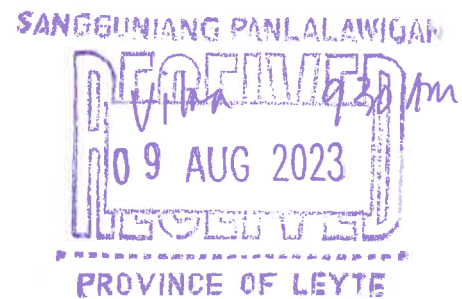


Item No.: 10  
Date: AUG 15 2023

Republic of the Philippines  
ENERGY REGULATORY COMMISSION  
Pasig City

IN THE MATTER OF THE  
JOINT APPLICATION FOR  
APPROVAL OF THE  
EMERGENCY POWER  
SUPPLY AGREEMENT  
BETWEEN LEYTE V  
ELECTRIC  
COOPERATIVE, INC. AND  
KEPCO SPC POWER  
CORPORATION, WITH  
PRAYER FOR  
CONFIDENTIAL  
TREATMENT OF  
INFORMATION,



ERC CASE NO.

LEYTE V ELECTRIC  
COOPERATIVE, INC.  
(LEYECO V) AND KEPCO  
SPC POWER  
CORPORATION (KSPC),  
*Applicants,*

X-----X

**JOINT APPLICATION**

Applicants LEYECO V ELECTRIC COOPERATIVE (“LEYECO V”) and KEPCO SPC POWER CORPORATION (“KSPC”), through their respective undersigned counsel, respectfully state:

1. Applicant LEYECO V is a non-stock, non-profit electric cooperative organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at San Pablo, Ormoc City, Leyte, Philippines.
2. LEYECO V is a duly franchised Distribution Utility engaged in the distribution of electricity with its franchise areas in Leyte, Philippines.
3. Applicant KSPC is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal

address at the 7<sup>th</sup> Floor, Cebu Holdings Center, Cebu Business Park, Cebu City, Philippines.

4. KSPC owns and maintains a 2x103 MW Circulating Fluidized Bed Combustion (CFBC) Boiler Coal- Fired base load power plant in the City of Naga, Cebu, which became operational in 2011.
5. Applicants may be served with notices, orders, and other processes of this Honorable Commission through their respective counsels at the address indicated herein.

#### STATEMENT OF FACTS

6. LEYECO V experienced unanticipated delays of the Competitive Selection Process (“CSP”) activities schedule caused by the COVID-19 pandemic and the government restrictions that were implemented. With the limited time available until LEYECO V’s Power Supply Agreement (“PSA”) expires, they were constrained to resort to different remedies available.
7. Through a Letter dated 23 June 2022, LEYECO V wrote to the Department of Energy (“DOE”) requesting for an exemption from the CSP requirement of the DOE. The Letter expressed LEYECO V’s urgent need for supply of electricity due to circumstances beyond control of LEYECO V.

7.1. The Letter sought exemption from the CSP pursuant to Section 2.2.1.2 of Department of Energy Department Circular No. DC 2021-09-0030 (“DOE Amended CSP Circular”), which states that:

#### 2.2. Exemption from the CSP

2.2.1. The following instances shall warrant a Certificate of Exemption from the conduct of Competitive Selection Process (COE- CSP) from the DOE:

XXX

2.2.1.2. Negotiated procurement of emergency power supply wherein the cooperation period of the corresponding Emergency Power Supply Agreement (EPSA) shall not exceed one (1) year,

and such EPSA shall be filed immediately before the Energy Regulatory Commission (ERC) upon issuance and within the effectivity of the COE-CSP; Provided, that the DU shall prove and certify that it has performed all the necessary and required due diligence, and solicited proposal from at least one (1) power supplier for EPSA to address the emergency situation and to avert and/or mitigate its consequences, and the offer/s from available Power Supplier/s shall be attached in the request for COE-ESP; Provided also, that the procurement of emergency power supply shall not be entitled to any form of subsidy; Provided finally, that the rate shall be equivalent to or lower than the ERC- approved generation tariff for same or similar technology in comparable areas.

7.2. As stated in the Letter, LEYECO V has been preparing the CSP to address their power supply requirement, yet despite their best efforts, there were unanticipated challenges that caused delays in the schedule.

8. Without an immediate procurement of appropriate power supply contract, it will expose its consumers to inadequate power supply and high electricity rates due to its exposure in the volatile Wholesale Electricity Spot Market (WESM) prices.
9. LEYECO V deems that this is an emergency that requires a prompt procurement of sufficient capacity of baseload energy from a reliable generator to ensure stability of power supply at a reasonable minimum cost for the paramount interest of its member-consumers in the coming months.
10. On 31 August 2022, the DOE favorably issued a Certificate of Exemption (COE-CSP-2022- 08- 032) exempting LEYECO V from the conduct of CSP for the negotiated procurement of Emergency Power Supply Agreement with KEPCO SPC POWER CORPORATION with contract capacity of 7 MW for the period of 26 August 2022 to 25 August 2023.
11. Consequently, LEYECO V and KSPC executed an Emergency Power Supply Agreement (“EPSA”), subject of this Joint Application.
12. Thus, this instant Joint Application for the approval of the EPSA between LEYECO V and KSPC.

## SALIENT FEATURES OF THE EPSA

### 13. Salient Features of the EPSA.

13.1. Contract Capacity. KSPC capacity cap means 7000 kW.

#### 13.2. Contract Quantity.

13.2.1. Upon terms and subject to the conditions set out herein, commencing on the Effective Date and until the Scheduled Termination Date, the Seller shall deliver or cause the delivery to the Buyer, in each Contract Year, a minimum number in kWh of energy ("Contract Quantity") as set forth in Annex "B".

A copy of the Contract Quantity Table is included in the Emergency Power Supply Agreement attached as Annex "A".

13.2.2. The Contract Quantity may be reduced by force majeure.

13.2.3. The Contract Quantity shall be reduced by actual undelivered energy in the event of Forced Outage or Planned Outage.

13.3. Contract Period. The PSA shall be effective for a term of Twelve (12) months, which shall commence on the Effective Date and end on the Scheduled Termination Date on the following day of the last day of the 12-month period.

13.3.1. Effective Date. The Contract shall become effective (The Effective Date) upon full satisfaction and compliance with the following condition (the Condition Precedent) of the issuance of Certificate of Exemption from the Competitive Selection Process (COE-CSP) by the Department of Energy.

#### 13.4. Computation of Generation Fee and Contract Price.

A copy of the Computation of the Generation Fee and Contract Price is included in Annex D of the Emergency Power Supply Agreement attached as "Annex A".



13.5. Allowed Forced Outage. In respect of each Unit 1 and Unit 2, a total of 28 days (equivalent to 2, 352, 000 kWh) of Forced Outage to which the Seller shall be entitled in any Contract Year.

13.6. Planned Outage. In respect of Unit 1 and Unit 2, a total of 80 days (equivalent to 6, 720, 000 kWh) for every Contract Year allowed to the Seller to undertake the normal inspection, maintenance, repair, and overhaul of the Cebu power Plant; *provided*, that only one Unit shall be under Planned Outage at any one time.

14. Estimated Rate Impact. A copy of the Rate Impact Analysis is attached as Annex “W”.

15. Environmental Compliance Certificate (ECC). On 10 September 2007, the Department of Environment and Natural Resources (DENR) has issued ECC Transfer of Ownership in favor of KSPC with ECC No. 0511- 013- 206.

16. Board of Investments (BOI) Certificate. On 8 May 2008, KSPC’s plants located in Naga City, Cebu were registered with BOI with Certificate of Registration No. 2008-088.

17. Certificate of Compliance. The Honorable Commission has issued the Provisional Authority to Operate dated 03 February 2021, for KSPC’s power plants for a period of 19 February 2021 to 20 February 2022. Likewise, the Honorable Commission issued the extension of the Provisional Authority to Operate dated 11 March 2022, for a period of one year from 20 February 2022 to 19 February 2023. On February 9, 2023, ERC issued a Certification that the said Provisional Authority to Operate is currently being evaluated.

18. Certificate of Endorsement. The DOE has issued a Certificate of Endorsement with No. 2022- 04-160 dated 19 April 2022 for KSPC’s plant in barangay Colon, Naga City, Cebu, certifying that the Plant is consistent with the Power Development Plan of the Government.

19. As further support to the instant Joint Application, the Applicants most respectfully submit to the Honorable Commission the following documents in accordance with the Pre-filing Checklist in Resolution No. 38, Series of 2006<sup>1</sup>, Rule 20 B Section 2 of the ERC Rules of Practice and Procedures:

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<sup>1</sup> Resolution No. 38, Series of 2006 – A Resolution Promulgating the Energy Regulatory Commission’s Rules of Practice and Procedure.

ANNEX	DOCUMENTS/ INFORMATION
A	EMERGENCY POWER SUPPLY AGREEMENT
B, and B-1	LEYECO V Articles of Incorporation and By-Laws
C	LEYECO V Verified Certification showing list of Board of Directors
D, and D-1	KSPC Articles of Incorporation and By-laws
E	Shareholder's Agreement
F	KSPC General Information Sheet
G	KSPC Verified Certification showing list of Board of Directors
H	KSPC Certification of Registration issued by BOI
I	ECC issued by the DENR to KSPC
J, J-1, and J-2	Provisional Authority to Operate KSPC and Extension for the Provisional Authority to Operate, Certification from ERC regarding PAO
K	Certificate of Endorsement to KSPC
L	LEYECO V Certification for Non- Applicability of Demand Side Management
M, and M-1	LEYECO V Supply Demand Scenario Annex A, LEYECO V Supply Demand Scenario Annex B
N	LEYECO V Performance Assessment <ul style="list-style-type: none"> <li>● SAIFI and SAIDI</li> <li>● Peak Demand History</li> <li>● Load Profile</li> </ul>
O	LEYECO V Certificate of Adequate Capacity
P	LEYECO V's Single Line Diagram Connection
Q	LEYECO V Board Resolution No. 83 series of 2022
R	LEYECO V Letter to DOE
S	DOE Certificate of Exemption
T	LEYECO V Board Resolution No. 161 series of 2022
U	KSPC Transmission Service Agreement with NGCP
V	Executive Summary of the LEYECO V and KSPC EPSA
W, W-1	LEYECO V's Estimated Rate Impact of KSPC EPSA, Excel File of the Estimated Rate Impact
X*	KSPC's Financial Model
Y*	Sworn Statement on Fuel Procurement
Z*	Relevant technical and economic characteristics of generation capacity
AA*	KSPC's 2021 Audited Financial Statements (AFS), Balance Sheet, Income Statement, and Statement of cash Flows
BB	KSPC's WESM Registration Approval Form
CC	WRITE UP FOR NON-APPLICABILITY OF DOCUMENTS (LEYECO V): <ul style="list-style-type: none"> <li>● CSP DOCUMENTS</li> </ul>

