary had said, we would now be able to make more informed decisions with the availability of such information.

TUESDAY NIU/DZBB: All right. Sa usapin ng operations, sir, ng NGCP hanggang saan lang ang limitasyon ng MIC para makapag-influence o makabigay ng inyong punto?

MIC PRES. & CEO CONSING JR.: Yes. Ano po tayo 'no, financial investor po tayo which means basically that we will not be involved in the operations but rather we will be involved in the governance. So, hence hopefully we can be invited to some of the more important committees so that we can see aspects of the operations greater than just by within their financial statements – so, we look forward to that.

TUESDAY NIU/DZBB: Thank you, sir.

DOE SEC. LOTILLA: And on the whole you will achieve more transparency so that we ourselves as members of the public who are proving the financing through Maharlika will have a better view of the operations of the public utility.

PCO ASEC. DE VERA: Sam Medenilla, BusinessMirror.

SAM MEDENILLA/BUSINESSMIRROR: For President Consing po. Kanina po na-mention po nila na expected natin na earnings doon sa shares from NGCP is six percent dividend. So, magkano po kaya iyon in ...

MIC PRES. & CEO CONSING JR.: Six and a half percent cash dividends 'no. Six and a half percent multiplied by 19.7 billion – just kindly calculate that. About 1.7 I think or 1.8.

SAM MEDENILLA/BUSINESSMIRROR: Another question po, iyong na-mention po nila na plano ng MIC na mag-invest doon sa power generation sa Mindoro and Palawan – so, mayroon na po kaya tayong idea kung magkano iyong ia-allocate natin for that?

MIC PRES. & CEO CONSING JR.: Actually, mag-i-invest po tayo doon sa transmission infrastructure ng Mindoro and Palawan hindi po sa generation.

SAM MEDENILLA/BUSINESSMIRROR: So, magkano po kaya iyong...

MIC PRES. & CEO CONSING JR.: We're still going through it now with NEA. So, we're working po with NEA, NPC, TransCo and the LGUs.

SAM MEDENILLA/BUSINESSMIRROR: Tapos, sir, ikonek ko lang din po sa ongoing na mga congressional hearings regarding sa NGCP. Isa pong concern na na-raise doon ay iyong alleged influence ng China doon sa operations. Bakit hindi po kinonsider ng MIC na i-secure iyong 20 percent shares doon sa share ng SGCC? Bakit po sa SGP po tayo bumili ng shares?

MIC PRES. & CEO CONSING JR.: Actually, magandang tanong po iyan. So, we have not spoken basically to the Chinese, we only saw this opportunity sa SGP level – we're not having any discussions with the stake grid of China at this point in time. So, no conversations are occurring with them.

SAM MEDENILLA/BUSINESSMIRROR: Pero is MIC interested in case na mag-acquire ng shares doon sa SGCC po?

MIC PRES. & CEO CONSING JR.: If it becomes available, I think so yes.

SAM MEDENILLA/BUSINESSMIRROR: Tapos iyong kay Sir Lotilla naman po, may update na po kaya tayo regarding doon sa plan for nuclear energy? May statement po na nailabas iyong DOE regarding sa plan to come out with an executive order for nuclear energy and iyong sa parang plano na magkaroon din ng legislation for nuclear energy. Isasama po kaya sa priority legislation ng Marcos administration itong nuclear? At saka may target date kaya kung kailan lalabas iyong executive order for this?

DOE SEC. LOTILLA: Well, thank you. Actually, the senate is ...the house has already approved on third reading the bill on the regulatory framework for nuclear power. Now, it's in the senate and we are optimistic that the senate will be able to move it forward and therefore be able to come up with legislation during this congress. So, we'll take it from there because we are strongest when both the executive and the legislature speak with one voice.

SAM MEDENILLA/BUSINESSMIRROR: Kasi, sir, 'di ba patapos na iyong congress?

DOE SEC. LOTILLA: Well, yes. Nevertheless, the proceedings in congress have proceeded at a brisk phase – they've had their committee hearings and then they're into further discussions on this.

SAM MEDENILLA/BUSINESSMIRROR: Thank you, sir.

DOE SEC. LOTILLA: Thank you.

PCO ASEC. DE VERA: Jean Mangaluz, Phil. Star.