	<ul style="list-style-type: none"> <li>• Inconsistencies and differences of documents</li> </ul>
DD	<p>WRITE UP FOR NON-APPLICABILITY OF DOCUMENTS (KSPC):</p> <ul style="list-style-type: none"> <li>• Renewable Energy Service Contract</li> <li>• Certificate of Registration or Certification of Commerciality by an RE Developer and after due confirmation by the DOE</li> <li>• Water Permit from NWRB</li> <li>• Certification from the Bank/ Lending Institution</li> <li>• Life of Asset v Term of Loan</li> <li>• Equivalent PHP/kWh with assumptions for foreign denominated rates</li> <li>• Debt-Equity ratio</li> <li>• Project Cost</li> <li>• Computation of Return of Investment</li> <li>• Computation Levelized Cost</li> <li>• Bank certification of long term loans</li> <li>• BIR Receipts</li> <li>• Seller's Receipts</li> <li>• Purchase Orders with Annotation of Acceptance or Transfers</li> <li>• Deeds of Sale and other Other Forms of Conveyance of Ownership</li> <li>• Cost Analysis Related to the generation in support of the Proposed Pricing</li> <li>• Distribution Wheeling Service Agreement</li> </ul>
EE	Write-up on Non Availability of Certification by NPC
FF	LEYECO V DDP
GG	LEYECO V PSPP
HH	Estimation of Potential Reduction
II	Verified Certification
JJ	Certification Of Net Heat Rate
KK	MEOT allocation to the generating units
LL	Excel File for O and M
MM	LEYECO WESM Membership Certificate
NN	Explanation for no.39

\*Subject to the Motion For Confidential Treatment of Information

#### ALLEGATIONS IN SUPPORT OF THE MOTION FOR CONFIDENTIAL TREATMENT OF INFORMATION

20. Section 1, Rule 4, of the ERC Revised Rules of Practice and Procedure provides that a party to a proceeding before the Honorable Commission may move for information to be treated as confidential.

21. Pursuant thereto, KSPC prays that the information contained in the documents attached as Annexes “X”, “Y”, “Z”, and “AA”, be treated as confidential and that the same be continuously protected from public disclosure, except to the officers and staff of the Honorable Commission. In particular, these are the documents for which confidential treatment is sought as they contain trade secrets and/or commercially-sensitive data about KSPC’s plant operations and pricing strategies:

ANNEX	DOCUMENT
X	Financial Model
Y	Sworn Statement on Fuel Procurement
Z	Relevant Technical and Economic Characteristics of Generation Company
AA	KSPC’s 2021 Audited Financial Statements (AFS), Balance Sheet, Income Statement, and Statement of cash Flows

22. The competitors of KSPC will gain undue advantage and use the information in their own operation, if they obtain the information provided in the documents requested to be confidential.

#### PRAYER

WHEREFORE, the foregoing premises considered, it is respectfully prayed that this Honorable Commission:

1. Give due course to the instant application.
2. Issue an Order:
  - a. Treating the Confidential Documents and the information contained therein as confidential
  - b. Directing their non-disclosure pursuant to Rule 4 of the ERC Rules, and
  - c. Prescribing guidelines for the protection of the said documents.

3. After trial on the merits, issue a Decision approving the EPSA, thereby confirming the compliance by LEYECO V and KSPC to the rules governing emergency power supply, and further confirming the effective rate charged, collected, and paid in connection with this EPSA.
4. To authorizing KSPC to charge and collect from LEYECO V the electricity fees based on the final rates approved by this Honorable Commission, and authorizing LEYECO V to pass the full amount thereof to its customers.


Other relief and remedies consistent with law, justice, and equity are likewise prayed for.


Cebu City and Ormoc City, 27th day of June, 2023

COUNSEL FOR KSPC

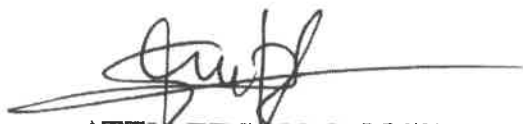
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Cebu Business Park, Cebu City, 6000  
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**VERIFICATION/CERTIFICATION OF NON-FORUM SHOPPING**

**I, JUDE FRANCIS ALPHAEUS RENDON, of legal age, Filipino, Marketing Assistant Manager of KEPCO SPC POWER CORPORATION, with principal office at Brgy. Colon, City of Naga, Cebu, Philippines, after being duly sworn to in accordance with law, hereby deposes and says: THAT**

--

1. I am the authorized representative of KEPCO SPC POWER CORPORATION in the above-entitled case, by virtue of a Secretary's Certificate;
2. As such, I have caused the preparation of the Joint Application with Motion for Confidential Treatment of Information, have read and understood its contents which is true and correct of my own personal knowledge and belief and based on authentic records in my possession;
3. The said Joint Application is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation; and
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. KEPCO SPC POWER CORPORATION hereby certify that we have not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of our knowledge, no such other action or claim is pending therein; if I should thereafter learn that the same or similar action or claim has been filed or is pending, I shall report that fact within five (5) calendar days therefrom to the Honorable Commission wherein my aforesaid Petition or initiatory pleading has been filed.

**IN WITNESS WHEREOF, I have hereunto affixed my signature this**  
29 day of June 2023, at City of Naga, Cebu, Philippines.



**JUDE FRANCIS ALPHAEUS RENDON**  
Affiant

Republic of the Philippines)  
\_\_\_\_\_ ) S.S.

## VERIFICATION AND CERTIFICATE OF NON-FORUM SHOPPING

I, **Emmanuel S. Arpon**, of legal age, Filipino, and with office address at Brgy. San Pablo, Ormoc City Philippines, subscribing under oath, hereby deposes and states, THAT:

1. I am the Board President and the authorized representative of Leyte V Electric Cooperative, Inc. in the *Application for the Approval of Emergency Power Supply Agreement* with the Energy Regulatory Commission (ERC);
2. I have caused the preparation of the foregoing *Application*; That I have read the same, and that the contents of which are true and correct based on my personal knowledge and authentic records in my possession.
3. The *Application* is not filed to harass, cause unnecessary delay, or needlessly increase the cost of litigation; and
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. (a) I have not theretofore commenced any action or filed any claim involving the same issues in any court, tribunal or quasi-judicial agency and, to the best of his or her knowledge, no such other action or claim is pending therein; (b) if there is such other pending action or claim, a complete statement of the present status thereof; and (c) if he or she should thereafter learn that the same or similar action or claim has been filed or is pending, he or she shall report that fact within five (5) calendar days therefrom to the court wherein his or her aforesaid complaint or initiatory pleading has been filed.

IN WITNESS WHEREOF, I have hereunto affixed my signature this  
JUL 07 2023 at \_\_\_\_\_, Philippines.

  
**EMMANUEL S. ARPON**  
Affiant

**SUBSCRIBED AND SWORN** to before me, this JUL 07 2023 in  
\_\_\_\_\_. Affiant exhibited to me his competent proof of  
identity UMID-ID CRN-0006-1391773-9.

WITNESS MY HAND AND SEAL on the date and place first above written.

Doc. No. 241 ;  
Page No. 49 ;  
Book No. LXXXIX  
Series of 2023.

**Atty. ARI G. LARRAZABAL**  
Notary Public for Leyte  
Until December 31, 2023  
Notarial Commission No. ORM-22-12-41-NC  
PTR NO. 7450144 01/23/2023; Ormoc City  
Roll No. 38857  
IBP No. 854778 01/23/2023; Leyte  
MCLC Compliance No. VII-001001 16 April 8 2022  
2nd Floor Mowena Bldg.  
Ormoc City, Leyte, Philippines



## *Table of Contents*

Annex A LEYECO V- KPSC-EPISA
Annex B - LEYECO V Articles of Incorporation
Annex B-1 LEYECO V By-Laws
Annex C- Verified Certification showing list of Board of Directors
Annex D- KSPC Articles of Incorporation
Annex D-1 KSPC V By-Laws
Annex E- KPSC Shareholder's Agreement
Annex F - KPSC General Information Sheet
Annex G- KSPC Verified Certification showing List of Board of Directors
Annex H - KSPC Certificate of Registration with Terms and Condition issued by the BOI
Annex I- KSPC- Environmental Compliance Certificate and its Amendments
Annex J (KSPC Provisional Authority to Operate with Annexes
Annex J-1 KSPC PAO Extension Letter with Annex
Annex J-2 KSPC Certification from ERC regarding PAO
Annex K- KPSC Amended Certificate of Endorsement from DOE
Annex L- LEYECO V Certification of Non-Applicability of DSM
Annex M LEYECOV Demand Supply Scenario Annex A)
Annex M-1 LEYECOV Demand Supply Scenario LEYECOV Annex B)
Annex M-2 LEYECOV Demand Supply Scenario LEYECOV Annex B)
Annex N - LEYECOV Data for Performance Assessment of the System 2023
Annex O- LEYECOV NGCP Certificate of Adequate Capacity
Annex P LEYECO V Single-line diagram
Annex Q - LEYECOV Board Resolution No. 83 series of 2022
Annex R -LEYECOV Letter to the DOE
Annex S - LEYECO V Certificate of Exemption
Annex T - LEYECO V Board Resolution No. 161 Series of 2022
Annex U -KSPC Transmission Service Agreement with NGCP
Annex V -Executive Summary LEYECO V and KSPC
Annex W- LEYECO V Estimated Rate Impact
Annex BB- KSPC WESM Registration
Annex CC - LEYECO V Non- Applicability of Documents
Annex DD -KSPC Non- Applicability of Documents
Annex EE- Write-up on Non Availability of Certification by NPC

Annex FF- LEYECO V DDP

Annex GG- LEYECO V PSPP

Annex HH- LEYECO V Estimation of Potential for a reduction in load supplied by the DU due to retail competition.

Annex II - KSPC Verified-Certification

Annex JJ- KSPC Certification of the net heat rate

Annex KK -KSPC MEOT allocation to the generating units

Annex LL- KSPC Excel for ERC App O&M

Annex MM- LEYECOV WESM Membership Certificate

Annex NN - KSPC Explanation of no. 39

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPSCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPSCO SPC POWERCORPORATION (KSPC),”*

# *Annex A*

*(KPSC-LEYECO V EPSA)*

This **EMERGENCY POWER SALES AGREEMENT** (the "EPSA") is executed and entered into this \_\_\_<sup>th</sup> day of \_\_\_\_\_ by and between:

**KEPCO SPC POWER CORPORATION (KSPC)**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at the 7<sup>th</sup> Floor, Cebu Holdings Center, Cebu Business Park, Cebu City, Philippines, represented herein by its Vice President, **TAE HO KIM** hereinafter referred to as the "Seller";

and

**LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V)**, is a non-stock, a non-profit electric cooperative organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at San Pablo, Ormoc City, Leyte, Philippines, represented herein by its Board President, **JOSELITO P. YAP** who is duly authorized through Board Resolution No. \_\_\_ Series of \_\_\_ hereinafter referred to as the "Buyer".

The Seller and the Buyer are at times individually referred to herein as a "Party" and collectively, as the "Parties".

### RECITALS

**WHEREAS**, the Buyer is a duly franchised Distribution Utility engaged in the distribution of electricity with its franchise areas in Leyte, Philippines.

**WHEREAS**, the Seller owns, and maintains a 2x103 MW Circulating Fluidized Bed Combustor (CFBC) Boiler Coal-Fired base load power plant in the City of Naga, Cebu, which became operational in 2011.

**WHEREAS**, the Buyer wishes to procure electric energy from the Seller for 1 year through an Emergency Power Supply Agreement in the light of the Department of Energy Circular No. DC2021-09-0030, "Amending Certain Provisions of and Supplementing Department Circular No. DC2018-02-0003 on the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market" and the Seller desires to deliver such electricity to the Buyer, under the terms and conditions specified herein.

**NOW, THEREFORE**, in view of the foregoing premises, the Parties agree as follows:

### ARTICLE 1 - DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions.

The following terms, when used in this PSA, shall have the following meanings:

**"Allowed Forced Outage"** means in respect of each of Unit 1 and Unit 2, a total of 28 days (equivalent to 2,352,000 kWh) of Forced Outage to which the Seller shall be entitled in any Contract Year.

**"Ancillary Services"** means those services defined in Section 1.4 of ERC Order dated October 11, 2006 in ERC Case No. 2006-049 RC.

**"Applicable Law"** means (i) the Philippine Constitution, (ii) all laws, statutes, treaties, rules, codes, ordinances, regulations, certificates, decisions, orders, memoranda, circulars, decrees, resolutions, directives, rulings, interpretations, approvals, licenses, and permits of any Governmental Authority (including any legislative franchise granted to the Buyer), (iii) judgments, decrees, injunctions, writs, orders or like actions of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency that are binding on a Party as they may be amended, supplemented, replaced or reinterpreted by a duly authorized Governmental Authority or otherwise modified from time to time.

**"Bilateral Contract Quantity"** means the amount of energy nominated or submitted to the Market Operator pursuant to Article 6.2.1(b)(ii) (*Dispatch – During the Operation of the WESM*) by the Seller, which shall be equivalent to the amount of Final HCQ, reduced by such amounts of energy to be determined by the Seller, in its sole discretion, consisting of energy not delivered by the Seller or taken by the Buyer due to Force Majeure.

**"Billing Month"** means the period beginning Effective Date on the 26<sup>th</sup> day of a calendar month and ending on the 25<sup>th</sup> day of the succeeding calendar month; *provided*, that the last Billing Month shall be the period beginning on the 26<sup>th</sup> day of the calendar month preceding the Scheduled Termination Date and ending on the Scheduled Termination Date.

**"Buyer"** has the meaning set forth in the preamble.

**"Buyer Events of Default"** has the meaning set forth in Article 12.2 (*Buyer Events of Default*).

**"Cebu Power Plant"** means the 2x103 MW Circulating Fluidized Bed Combustor (CFBC) Boiler Coal-Fired base load power plant in the City of Naga, Cebu, including all associated equipment and accessories to be installed therein.

**"CFR"** means, with respect to a destination port, "Cost and Freight" as defined under INCOTERMS 2010.

**"Change in Circumstance"** means the changes set out in Article 7.6 (*Change in Circumstances*).

**"Coal Reference Price" or "CRP"** means a coal price, including any and/or all price changes, impossible taxes, fees, imposts, charges, others associated costs, as required by the MEMR of Indonesia or any other government authority of any country affecting the Seller's coal supply contracts

**"Conditions Precedent"** means the conditions specified in Article 3.1 (*Effectiveness; Effective Date*).

**"Contract"** means this Power Sales Contract, including all annexes hereto, as may hereafter be amended or supplemented from time to time in accordance with the provisions of this Contract.

**"Contract Quantity"** has the meaning set forth in Article 6.1(a) (*Contract Quantity*).

**"Contract Year"** means any successive 12-month period commencing on the Effective Date;

**"Dispute"** has the meaning set forth in Article 17.1 (*Amicable Settlement*).

**"Distribution Code"** means the rules governing the construction, operation and maintenance of distribution systems promulgated by the ERC in ERC Resolution No. 115 dated December 2001, and its amendments.

**"Dollars"** and the symbol "\$" mean the lawful currency of the United States of America.

**"Effective Date"** has the meaning set forth in Article 3.1 (*Effectiveness; Effective Date*).

**"ERC"** means the Energy Regulatory Commission of the Republic of the Philippines, or its successor agency.

**"Final HCQ"** means: (i) the HCQ submitted and confirmed by the Buyer to the Seller pursuant to Article 6.2.1(a)(i) or 6.2.1(a)(iv), as such HCQ may be revised by the Buyer pursuant to Articles 6.2.1(a)(ii) or 6.2.1(a)(iii). (ii) the HCQ reduced by the actual undelivered energy in the event of Force Majeure.

**"First Delivery Date"** has the meaning given to that term in the coal supply contracts entered into by the Seller with its coal suppliers; *provided*, that where there are different First Delivery Dates under such coal supply contracts, the latest of such dates shall be the First Delivery Date for purposes of the PSA.

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**"Force Majeure"** means an event or occurrence specified in Article 11.1 (*Instances of Force Majeure*).

**"Governmental Authority"** means the Republic of the Philippines, any province, city, municipality or other political subdivision, agency, authority, board, bureau, commission, court, department, instrumentality of any country or any other foreign Governmental Authority having jurisdiction or relation over either of the Parties, their respective property and assets, the performance of obligations under this Agreement or having the power or authority to affect any aspect of this Agreement.

**"Grid"** means the high voltage backbone transmission system of the Philippines.

**"Grid Code"** means the rules governing the construction, operation and maintenance of the Grid promulgated by the ERC in Resolution No. 115 dated December 2001, and its amendments.

**"HCQ"** means the total energy (in kWh) and demand (in kW) requirements of the Buyer for each hour submitted by the Buyer to the Seller on a day-ahead or week-ahead basis, pursuant to the Grid Code or the WESM Rules.

**"KSPC Capacity Cap"** means 7,000 kW

**"KSPC Price"** means a base rate of ₱4.5049/kWh.

**"LMP<sub>CN</sub>"** means the locational marginal price at customer node as defined in the WESM Rules.

**"LMP<sub>GN</sub>"** means the locational marginal price at generator node as defined in the WESM Rules.

**"Market Operator"** means the entity designated as the market operator of the WESM and tasked to administer the operation of the WESM in accordance with Republic Act No. 9136 and the WESM Rules.

**"Metering Service Provider"** has the meaning set forth in Article 10.4 (*Meter Tests*).

**"Monthly Payment"** has the meaning set forth in Article 7.2(a) (*Monthly Payments*).

**"NGCP"** means the National Grid Corporation of the Philippines or its successors and assigns.

**"Notice of Buyer Default"** has the meaning set forth in Article 12.4 (*Remedies of the Seller upon the Occurrence of a Buyer Event of Default*).

**"Notice of Seller Default"** has the meaning set forth in Article 12.3 (*Remedies of the Buyer upon the Occurrence of a Seller Event of Default*).

**"NPC"** means the National Power Corporation or its successor agency or successor generating companies.

**"OATS Rules"** shall mean the Rules, Terms and Conditions for the Provision of Open Access Transmission Service promulgated by the ERC in ERC Case No. 2002-253, as amended.

**"Party"** and **"Parties"** have the meaning set forth in the preamble.

**"Payment Due Date"** has the meaning set forth in Article 7.4(a) (*Payment Due Date; Overdue Charges*).

**"Person"** means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority, limited liability company or other entity having legal personality.

**"Pesos"** and the symbol **"₱"** mean the lawful currency of the Philippines.

**"Planned Outage"** means, in respect of Unit 1 and Unit 2, a total of 80 days (equivalent to 6,720,000 kWh) for every Contract Year allowed to the Seller to undertake the normal inspection, maintenance, repair and overhaul of the Cebu Power Plant; provided, that only one Unit shall be under Planned Outage at any one time.

**"Project"** means the design, engineering, development, construction, completion, testing, commissioning, financing, operation and maintenance of the Cebu Power Plant and all activities related or incidental thereto.

**"PSALM"** means the Power Sector Assets and Liabilities Management Corporation, or its successors and assigns.

**"PSA"** means the Power Sales Contract, including all annexes hereto as may hereafter be amended or supplemented from time to time in accordance with the provisions of this Contract.

**"Receiving Point"** has the meaning set forth in Article 5.6 (*Receiving Point*).

**"Replacement Energy"** shall mean energy supplied to the Buyer when the Cebu Power Plant is in Forced/Planned Outage.

**"Scheduled Termination Date"** means (i) the date which is one (1) year after the Effective Date of PSA, or (ii) such later date as may be allowed in accordance with Article 11.3 (*Extended Force Majeure Event*), or (iii) should the PSA be otherwise earlier terminated in accordance with the terms hereof, the date on which the PSA is so earlier terminated.

**"Security Deposit"** has the meaning set forth in Article 7.1(a) (*Security Deposit*).

**"Seller Events of Default"** has the meaning set forth in Article 12.1 (*Seller Events of Default*).

**"Site"** means that certain parcel of land located in the City of Naga, Cebu where the Cebu Power Plant will be constructed.

**"System Emergency"** means any unforeseeable condition affecting the Philippine transmission system, which may cause (a) the disconnection of the Cebu Power Plant from such transmission system or any disruption in the supply of electricity from the Cebu Power Plant (b) an inability on the part of the System Operator to accept all or a portion of the electrical generation of the Cebu Power Plant (c) the suspension of electricity off-take from the Cebu Power Plant in order to prevent or avoid significant disruption of service to the Buyer's or the System Operator's customers or danger to life or property, or (d) any event described under Section 6.7.1 and Section 6.7.2 of the WESM Rules, and (e) disruption of Visayas grid or transmission lines which hampers the delivery of Electricity to Buyer.

**"System Operator"** means the entity tasked to operate and maintain the Grid pursuant to Republic Act No. 9136 and the Grid Code.