JEAN MANGALUZ/PHIL. STAR: Follow-up lang po sa question ni Sam. So, with the MIC buying into the NGCP, does this provides some sort of security to the government and especially, since ang laki ng stake ng China Stake Grid Corp? As you said earlier, you want to get an insight into their operations?

DOE SEC. LOTILLA: Well, as I have said, there will be greater transparency, at least from the standpoint of the government and it will have a view of the operations of NGCP. And if NGCP as NGCP stating that there is nothing to fear from the presence, then we will be in a better position to confirm or affirm that. On the other hand, if there are other things that need to be strengthened, for example the cyber security of the transmission lines of the country and the transmission facilities, then we would also be able to—government would also be better able to contribute to addressing those issues.

JEAN MANGALUZ/PHIL. STAR: Sec., you said sometime in July that there was, in the 2025 budget, we haven't spent anything for the MIC and there were no employees yet at that time. So, with this maiden investment, will the MIC start getting a budget next year?

MIC PRES & CEO CONSING JR.: MIC got its own capital, about P75 billion credited to it. There's another 50 billion that it is expecting currently with the treasury and that's really coming from the BSPs dividends due to the Philippine government already being paid and the dividends coming from the PAGCOR. So, we have not drawn those just yet because we have not started deploying, but now that we have, then we will request for those funds to be released.

JEAN MANGALUZ/PHIL. STAR: You will request it from the government?

MIC PRES & CEO CONSING JR.: Once we need it, we will have to request for those funds.

JEAN MANGALUZ/PHIL. STAR: Last question from me. The IMF recently urged the government to restore the Landbank and the DBPs capital. Should the MIC start making money? Is there a chance to return this capital?

MIC PRES & CEO CONSING JR.: If you look at the structure, when it comes to dividends payments, all our dividends in fact, accrue directly to the Bureau of the Treasury. So, unlike—well, just like all other GOCCs, our dividends are paid to the government directly. So, hence, I don't see any relief coming from us, rather, if you look at these banks, they are currently under regulatory relief. So, therefore, their T1 capital has not in fact suffered because of the fact that they have got their three-year regulatory reprieve.

And even if you do, the likes of Landbank for example, still in fact has got a significantly higher T1 capital compared to global standards, so that should not be a problem.

One way by which they can increase their capital, would be by reducing the dividends that they pay to the government in order to build up their capital base, and the rest, I think they can take that from my third-party capital. And that basically, what the new laws currently are being amended or, pardon me, the laws rather, establishing Landbank and DBP being amended in order t for them to be able raise capital more efficiently that they could today.

PCO ASEC. DE VERA: Ivan Mayrina, GMA-7.

IVAN MAYRINA/GMA-7: To Sir Rafael with an F. Sir, you were quoted as saying that these investments would safeguard the nation's power supply from external threats and disruptions. Can you elaborate on this? What are these threats? Where are they coming from?

MIC PRES & CEO CONSING JR.: Well, those threats don't exist in fact today. And we just want to basically say that our presence there, at least we would be able to monitor if such threats indeed arise. But at the moment, no such threat exists and nothing has been proven and in fact, there are no allegations of such a threat existing.

IVAN MAYRINA/GMA-7: May I also get your reaction to the statement of Assistant Minority Leader Arlene Brosas, that this move, these are her works "Rigs of crony capitalism and that this opens doors for other cronies to profit from the NGCP".

MIC PRES & CEO CONSING JR.: I think you have to seek clarification from her because the statement came from her.

PCO ASEC. DE VERA: Maricel Halili, News 5.

MARICEL HALILI/NEWS 5: Sir, magandang umaga po. Sir, for ordinary people to appreciate this investment, two points lang po: Una, kailan po natin aasahan iyong posibleng magiging pagbaba ng presyo ng kuryente through this investment, after this investment; and pangalawa po, gaano kalaki kaya iyong posibleng maging adjustment because of this?

DOE SEC. LOTILLA: Well, we can't give you any exact date and exact amount of reduction. That is why, I wanted to cite kung ano ang actual natin na experience dahil napatayo at nag-operate iyong transmission connection. So, I cited iyong in the case of the Mindanao-Visayas Interconnection na iyong spot prices bumaba ng almost P2 in Luzon and P1.77 in the Visayas and P1.30 in Mindanao. In Cebu, Negros, Panay, the study made by the independent electricity market operator or IEMOP shows that the reduction was by P1.27 centavos in Cebu, P2,00 in Negros and around P1.74 centavos in Panay. Now, this does not translate into actual reductions in the bill. This is the wholesale electricity spot market.