**"T-Bill Rate"** means, in respect of any day for which interest based on such rate is being calculated under the PSA (in this definition, the **"Interest Calculation Date"**), the rate *per annum* at which Philippine Treasury Bills (with terms of 91 days, or if no such Treasury Bill is issued, such Treasury Bill which is issued having a term nearest to 91 days), were issued by the Government of the Republic of the Philippines on the Wednesday immediately preceding the Interest Calculation Date as published in the Philippine Bureau of Treasury website, or, if there were no Treasury Bills issued on such Wednesday, then the last "T-Bill Rate" published during the 60-day period preceding the Interest Calculation Date. If no such "T-Bill Rate" is available then the parties shall meet to discuss and agree on a rate but if no agreement is reached, then the rate per annum certified and evidenced by the Seller to be its effective cost of borrowing at such time.

**"Term"** has the meaning set forth in Article 3.2 (*Term*).

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**"Transmission Costs"** means all fees, costs and expenses for the transmission of electricity under the PSA, including but not limited to, power delivery services, system operator charges, and supply and metering charges.

**"TSA"** has the meaning set forth in Article 5.2 (*Transmission Services*).

**"Units"** means Unit 1 and Unit 2.

**"Unit 1"** means the first generating unit of the Cebu Power Plant scheduled by the Seller for commercial operation.

**"Unit 2"** means the second generating unit of the Cebu Power Plant scheduled by the Seller for commercial operation.

**"WESM"** means the wholesale electricity spot market created in accordance with Republic Act No. 9136.

**"WESM Rules"** means the rules and regulations promulgated by the Department of Energy governing the establishment and operation of the WESM and amendments thereto, including guidelines, manuals, procedures and rules issued by the entity operating the WESM.

#### 1.2 Interpretation.

Unless the context otherwise requires -

- (a) words denoting the singular number shall include the plural and *vice versa*.
- (b) all references to Applicable Law or to a particular Applicable Law includes a reference to any measures amending, supplementing or repealing any relevant Applicable Law from time to time;
- (c) all references to any contract or agreement mean such contract or agreement and all schedules, appendices, exhibits and attachments thereto as amended, supplemented or otherwise modified and in effect from time to time, and shall include a reference to any document which amends, supplements or replaces it, or is entered into, made or given pursuant to or in accordance with its terms;
- (d) any reference to a person or entity includes such person or entity's permitted successors and assigns;
- (e) the terms "include" and "including" shall be construed as being at all times followed by the words "without limitation" unless the context specifically indicates otherwise, whether or not the words "without limitation" are expressly stated in any particular instance in the PSA; and
- (f) in respect of the performance of the obligations under the PSA, references to the "Buyer" shall be deemed to include the Buyer and all of its subcontractors.

#### 1.3 Technical Meanings.

Words not otherwise defined in this PSA that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. Unless otherwise agreed to by the Parties, all units of measurement shall be stated in the metric unit (SI) system.

#### 1.4 Headings: Article References.

Article headings are for convenience of reference only, do not form part of this PSA and shall not be deemed to limit or otherwise affect any of the provisions hereof. References to Articles, paragraphs, annexes and schedules, unless otherwise indicated, are references to Articles, paragraphs, annexes and schedules of this PSA.

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1.5 Precedence.

- (a) In case of conflict between provisions of the Articles and the Annexes of this PSA, the Articles shall take precedence in the construction and interpretation of such provisions.
- (b) Subject to the foregoing, if any requirements specified in any Article conflict with those of any other Article, or if any requirements specified in any Annex conflict with any other requirements in such Annex, the more detailed requirements shall prevail. Notwithstanding the above, the provisions of this PSA, including all Annexes shall be, as far as reasonably practicable, construed as complementary rather than conflicting.

**ARTICLE 2 - REPRESENTATIONS AND WARRANTIES**

2.1 Representations and Warranties of the Buyer.

The Buyer hereby represents and warrants to the Seller as follows:

- (a) The Buyer is a distribution utility organized, validly existing, in good standing and qualified to engage in the distribution of electricity under Philippine laws and possesses all the requisite power and authority to enter into and perform and carry out all its covenants and obligations under and pursuant to this PSA.
- (b) The execution, delivery and performance by the Buyer of this PSA have been duly approved and authorized by all necessary corporate actions on the part of the Buyer, and this PSA has been duly executed and delivered by the Buyer and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.
- (c) The execution, delivery and performance by the Buyer of this PSA will not result in any breach of, or constitute a default under, any agreement, contract or instrument to which it is a party or by which it or its properties may be bound or affected.
- (d) No suit, action or arbitration or other legal, administrative or other proceeding is pending or has been threatened against the Buyer that could (i) affect the validity, binding effect or enforceability of this PSA, (ii) adversely affect the ability of the Buyer to fulfill its covenants and obligations under this PSA, or (iii) have a material adverse effect on the condition, financial or otherwise, business or operations of the Buyer.

2.2 Representations and Warranties of the Seller.

The Seller hereby represents and warrants to the Buyer as follows:

- (a) The Seller is a corporation duly organized, validly existing and qualified to engage in the supply of electricity under Philippine laws and possesses all the requisite power and authority to enter into and perform and carry out all its covenants and obligations under and pursuant to this PSA.
- (b) The execution, delivery and performance by the Seller of this PSA have been duly approved and authorized by all necessary corporate actions on the part of the Seller, and this PSA has been duly executed and delivered by the Seller and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.
- (c) The execution, delivery and performance by the Seller of this PSA will not result in any breach of, or constitute a default under, any agreement, contract or instrument to which it is a party or by which it or its properties may be bound or affected.
- (d) No suit, action or arbitration or other legal, administrative or other proceeding is pending or has been threatened against the Seller that could (i) affect the validity, binding effect or enforceability of this PSA, (ii) adversely affect the ability of the Seller to fulfill its covenants

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and obligations under this PSA, or (iii) have a material adverse effect on the condition, financial or otherwise, business or operations of the Seller.

### ARTICLE 3 - EFFECTIVENESS, EFFECTIVE DATE AND TERM

#### 3.1 Effectiveness; Effective Date.

This Contract shall become effective (the "Effective Date") upon full satisfaction and compliance with the following condition (the "Condition Precedent") of the issuance of Certificate of Exemption from the Competitive Selection Process (COE-CSP) by the Department of Energy;

The Buyer shall deliver a written notice to the Seller of the satisfaction of the Conditions Precedent and the achievement of the Effective Date.

#### 3.2 Term.

The PSA shall be effective for a term of Twelve (12) months, which shall commence on the Effective Date and end on the Scheduled Termination Date on the following day of the last day of the 12-month period.

### ARTICLE 4 - GENERAL OBLIGATIONS OF THE SELLER

#### 4.1 Deliveries of Contract Quantity.

Commencing on the Effective Date and continuing throughout the Term, the Seller shall supply or cause the supply to the Buyer of the Contract Quantity as herein stipulated upon the terms and subject to the conditions set out in the PSA.

#### 4.2 Electrical Characteristics.

The Contract Quantity shall meet the electricity characteristics requirements set out in Annex "B."

### ARTICLE 5 - GENERAL OBLIGATIONS OF THE BUYER

#### 5.1 ERC Approval

The EPSA shall be filed by the Buyer immediately before the Energy Regulatory Commission (ERC) upon receipt from the Department of Energy of the Certificate of Exemption from the Competitive Selection Process (COE-CSP). All relevant costs (e.g. Energy Regulatory Commission Costs and Notarial Fees) shall be shouldered equally by the parties.

#### 5.2 Transmission Connection

Each Party shall be responsible for the connection of its facilities to the Grid, in accordance with the Grid Code and the Distribution Code. Each Party shall bear its own fees, costs and expenses incurred for such connection.

#### 5.3 Transmission Services.

The Buyer and the Seller shall, in accordance with the OATS Rules, separately enter into a Transmission Services Agreement ("TSA") with NGCP. All Transmission Costs shall be billed and settled directly between NGCP and the Buyer in accordance with the OATS Rules.

#### 5.4 Ancillary Services.

Subject to the provisions of Article 6.6 (*Forced Outage; Allowed Outage Hours*), the Buyer and the Seller shall separately procure their respective applicable Ancillary Services from NGCP, WESM or any alternative ancillary service providers, in accordance with Applicable Law. All fees, costs and

expenses incurred by the Buyer in connection with procuring such service shall be for the account of the Buyer. All fees, costs and expenses incurred by the Seller in connection with procuring such service shall be a pass-through cost to the Buyer.

5.5 Substation Maintenance.

The Buyer shall, at its own cost and responsibility, install, operate and maintain such facilities and equipment as will permit it to receive the Contract Quantity.

5.6 Buyer's Facilities.

The Buyer shall at all times maintain all of its facilities in accordance with good utility practices and comply with all the requirements of the Distribution Code and the Grid Code in order to receive the Contract Quantity or any additional energy contracted from the Seller under Article 6.6 (*Electricity in Excess of Contract Quantity*) of this PSA. In the event of any failure of the Buyer to comply with this Article 5.6 (*Buyer's Facilities*), or any other refusal, failure or inability of the Buyer to accept the Contract Quantity or any energy contracted from the Seller other than as otherwise expressly provided in the PSA, the Buyer shall nevertheless be obligated to pay to the Seller for such Contract Quantity or energy contracted from the Seller.

5.7 Receiving Point.

The Buyer shall take delivery of the Contract Quantity at the high voltage side of the main transformer of the Cebu Power Plant at 138 kV or 69 kV or 13.2kV ("**Receiving Point**"). Any line rental such as transmission line losses and congestion charges from the Receiving Point to the Buyer's substation shall be for the account of the Buyer.

**ARTICLE 6 - SUPPLY OF ELECTRICITY**

6.1. Contract Quantity.

- (a) Upon the terms and subject to the conditions set out herein, commencing on the Effective Date and until the Scheduled Termination Date, the Seller shall deliver or cause the delivery to the Buyer, and the Buyer shall pay for, in each Contract Year, a minimum number in kWh of energy ("**Contract Quantity**") as set forth in Annex "B."
- (b) The Contract Quantity may be reduced by Force Majeure as provided in Article 11.1 (*Instances of Force Majeure*).
- (c) The Contract Quantity shall be reduced by the actual undelivered energy in the event of Forced Outage and Planned Outage.

6.2 Dispatch.

The Parties agree on the following dispatch and nomination procedures:

(a) *Responsibilities of the Buyer*

- (i) The Buyer shall submit its day-ahead and week-ahead HCQ to the Seller with respect to its day-ahead HCQ, at least one day prior to the relevant trading day, and with respect to its week-ahead HCQ, at least two days prior to the relevant trading week. The day-ahead HCQ shall be based on the average daily contract quantity as specified in Annex "C" and shall not exceed the KSPC Capacity Cap.
- (ii) The Buyer may submit revisions to the HCQ on a day-ahead or week-ahead basis, provided that for revisions of the day-ahead HCQ, the Buyer shall submit the notice of revisions to the Seller on or before 4:00 p.m. (or such earlier time as the Seller may reasonably determine and confirm to the Buyer in writing) of the day before

the relevant trading day. For revisions of week-ahead HCQ, the notice of revisions must be submitted at least one day prior to the relevant trading week.

- (iii) During each trading day, the Buyer may submit to the Seller 3 hours before the start of the trading hour to be revised.
- (iv) If the Buyer fails to submit its day-ahead HCQ for any trading day, the Seller shall consider the relevant day-ahead HCQ in the latest week-ahead HCQ submitted by the Buyer as the final HCQ for that trading day.
- (v) The Buyer shall confirm, for purposes of the WESM Rules, that it is the counter-party to a bilateral contract involving the Bilateral Contract Quantity.

(b) *Responsibilities of the Seller*

- (i) The Seller shall comply with all applicable requirements of the WESM Rules.
- (ii) The Seller shall, after each trading day, submit a schedule to the Market Operator specifying the Bilateral Contract Quantity as its bilateral sell quantity at the relevant generator node for the Cebu Power Plant.

6.3 Settlement.

- (a) The Final HCQ shall be the basis of settlement of the Buyer with the Seller for the relevant trading interval.
- (b) If the actual energy taken by the Buyer in any trading interval is greater than the Final HCQ for that trading interval, the Buyer shall settle the Final HCQ with the Seller outside the WESM in accordance with Article 7.2 (*Monthly Payments*). Without prejudice to Article 6.7 (*Electricity in Excess of Contract Quantity*), excess energy taken over the Final HCQ shall be deemed taken from the spot market and shall be for the account of the Buyer and paid by the Buyer directly to the Market Operator.
- (c) If, due to reasons other than Force Majeure or any significant event from the buyer, the actual energy taken by the Buyer for any trading interval is less than the Final HCQ for that trading interval, then: (i) the Final HCQ shall be deemed to have been taken by the Buyer, and the Buyer shall settle and pay for the entire amount of the Final HCQ (including the shortfall not taken) in accordance with Article 7.2 (*Monthly Payments*), and (ii) the Buyer may, in accordance with the WESM Rules, claim reimbursement for the amount paid on such shortfall from the Market Operator.
- (d) If, due to reasons other than Force Majeure, the actual energy delivered by the Seller for any trading interval is less than the Final HCQ for that trading interval and the Buyer was able to receive the full Final HCQ for such trading interval, then: (i) Buyer shall settle the Final HCQ with the Seller outside the WESM in accordance with Article 7.2 (*Monthly Payments*), and (ii) the Seller shall, subject to Article 6.6 (*Forced Outage; Allowed Outage Hours*), pay the Market Operator for the difference in the quantity of energy delivered by the Seller and the Bilateral Contract Quantity at  $LMP_{GN}$  in accordance with the WESM Rules.

6.4 *Calculation of Monthly Payment*

After the review and reconciliations described under Article 6.3., the Seller shall calculate the Monthly Payment in accordance with Article 7.2 (*Monthly Payments*).

6.5 Additional Procedures and Periodic Review.

The Seller and the Buyer shall agree on any necessary additional detailed billing and settlement procedures to comply with the WESM Rules. The Parties shall, from time to time, review the agreed billing and settlement procedures to ensure compliance with the WESM Rules.

6.6 Electricity in Excess of Contract Quantity.

The Seller may, but is not obliged to, make available to the Buyer energy in excess of the KSPC Capacity Cap or the Contract Quantity, as the case may be, upon written request of the Buyer. If the Seller agrees to grant such request and makes available to the Buyer the energy requested in excess of the KSPC Capacity Cap or the Contract Quantity, the Buyer shall pay therefor an amount computed in accordance with Article 7.2.

6.7 Reduction in Contract Quantity

The Buyer shall be entitled to a reduction in its Contract Quantity as a result of the transfer of any of the Buyer's contestable market customers upon written application by the Buyer to the Seller at least 60 days prior to such reduction; *provided*, that the reduction shall be allowed only in case (i) the transfer is direct to the Seller, or (ii) if the Seller is able to find an alternative market to sell the transferred Contract Quantity; *provided further*, that should the Seller be unable to find an alternative market, the BUYER shall ensure that the reduction be proportionately shared among all of its existing suppliers. Both parties shall cooperate to minimize the impact of such reduction.

**ARTICLE 7 - PAYMENTS**

7.1 Security Deposit for the Generation Fee

- (a) The Buyer shall, not later than a day before the dispatch of the new billing period, deliver to the Seller a security (the "Security Deposit") in an initial amount equivalent to its payment obligation for the one month Contract Quantity (as set forth in Annex "B") based on the KSPC Price (taking into account value added tax and relevant adjustments) and calculated in accordance with Annex "C". Such Security Deposit shall be by way of a cash deposit, or in the form of a surety bond, manager's check, cashier's check, certified check or irrevocable letter of credit or guarantee, in a form and (if such security is other than in cash), from a bank, insurance company, bonding company or other financial institution acceptable to the Seller.
- (b) Within 15 days after the Seller has drawn on the Security Deposit, the Buyer shall provide such additional security or securities as may be sufficient in order to restore the Security Deposit to its original amount.
- (c) The Security Deposit shall stand as security for the faithful and proper compliance by the Buyer with its obligations under the PSA. Within 60 days after the Scheduled Termination Date or such other date as the PSA may be terminated as provided in Article 16 (*Termination*) hereof, the Seller shall return to the Buyer the Security Deposit less any amount properly due and owing from the Buyer to the Seller under the PSA.

7.2 Monthly Payments

- (a) Commencing on the Effective Date and continuing throughout the Term, the Buyer shall pay to the Seller an amount (the "Monthly Payment") calculated in accordance with formula set out in Annex "D," exclusive of value added taxes and any other applicable taxes, fees and charges. The billings shall be based on the total Final HCQ for the Billing Month.
- (b) The line rental fees, the market fees and all other costs associated with the Parties' participation in the WESM, shall be a pass-through cost to be shouldered by the Buyer which shall be included in the monthly billings, except for costs relating to WESM prudential requirements, which shall be paid by the Buyer to the Market Operator upon the Buyer's registration as a direct WESM member. All ancillary service charges, taxes, fees, imposts and other similar charges shall also be included in the monthly billing.

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(c) The Monthly Payment shall be subject to adjustment in accordance herein set forth and shall be subject to further adjustments if there are new taxes, fees, imposts and similar charges or any increase in existing taxes, fees, imposts and charges.

### 7.3 Invoicing.

(a) The Seller shall send a preliminary invoice to the Buyer within seven days after the end of each Billing Month, setting forth the Monthly Payment due for that Billing Month, together with value added taxes and other applicable taxes, fees and charges due thereon. Such invoices shall be denominated in Pesos.

(b) If the Buyer does not dispute the preliminary invoice, the Seller shall deliver to the Buyer, within 11 days after the delivery of the preliminary invoice, a final invoice confirming the Monthly Payment and the other amounts set out in the preliminary invoice. If the Buyer disputes all or a portion of the Monthly Payment or other amounts set out in the preliminary invoice, then the provisions of Article 7.5 (*Disputed Invoices*) shall apply.

### 7.4 Payment Due Date; Overdue Charges.

(a) The Buyer shall pay the Seller the Monthly Payment due, together with value added taxes, other applicable taxes, fees and charges due thereon, and other amounts as indicated in the final invoice without deduction, set-off or counterclaim of any nature whatsoever, (i) by wire transfer to the bank account or accounts specified by the Seller in the final invoice, or (ii) by check at the offices of the Seller identified in the final invoice, in each case within 12 working days after receipt by the Buyer of the final invoice from the Seller (hereinafter referred to as the "**Payment Due Date**"). Provided, payments by Buyer to Seller supported by Certificate of Taxes Withheld in the name of the Seller shall be considered payment free and clear. Any amounts not paid on or after the Payment Due Date shall earn interest at the 91-day T-Bill Rate, plus three percent (3%) per annum. Upon receipt of payment from the Buyer, the Seller shall issue to the Buyer a VAT official receipt covering the Contract Quantity.

### 7.5 Disputed Invoices.

If the Buyer disputes amounts due from it as set out in the preliminary invoice delivered by the Seller pursuant to Article 7.3 (*Invoicing*), the Buyer shall, within fifteen (15) days from receipt of such invoice from the Seller, provide written notice ("**Notice of Dispute**") to the Seller indicating the amount disputed and stating the basis of such dispute in reasonable detail. The Buyer shall pay the amount not disputed by it (in accordance with Article 7.3 (*Invoicing*) and Article 7.4 (*Payment Due Date; Overdue Charges*)), and the Parties shall endeavor to settle the dispute within 30 days from the Seller's receipt of such written notice from the Buyer. If the Parties agree on a settlement amount, the Seller shall issue the final invoice reflecting the settlement amount within three (3) days from settlement, and the Buyer shall pay such amount within two (2) days from receipt of final invoice, together with interest thereon as set out in Article 7.4 (*Payment Due Date; Overdue Charges*) above from the date on which such amount should have been paid up to the date on which payment is made.

If no Notice of Dispute is received by the Seller from the Buyer within the fifteen-day period mentioned above, the Buyer shall not be deemed to have absolutely and unconditionally accepted the accuracy of the invoice. Amounts not disputed shall be due and payable on the Payment Due Date.

### 7.6 Change in Circumstances.

If, as a result of any Applicable Law coming into effect after the signing of the PSA, or as a result of any such Applicable Law (including any official interpretation thereof which the Seller has relied upon in entering into the PSA) in force at the date hereof being amended, modified or repealed (any such event, a "**Change in Circumstance**"), the interest of the Seller in the Site, the Project or the

Cebu Power Plant or the Seller's economic return (net of tax or other imposition, including, without limitation, any withholding or remittance tax on the payments of dividends) on its investment is materially reduced, prejudiced or otherwise adversely affected, then the Parties hereto shall meet and endeavor to agree on the necessary amendments to the PSA, and if after 60 days no such agreement has been reached then either Party may, upon giving to the other not less than 30 days' notice, terminate the PSA.

#### **ARTICLE 8 - REPLACEMENT POWER**

During Outage, whether Scheduled Outage or Unscheduled Outage, SELLER may supply or cause the supply of replacement power to the BUYER (the "Replacement Power") during the period of the relevant plant's outage at the same rate as agreed herein. SELLER's supply of Replacement Power shall only be to the extent of the Contracted Capacity.

The SELLER may provide replacement power in case it has exceeded the allowed outage and the unscheduled outage allowance upon the advice of the BUYER and at its expense. In case a variance of price occurs between the cost of replacement power and the contracted price rate, the latter shall always prevail

#### **ARTICLE 9 - SUSPENSION OF ACCEPTANCE OF DELIVERIES**

##### **9.1 Buyer's Notice.**

The Buyer shall notify the Seller immediately of the occurrence of any event which results or may reasonably be expected to result in the Buyer being physically precluded from accepting delivery of energy from the Seller. Such notice shall include a description of the event and the measures taken by the Buyer to remedy the event or to mitigate its effects. The Buyer shall also comply with all other requirements under the WESM Rules, the Grid Code, the Distribution Code and the OATS Rules.