So, kung ang isang electric cooperative or distribution utility ay bumibili ng kaniyang elektrisidad ng 100% from the spot market, maramdaman ng consumer iyan. But hindi naman 100% bumibili sa spot market, kasi nga ang sport market, very volatile, it goes up and down, so you don't want to expose consumers to that. Ang ginagawa nila, mayroon silang power supply agreements na hindi naapektuhan nitong pagtaas/pagbaba. So, mini-mix iyong power supply agreements sourced from generation companies directly and then a certain percentage comes from the spot market. And then, it gives you the total price for generation.

But what that means, however is that in fact, mayroong reduction na nai-experience, it depends on where you are, what are the supply agreements that your distribution utility has entered into and so on. So, but definitely, the spot market prices for example for what we call the competitive customers, iyong mga customers na malalaking demand was around P5 -something per kilowatt hour in the more recent days. So, you compare that with generation rates that the captive customers, iyong mga hindi puwedeng pumili ng kanilang supply, medyo malaki iyong difference niyan.

So, significant iyong epekto nito sa consumers din. Thank you.

PCO ASEC. DE VERA: Evelyn Quiroz, Pilipino Mirror.

EVELYN QUIROS/FILIPINO MIRROR: Good morning, kay President Consing. Bale na-mention po ninyo iyong P50 billion from Landbank, P25 billion from DBP. Iyon po ba hawak ng MIC or nasa Bureau of Treasury?

MIC PRES & CEO CONSING JR.: Nasa Landbank and DBP. But what we did on the onset was we appointed the Bureau of Treasury to be our interim cash manager. So, what we want to do, Ma'am, was basically with the DBP and Landbank, so not to add firstly impact their liquidity and give them basically about a year so that once we start deploying, that they can release the funds to us.

EVELYN QUIROS/FILIPINO MIRROR: Sir, iyong P19.7 billion na investment po sa SGP, dito po nangagaling, dito po kinuha?

MIC PRES & CEO CONSING JR.: Dito po manggagaling.

EVELYN QUIROS/FILIPINO MIRROR: Dito po manggagaling. So, aside from this, wala pa po tayong ibang significant transaction sa MIC?

MIC PRES & CEO CONSING JR.: This is going to be our inaugural and also our flagship investment.

EVELYN QUIROS/FILIPINO MIRROR: Okay, thank you, sir. Follow-up ko lang kay Secretary Lotilla. Sir, since congressional franchise po iyong NGCP, dati po ba nasa government po ito?

DOE SEC. LOTILLA: Iyong predecessor ng NGCP ay Transco, and before that, National Power Corporation or NPC. So, government, fully government-owned. But under EPIRA, ang desisyon ng kongreso ay i-privatize iyong operations and management of the transmission grid. So, iyong assets themselves remain assets owned by the Philippine government, but it's the operation and maintenance that has been transferred to the private concessionaire.

EVELYN QUIROZ/ PILIPINO MIRROR: So, you're confident or iyong observation ninyo lang po personal. Is it efficient compliant naman po iyong NGCP and darating din po—sino [unclear] iyong DOE secretary before 2009, puwede po bang ibalik uli sa gobyerno or talagang pang-private na lang po ito? Thank you, sir.

DOE SEC. LOTILLA: Well, in the case of a—what is this? The NCGP, there is a performance audit that is conducted by Energy Regulatory Commission and the ERC is going to be releasing that report on the NCGP's performance. As you know, the NCGP does not recognize the Department of Energy as one of its regulators, but it recognizes that the Energy Regulatory Commission is its regulator and therefore, ERC can come out with the report.

Now, at the same time the congress as the one that approves the franchises, as you pointed out, has also the power to compel information to be given to it so that it can accordingly plan for future actions on franchises in general and on NGCP in particular.

PCO ASEC. DE VERA: Michelle Guillang.