##### **9.2 Restoration of Delivery.**

During any period of suspension of acceptance of deliveries, including any disconnection, the Parties shall use their best efforts to restore delivery as promptly as possible.

#### **ARTICLE 10 - METERING**

##### **10.1 Meters.**

The Contract Quantity delivered by the Seller shall be measured by a time-of-use, WESM-ready meter of a type approved by the ERC and otherwise compliant with the WESM Rules and other applicable laws and regulations.

##### **10.2 Measurement of Energy Consumed by Buyer.**

The actual energy taken by the Buyer under the PSA shall be measured during the operation of the WESM in the Visayas, using metering facilities provided by a Metering Service Provider.

##### **10.3 Meter Reading and Verification.**

In order to verify the quantity of electricity delivered by the Seller to the Buyer for each Billing Month, the Seller and the Buyer shall adopt the existing or the new remote metering procedure, once available, in getting the reading from the electricity meters at the Receiving Point at 12:00 a.m. on the twenty-sixth day of each month.

##### **10.4 Meter Tests.**

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The billing meters used or to be used shall be calibrated every six months by an ERC-accredited metering service provider ("**Metering Service Provider**") and witnessed by the Parties or their representatives. Any calibration made on the billing meter other than the regularly scheduled calibration shall be for the account of the Party requesting calibration of the billing meter.

10.5 Meter Accuracy.

The accuracy of the billing meter shall be 0.3% accuracy class in accordance with the Grid Code. Billing adjustments for meter inaccuracy shall cover only the current Billing Month and the immediately preceding Billing Month.

10.6 Meter Seals and Inspection.

The billing meter shall be sealed by the Metering Service Provider and the seals shall be broken only when the meter is to be inspected or tested pursuant to Article 10.4 (*Meter Tests*) above. The Seller and/or Buyer shall be given reasonable notice of such occasions and shall have the right to be present during the inspection. The absence of a representative of a Party shall not prevent the inspection and testing from proceeding.

10.7 Measurement Modification.

The requesting Party shall be responsible for the cost of replacing, modifying, upgrading or transferring the billing meter or its instrument transformers in order to achieve higher accuracy, efficiency, convenience and/or economy in the measurement of delivered Contract Quantity.

10.8 Metering Costs.

Special services provided by the Metering Service Provider to the Buyer other than standard metering services and rates approved by the ERC, shall be for the account of the Buyer.

## ARTICLE 11 - FORCE MAJEURE

11.1 Instances of Force Majeure.

"**Force Majeure**" shall mean any event not within the reasonable control, directly or indirectly, of the Party affected, but only if and to the extent that (i) such event, despite the exercise of reasonable diligence, cannot be or be caused to be prevented, avoided or removed by the Party affected, (ii) the Party affected has taken all reasonable precautions, due care and reasonable alternative measures in order to avoid the effect of such event on the Party's ability to perform its obligation under the PSA, and to mitigate the consequences thereof, and (iii) such event is not the direct or indirect result of a Party's negligence or the failure of such Party to perform any of its obligations under the PSA. An event of Force Majeure shall include, but not be limited to, any of the following:

- (a) acts of nature, pandemic in any form, war or acts of the public enemy, whether war be declared or not;
- (b) public disorders, civil disturbance, insurrection, rebellion, sabotage, acts of terrorism, riots, violent demonstrations, blockade, revolution, expropriation, requisition, confiscation, nationalization, export or import restriction or other restrictions, rationing or allocations imposed by any Governmental Authority;
- (c) any effect of unusual elements, including fire, volcanic eruption, landslide, earthquakes, floods, lightning, typhoons, tsunamis, perils of sea, or other unusual natural calamities;
- (d) strikes or lockouts or other collective or industrial action by workers or employees other than non-manual personnel (*provided*, that any Party that seeks to invoke such a strike or labor action as a Force Majeure must first utilize all reasonable efforts to maintain performance utilizing management personnel);



- (e) air crash, train wrecks or accidents of navigation or breakdown or injury of vessels, accidents to airports, harbors, docks, canals or other assistance to or adjuncts of airline, shipping or navigation; epidemic or quarantine, including failures or delays in transportation;
- (f) with respect to the Seller only, any Change in Circumstances;
- (g) radioactive contamination or ionizing radiation;
- (h) any System Emergency;
- (i) with respect to the Seller only, any construction-related Force Majeure conditions that affect the Project; or
- (j) unavailability or insufficiency of alternate energy in the system.

11.2 Effects of Force Majeure.

Except for the obligations of either Party to make any required payments which are already due and demandable under the PSA, the Parties shall be excused from performing their respective obligations under the PSA, and shall not be liable for damages or otherwise if and only to the extent that they are unable to so perform or are prevented from performing by reason of the Force Majeure; *provided*, that:

- (a) the non-performing Party, immediately after the occurrence of the Force Majeure (in the case of the Buyer) or in no event later than three days thereafter or as soon thereafter as may be reasonably practicable under the circumstances (in the case of the Seller), gives the other Party written notice describing the event, the effect thereof and the actions being taken in response thereto;
- (b) the suspension of performance is of no greater scope and or of no longer duration than is reasonably required by the event of Force Majeure; and
- (c) no obligation of either Party, which arose before the occurrence of the event that caused the suspension of performance, shall be excused as a result of the Force Majeure.

11.3 Extended Force Majeure Event.

If an event of Force Majeure occurs after the Effective Date, the Term shall be extended by a period equal to that during which the effect of the Force Majeure applies; *provided*, that if such effect applies for a continuous period in excess of 180 days, the parties hereto will meet to discuss the basis and terms upon which the arrangements set out in the PSA may be continued. If no agreement is reached within 60 days from the end of the 180-day period, then either Party may, upon giving to the other not less than 30 days' notice, terminate the PSA.

11.4 Settlement of Labor Disputes.

Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party having such dispute.

**ARTICLE 12 - EVENTS OF DEFAULT**

12.1 Seller Events of Default.

Each of the following events shall constitute an event of default by the Seller (hereinafter referred to as the "Seller Events of Default"):

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- (a) The Seller fails to perform any material obligation under the PSA, which failure has not been remedied within 60 days after receipt from the Buyer of a Notice of Seller Default as hereinafter defined.
- (b) A receiver or liquidator or trustee of the Seller or of any of the property of the Seller is appointed and not discharged within a period of 60 days; or the Seller is adjudicated bankrupt or insolvent or placed under rehabilitation, or any substantial part of the property of the Seller is sequestered and such decree continues undischarged and unstayed for a period of 60 days after the entry thereof; or a petition to declare bankruptcy or rehabilitation or to reorganize the Seller pursuant to any of the provisions of any applicable bankruptcy or rehabilitation law or any other similar statute is filed and is not dismissed within 60 days after such filing.
- (c) The Seller files a voluntary petition for bankruptcy or rehabilitation under any provisions of any bankruptcy or rehabilitation law or consents to the filing of any bankruptcy, rehabilitation or reorganization petition against it under any similar law, which has not been dismissed within 60 days from the filing thereof; or the Seller files a petition or answer or consent seeking relief or assists in seeking relief in a proceeding under any of the provisions of any applicable bankruptcy law or any other similar statute, or an answer admitting the material allegations of a petition filed against it in such a proceeding; or the Seller makes a general assignment for the benefit of its creditors; or the Seller admits in writing its inability to pay its debts generally as they become due.

12.2 Buyer Events of Default.

Each of the following events shall constitute an event of default by the Buyer (hereinafter referred to as the "**Buyer Events of Default**"):

- (a) The Buyer fails to make payment of any amount under the PSA on the Payment Due Date.
- (b) The Buyer fails to perform any material obligation under the PSA, which failure has not been remedied within 60 days after receipt from the Seller of a Notice of Buyer Default as hereinafter defined.
- (c) A receiver or liquidator or trustee of the Buyer or of any of the property of the Buyer is appointed and not discharged within a period of 60 days; or the Buyer is adjudicated bankrupt or insolvent or placed under rehabilitation, or any substantial part of the property of the Buyer is sequestered and such decree continues undischarged and unstayed for a period of 60 days after the entry thereof; or a petition to declare bankruptcy or rehabilitation or to reorganize the Buyer pursuant to any of the provisions of any applicable bankruptcy or rehabilitation law or any other similar statute is filed and is not dismissed within 60 days after such filing.
- (d) The Buyer files a voluntary petition for bankruptcy or rehabilitation under any provisions of any bankruptcy or rehabilitation law or consents to the filing of any bankruptcy, rehabilitation or reorganization petition against it under any similar law, which has not been dismissed within 60 days from the filing thereof; or the Buyer files a petition or answer or consent seeking relief or assists in seeking relief in a proceeding under any of the provisions of any applicable bankruptcy law or any other similar statute, or an answer admitting the material allegations of a petition filed against it in such a proceeding; or the Buyer makes a general assignment for the benefit of its creditors; or the Buyer admits in writing its inability to pay its debts generally as they become due.
- (e) The Security Deposit ceases to be valid or the Buyer fails to replenish the Security Deposit pursuant to the second paragraph of Article 7.1 (*Security Deposit*); or the party that issued it for the account of the Buyer claims that it is, or becomes entitled, to revoke, cancel or suspend the Security Deposit or does revoke, cancel, suspend or otherwise repudiate the Security Deposit; or the circumstances described in Articles 12.2(c) and (d) (*Buyer Events of Default*) above apply to the party providing the Security Deposit and the Buyer fails, within

fifteen days after the happening of any of the aforementioned events, fails to provide substitute security or securities to replace the Security Deposit.

(f) The Buyer is delisted from being a WESM member

12.3 Remedies of the Buyer upon the Occurrence of a Seller Event of Default.

Upon the occurrence of a Seller Event of Default, the Buyer may deliver written notice to the Seller specifying in reasonable detail the Seller Event of Default (the "Notice of Seller Default"). If, within 60 days after receipt of the Notice of Seller Default by the Seller, the Seller Event of Default has not been remedied by the Seller, the Buyer may terminate the PSA and pursue any remedy available to it under the PSA, at law or in equity.

12.4 Remedies of the Seller upon the Occurrence of a Buyer Event of Default.

Upon the occurrence of a Buyer Event of Default, the Seller may deliver notice to the Buyer specifying in reasonable detail the Buyer Event of Default (the "Notice of Buyer Default"). If, within 60 days after receipt of the Notice of Buyer Default by the Buyer, the Buyer Event of Default has not been remedied by the Buyer, the Seller may terminate with immediate effect the PSA and pursue any remedy available to it under the PSA, at law or in equity. In addition, the Buyer, immediately upon receipt of written demand from the Seller (the "Buyout Payment Date"), shall pay the Seller a buy-out fee equivalent to seventy-five percent (75%) of the present value of the adjusted KSPC Price multiplied by the Contract Quantity for the remaining term of the PSA had the same not been terminated. The adjusted KSPC Price shall be the KSPC Price for the Billing Month when the PSA is terminated as adjusted for that Billing Month pursuant to Annex "D". For the purpose of computing the present values, a discount rate equivalent to the prevailing T-Bill Rate shall be applied. The buy-out fee shall be computed using the standard present value formula, as follows:

$$P = \sum_{j=1}^n \left( A_j \times \left[ 1 + \frac{i}{12} \right]^{-j} \right)$$

where:

$P$	buy-out fee that the Buyer must pay to the Seller;
$A_j$	seventy-five percent (75%) of the projected invoice of the Seller to the Buyer for month $j$ , using the adjusted KSPC Price applicable for the month in which the PSA is terminated multiplied by the average monthly Contract Quantity, as set out in Annex "B," and adjusted in accordance with Annex "D";
$i$	discount rate equivalent to the prevailing T-Bill Rate;
$j$	months one to $n$ ; and
$n$	total number of months remaining in the term of the PSA.

**ARTICLE 13 - INDEMNIFICATION**

13.1 Full Responsibility.

Each Party shall indemnify the other against all claims, or other liabilities due to (i) loss, or (ii) death or injury to persons or (iii) damage to property, arising out of or in connection with the performance, or any delay, failure to perform or breach of performance, of its obligations hereunder, except to the extent that such claim or liability arises from the other Party's gross negligence or willful misconduct.

13.2 Notice.

Notice of any claim for indemnification shall be given within 60 days from the earlier of (i) the commencement and (ii) actual knowledge of the event or circumstance that gives rise to such claim. No claim for indemnification shall be allowed if such notice requirement is not complied with.

13.3 Limitation of Liability.

The liability of the Parties under the PSA shall not include any indirect, punitive, incidental or consequential cost, expense or damage.

13.4 Independent Parties.

The Seller and the Buyer shall not be considered as joint venturers, partners or agents of each other and neither shall have the power to bind or obligate the other.

**ARTICLE 14 - INSURANCE**

Each Party shall be responsible for obtaining and maintaining such policies of insurance as are required to be obtained and maintained by it in connection with its operations.

**ARTICLE 15 - ASSIGNMENT**

- (a) Neither Party may assign the PSA without the prior written consent of the other Party.
- (b) Notwithstanding the provisions of Article 15(a) (*Assignment*), the Seller may, without the prior written consent of the Buyer, assign the PSA, and its rights and interests hereunder to investors and lenders providing financing for the Cebu Power Plant. The Seller shall issue a written notice to the Buyer of such assignment within 15 days therefrom.
- (c) The Buyer hereby consents to any assignment by the Seller of the PSA to such investors and lenders.
- (d) The Buyer further consents, if required by the investors or lenders, to afford the investors and lenders an opportunity to remedy any event of default or potential default by the Seller prior to giving effect to any termination of the PSA among other requirements. The Buyer shall confirm the consents under this section in a written consent and agreement to be entered into by the Buyer with the investors and lenders providing financing to the Project, which consent and agreement may contain other reasonable provisions customary in the financing of international power projects. The Buyer further agrees to provide all further assurances and to execute any additional documents as the investors or the lenders may reasonably require.

**ARTICLE 16 - TERMINATION**

16.1 Generally.

The PSA shall terminate on the Scheduled Termination Date unless otherwise renewed by mutual agreement of the Parties in writing and in accordance with the established rules and regulations. The PSA may also be terminated in any of the following instances:

- (a) by written agreement of the Parties;
- (b) if a Change in Circumstance shall have occurred and the Parties fail to agree on amendments to the PSA as provided in Article 7.6 (*Change in Circumstances*);
- (c) if a Party is prevented from the performance of its obligations on account of an extended event of Force Majeure, as provided in Article 11.3 (*Extended Force Majeure Event*);

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- (d) by the Buyer, if the Seller fails to remedy a Seller Event of Default, as provided in Article 12.3 (*Remedies of the Buyer upon the Occurrence of a Seller Event of Default*); or
- (e) by the Seller, if the Buyer fails to remedy a Buyer Event of Default, as provided in Article 12.4 (*Remedies of the Seller upon the Occurrence of a Buyer Event of Default*).

16.2 Consequences of Termination.

Upon any termination of the PSA and without prejudice to Article 12.4 (*Remedies of the Seller upon the Occurrence of a Buyer Event of Default*), each Party shall cease to have any further obligations, responsibilities or liabilities hereunder, other than for such obligations or liabilities that have accrued prior to the date of termination hereof and remain undischarged as of the date of termination.

**ARTICLE 17 - DISPUTES**

17.1 Amicable Settlement.

Both Parties agree that any dispute arising out of or relating to the PSA (the "Dispute") shall, as much as practicable, be settled amicably. If resolution of a Dispute by such means is not achieved within 30 days after the service by either Party to the other Party of written notice of the existence of a Dispute, either Party may, by giving further written notice to the other Party, require that the Dispute be referred to their respective chief executive officers or, should circumstances warrant, person(s) authorized by such chief executive officers, for resolution and each Party shall procure that its chief executive officer or representative seeks in good faith to resolve the matter by discussion with the other.

17.2 Settlement of Disputes.

In the event the representatives of each party are unable to resolve such dispute within thirty (30) days after termination of the discussion under Article 17.1 above without the Dispute settled, upon written request of either party, such Dispute shall be settled pursuant to 17.3 below.

17.3 Jurisdiction and Court of Litigation.

Any Dispute that is not resolved between the Parties in accordance with the preceding paragraph shall, unless the Dispute falls within the original and exclusive jurisdiction of the ERC, be submitted to the jurisdiction of the courts of Cebu City, to the exclusion of all other courts elsewhere situated, and the Parties agree that such court is an appropriate forum for the settlement of Disputes and waive any claim or assertion that such courts are an inconvenient forum.

**ARTICLE 18 - COOPERATION**

18.1 Generally.

The Parties agree to cooperate with each other, to act with the utmost good faith, and to promptly execute, acknowledge, and deliver any such further assurances, documents or instruments, and to do all such further acts and things, in each case as the other Party may reasonably request and as may be reasonably necessary for the purpose of carrying out the intent and purpose of the PSA.

18.2 Seller's Investors and Lenders.

The PSA is subject to review by prospective investors and lenders of the Seller. The Buyer agrees to (a) negotiate in good faith any changes to the PSA requested by such prospective investors and lenders, and (b) provide such further assistance and execute such documents as may be required by such investors or lenders consistent with the PSA.

## ARTICLE 19 - MISCELLANEOUS PROVISIONS

### 19.1 Entire Agreement.

This PSA constitutes the entire and new agreement of the Parties, repeals the old PSA and supersedes any and all other agreements of the Parties with respect to the subject matter hereof.

### 19.2 Binding Effect; Successors and Assigns.

This PSA and all its terms and conditions shall bind and inure to the benefit of the Parties and their respective successors and duly permitted assigns. This PSA may be executed in counterparts but all such counterparts shall constitute one and the same instrument.

### 19.3 Governing Law.

This PSA shall be governed in all respects, including validity, construction, performance and effect, by the laws of the Philippines.

### 19.4 Amendments.

No change or variation in the PSA shall be effective unless executed in writing by the Parties.

### 19.5 Waiver, Cumulative Rights.

No failure or delay on the part of a Party in exercising any right, power or remedy accruing to it upon any breach or default by the other Party under the PSA shall impair any such right, power or remedy, nor shall any such failure or delay be construed as a waiver of any such breach or default thereafter occurring, nor shall a waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power hereunder. Unless the context otherwise provides, all remedies, either under the PSA, or by law or otherwise afforded the Parties shall be cumulative and not alternative. No notice to or demand on any Party in any case shall entitle it to any other or further notice or demand in similar or other circumstances.

### 19.6 Notices.

All notices, requests and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, sent by telefax or mailed first class, airmail, postage prepaid, registered or certified as follows:

#### For the Seller:

Address: KEPCO SPC Power Corporation (KSPC)  
Colon, City of Naga, Cebu 6037, Philippines

Attention: The President & CEO

Telephone No.: (032) 231-9371/ +63-32-505-4065,70,71

#### For the Buyer:

Address: Leyte V Electric Cooperative, Inc. (LEYECO V)  
San Pablo, Ormoc City, Leyte, Philippines

Attention: The General Manager

Telephone No.: (053) 561-4075

19.7 Severability.

In case any one or more of the provisions contained in the PSA shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

19.8 Breach of Seller's Coal Supplier.

If there is a failure or breach by Seller's supplier of coal of its obligation to supply coal to the Seller pursuant to the coal supply contract between the Seller and such supplier, the Parties shall promptly meet to discuss how the situation may be addressed. If the Seller procures coal from a different supplier for continuous power supply to the Buyer under this contract, the newly procured fuel contract shall constitute to be the effective fuel contract rate.

**ARTICLE 20 - CONFIDENTIALITY**

Except where required by law or authorized by the other Party in writing, a Party shall not disclose the provisions of the PSA to any third person without the prior written consent of the other Party, except disclosures (i) to a Party's advisors, agents, counsels and other similar persons or (ii) to prospective investors and lenders of the Seller.

**IN WITNESS WHEREOF**, the Parties have signed this PSA on this 22<sup>nd</sup> day of August 2022 in Tacloban City, Philippines.

**KEPCO SPC POWER CORPORATION  
(KSPC)**

By: Tae Ho Kim  
Vice President

**LEYTE V ELECTRIC COOPERATIVE, INC.  
(LEYECO V)**

By: Joseito P. Yap  
Board President

SIGNED IN THE PRESENCE OF:

Sungnam Jeon  
**Sungnam Jeon**  
Senior Marketing Manager, KSPC

Atty. Jannie Ann J. Dayandayan, CPA  
**Atty. Jannie Ann J. Dayandayan, CPA**  
General Manager, LEYECO V

REPUBLIC OF THE PHILIPPINES )  
 )s.s

**ACKNOWLEDGMENT**

BEFORE ME, a notary public in and for the city named above personally appeared:

Name	Community Tax Certificate/ Passport No.	Date and Place of Issue
------	--	-------------------------

**Tae Ho Kim**

**Joselito P. Yap**

who was identified by me through competent evidence of identity to be the same person described in the foregoing Power Sales Contract PSA, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he has executed the instrument as his free and voluntary act and deed and that he has the authority to sign on behalf of his respective principals.