MICHELLE GUILLANG: Good morning po. First, Secretary Lotilla, just to help the public better understand, what this investment is about? Would you please, could you please explain how this investment translates to more affordable access to electricity?

DOE SEC. LOTILLA: Okay, may shortage tayo ng generation, so we need to put up a generation plant. But the generation plant cannot contribute or supply power to its customers unless there are connecting lines from the generation plant to the customers. And that's where the transmission lines, the high voltage transmission lines of NGCP are very important, because without those lines we cannot provide the power. Just again a bit of history, when this administration came in to office in 2022, 600 megawatts of power in Bataan was stranded, could not be brought to Metro Manila where we have a shortage, because the transmission lines were not finished.

And so—iyon ang tinutukan ng ating gobyerno, ng administrasyon upang matapos iyon at makapag-benefit iyong customers from the additional capacity. So, this is really where we need everyone to come together. Second one is the NGCP a systems operator is the one that contracts what we called the ancillary services, itong services—the ancillary reserves. And the ancillary reserves will have to be contracted by NGCP.

Now, in the past, we saw that while the grid code required a certain volume of reserves, these were not being contracted. And therefore, if there are imbalances in the system, in the power supply, iyong reserba ay hindi—walang reserba na makapasok. So, dapat the systems operator will also have to be responsible enough to contract the needed ancillary services for the system.

So, all of these together can contribute to bringing down the rates for the consumer. Marami kang supply, iyong supply nakarating sa mga nangangailangan at nawala na iyong mga line constrains 'no, kasi kung may line constrains ang linya ay maka-accommodate lamang ng ascertain volume of power and the demand is higher then, you're going to have experience higher rates, so, all of these taken together would help reduce loss.

PCO ASEC. DE VERA: Alvin Baltazar, Radyo Pilipinas.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary Lotilla, good morning po. Secretary, kanina nabanggit ninyo doon sa nuclear energy iyong development doon, kung saka-sakali bang ma-pursue natin iyong paggamit ng nuclear energy sa bansa, magkano iyong matitipid sa kuryente ng ordinaryong taong-bayan?

DOE SEC. LOTILLA: We cannot say that at this point, but over the life of the nuclear power plant which has a longer life than the average plants 'no, it will be spread over that period, it will be lower. But this is among the request that I have to President Consing, to look into the financing aspect and the financing cost of nuclear power, because the President indicated that's where we need help. And the financial analysis can be very well the undertaken by Maharlika Investment Fund so that government can have a better sense of the financing cost and return as well.

ALVIN BALTAZAR /RADYO PILIPINAS: Secretary, since natanong ko na iyong sa nuclear, any update doon sa ano, sa talks ni President Marcos doon sa US Nuclear Energy Company? Nagpaplano na dalhin ang nuclear technology dito sa Pilipinas, noong bumisita siya sa U.S?

DOE SEC. LOTILLA: Well, the President is not focused on one company or only a few companies, but he's constantly making himself available to be informed on what are the developments with the different companies. But at the end of the day, if under the current EPIRA, it's only private sector that come enter the generation space. It's not even the government, then we will have to work with private sector who bring in nuclear power.

ALVIN BALTAZAR /RADYO PILIPINAS: Thank you po, sir.

PCO ASEC. DE VERA: Eden Santos, NET25.

EDEN SANTOS, NET25: Follow up tungkol sa tanong ni Kuya Alvin. Sa part ni President Consing, open po ba kayo na mag-invest sa nuclear power po?

MIC PRES. & CEO CONSING JR: I think, what we have to first look at would be whether we will be covered in fact by the cross-ownership restrictions between generation and transmission. So conceptually po we will be open to it, but we just want to make sure that we're in facts staying within what we are allowed under the law.

EDEN SANTOS, NET25: Clarification lang po. Doon sa ROI po, dito investment ninyo na ito, mayroon po ba tayong target kung ilan taon at how much po iyong kikitain natin from this investment?

MIC PRES. & CEO CONSING JR: We can't talk about that in public kasi were dealing with a public company, so everything that we say, we will be, you know, it will be [unclear] sensitive data and information. Thank you.

PCO ASEC. DE VERA: Do you have more questions from MPC?

That wraps up our press briefing for this morning. Thank you very much, President Consing and Secretary Lotilla. Thank you, Malacañang Press Corps. Good morning.

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