WITNESS MY HAND AND SEAL this \_\_\_\_ \_\_, 2022.

Doc.No. \_\_\_\_;  
PageNo \_\_\_\_;  
BookNo \_\_\_\_;  
Series of 2022.

Notary Public for \_\_\_\_ City  
Commission No. \_\_\_\_ until December 31, 2022  
Roll of Atty. No. \_\_\_\_  
PTR No. \_\_\_\_ • \_\_\_\_, 20\_\_ • \_\_\_\_ City  
IBP No. \_\_\_\_ • \_\_\_\_, 20\_\_ • \_\_\_\_ Chapter  
[address]





REPUBLIC OF THE PHILIPPINES )  
 ) SS

**ACKNOWLEDGMENT**

BEFORE ME, a notary public in and for the city named above personally appeared:

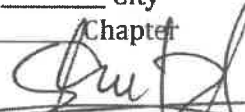
Name	Community Tax Certificate/ Passport No.	Date and Place of Issue
Tae Ho Kim		
Joselito P. Yap	PASSPORT NO: P09703658	MARCH 8, 2019 - DFA TACLOBAN

who was identified by me through competent evidence of identity to be the same person described in the foregoing Power Sales Contract (PSA) who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he executed the instrument as his free and voluntary act and deed and that he has the authority to sign on behalf of his principals

WITNESS MY HAND AND SEAL this 01 SEP 2022 TACLOBAN CITY

Doc.No. 406;  
PageNo 83;  
BookNo 12;  
Series of 2022.

Notary Public for \_\_\_\_\_ City  
Commission No. \_\_\_\_\_ until December 31, 2022  
Roll of Atty. No. \_\_\_\_\_  
PTR No. \_\_\_\_\_, 20\_\_\_\_ City  
IBP No. \_\_\_\_\_, 20\_\_\_\_ Chapter  
[address]

  
**ATTY. EDSON G. PICZON**  
Notary Public for Tacloban City  
NC-2021-06-71; until Dec. 31, 2022  
IBP Lifetime No. 018202; IBP Leyte Chapter  
PTR No. 8209673; 01/10/2022; Tacloban City  
MCLE VII-0005018; Roll No. 62018  
TIN No. 937468765000; attypiczon@gmail.com  
Unit 2, 2nd Floor, Astrodome, Tacloban City

*mw*  
*AD*

*[Signature]*

*[Signature]*  
22

**ELECTRICITY CHARACTERISTICS OF CONTRACT QUANTITY**

The Seller shall supply the Contract Quantity in accordance with good utility practice and in compliance with appropriate rules and regulations such as the Grid Code, the Distribution Code, the WESM Rules and the OATS Rules.

**Electricity Delivery Requirements:**

The Seller shall:

- a) supply electricity at the Receiving Point.
- b) continuously supply active power output within the system frequency range of 59.7 to 60.3Hz and a reactive power output under steady state conditions within the voltage range  $\pm 5\%$  of nominal value at the connection point.

The Seller shall cooperate with the Buyer in establishing emergency plans including, but not limited to, recovery from local or widespread electrical blackout, voltage regulation to effect load curtailment, and such other plans as may be necessary."

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CONTRACT QUANTITY TABLE

Contract Quantity 1-Year Emergency Power Supply Contract		
Billing Months	Contract Capacity, MW	*Contract Quantity, kWh
September 2022	7	5,208,000.00
October 2022	7	5,040,000.00
November 2022	7	5,208,000.00
December 2022	7	5,040,000.00
January 2023	7	5,208,000.00
February 2023	7	5,208,000.00
March 2023	7	4,704,000.00
April 2023	7	5,208,000.00
May 2023	7	5,040,000.00
June 2023	7	5,208,000.00
July 2023	7	5,040,000.00
August 2023	7	5,208,000.00
<b>Total</b>		<b>61,320,000.00</b>

*\*Proportionately adjusted to account for the undelivered energy (kWh) due to Force Majeure.  
 \*Contract Quantity Table is subject to change with respect to ARTICLE 3 - EFFECTIVENESS, EFFECTIVE DATE AND TERM*





ANNEX "C" Security Deposit

SECURITY DEPOSIT

Sample:

Contracted Monthly Energy = 5,208,000 kWh  
Contract Price : ₱4.5049/kWh plus adjustments as in Annex "D"  
VAT : 12%  
Amount of Security Deposit =  $(5,208,000 \times ₱4.5049) \times 112\% + \text{other applicable charges}$   
= ₱ 26,726,901.50 (in such form as indicated in Article 7.1) +  
other applicable charges



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AV

ANNEX "D" Generation Fee

$K$  = Seller's generation charge for the billing month  $m$ ; in Peso.

**Computation of "K"**

$$K = HCQ_m \times CP$$

Where:

$$HCQ_m = \sum_{i=26}^{n25} \sum_{j=1}^{24} (HCQ_{ij} - FMQ_{ij})$$

$HCQ_m$  = Total Final HCQ for the billing month  $m$ , kWh.

$HCQ_{ij}$  = Final HCQ for the relevant day  $i$  and relevant hour  $j$  of the billing month  $m$ , kWh

$FMQ_{ij}$  = Quantity of energy not deliverable due to Force Majeure for the relevant day  $i$  and relevant hour  $j$  of the billing month  $m$ , kWh.

**Contract Price** = billing price for the billing period  $n$ , *PhP / kWh*  
= Fixed Fee + Fuel Fee

**Fixed Fee** = **Php 2.5664 /kWh**

$$\text{Fuel Fee} = \text{Fuel Fee}_{\text{BASE RATE}} \times \left[ \frac{CF_n}{CF_0} \right] \times \left[ \frac{FX_n}{FX_0} \right]$$

Where,

*Fuel Fee* – is the Fuel Fee for the billing period  $n$ , *PhP / kWh*

*Fuel Fee*<sub>BASE RATE</sub> – is the Base Fuel Fee, *PhP1.9385 / kWh*

$CF_n$  – Cost of Fuel for current Billing Period  $n$

$CF_0$  – Base Cost of Fuel equal to **\$64.02 /MT, June 2021**

$$CF_n = BP_n + TBP_n$$

$$CF_0 = BP_0 + TBP_0$$

Where:

$BP_0$  = shall be the rate of the Coal Supply Contract<sup>1</sup>.

$TBP_0$  = shall be the transportation rate of the Coal Supply Contract<sup>2</sup>.

$FX_n$  = Philippines Peso vs. US Dollar exchange rate as published by the *Bangko Sentral ng Pilipinas* on or before the last day of the Billing Month

$FX_0$  = An exchange rate of 48.838 Philippine Peso vs. 1.00 US Dollar, June 2021 billing period

Where:

Adjustments to Base Price ( $BP_n$ )

The  $BP_n$  shall be adjusted quarterly to reflect the increase or decrease of the price of "Harga Batubara Acuan (HBA)" as per the formula stated below:

<sup>1</sup>  $BP_0$  as of 2<sup>nd</sup> Q 2021: US\$ 44.09 /MT

<sup>2</sup>  $TBP_0$  as of 2<sup>nd</sup> Q 2021: US\$ 19.93/MT

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$$BP_n = BP_{n-1} \times \left( \frac{BIP_{n-1}}{BIP_{n-2}} \right)$$

Where:

$BP_n$  = Base Price as of current quarter:  
 $BP_{n-1}$  = Base Price as of preceding quarter<sup>3</sup>  
 $BIP_{n-1}$  = Base Index Price as of preceding quarter  
 $BIP_{n-2}$  = Base Index Price as of preceding quarter to  $BIP_{n-1}$

- The quarter shall refer to a calendar quarter. Base Index Price shall be the quarterly average of the 'Harga Batubara Acuan (HBA)'. For the reference, the initial  $BIP_{n-2}$  shall be US\$82.70 per metric ton.
- The initial price adjustment shall be made on the First Scheduled Delivery Date and which shall be effective until the end of the quarter of the First Scheduled Delivery Date.
- The next price adjustment after the First Scheduled Delivery Date will be on the next calendar quarter and the price shall be adjusted on the first day of every quarter thereafter.
- Any applicable and export-related taxes, duties, and other charges imposed by the respective governments of the exporters shall be added to the coal Base Price of each supplier/exporter under the CSC's while any applicable and related taxes, duties, and other charges imposed by any Government Authority having jurisdiction over either of the parties shall be added to the blended Base Price as of current quarter ( $BP_n$ )
- The coal Base Price for each shipment of coal supplied by the supplier CFR (Cost and Freight) hereunder to the Seller's delivery point at the Cebu Power Plant shall be the Base Price, as applicable to that shipment and adjusted in accordance with the immediately preceding formula under this Schedule 1 (the "Base Price").

#### Adjustment of Transportation Base Price (" $TBP_n$ ")

The  $TBP_n$  shall be adjusted quarterly to reflect the increase or decrease of the price of Platts Bunker Singapore Marine Gas Oil 0.1% as per the formula stated below:

**Formula:** 
$$TBP_n = (TBP_{n-1} \times 0.75) + \left\{ TBP_{n-1} \times \left( \frac{BBP_{n-1}}{BBP_{n-2}} \right) \times 0.25 \right\}$$

Where:

$TBP_n$  = TBP as of current quarter  
 $TBP_{n-1}$  = TBP as of preceding quarter<sup>4</sup>. In case of a new Coal Supply Contract, the initial  $TBP_{n-1}$  shall be the transportation rate of the Coal Supply Contract.  
 $BBP_{n-1}$  = Bunker Basis Price in US cents as of preceding quarter  
 $BBP_{n-2}$  = Bunker Basis Price in US cents as of preceding quarter to  $BBP_{n-1}$   
75% = Fixed Cost  
25% = Variable Cost

- The quarter shall refer to a calendar quarter. Bunker Basis Price shall be the quarterly average of the Platts Bunkerwire Singapore Marine gas Oil 0.01% which is internationally accepted in the industry practice. For the reference, the initial Bunker Basis Price,  $BBP_{n-2}$ , shall be US\$504.397 per metric ton.
- The initial price adjustment to the Transportation Base price shall be made on the First Scheduled Delivery Date and which shall be effective until the end of the quarter on the First Scheduled Delivery Date.

<sup>3</sup> Initial  $BP_{n-1}$  2<sup>nd</sup> Q 2021: US\$ 44.09/MT

<sup>4</sup> Initial  $TBP_{n-1}$  2<sup>nd</sup> Q 2021: US\$ 19.93/MT

M

- The next price adjustment after the First Scheduled Delivery Date will be on the next calendar quarter and the price shall be adjusted on the first day of every quarter thereafter.

Notes:

- i. K is subject to Value Added Tax (VAT) if applicable and any applicable governmental fees and charges;



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*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPSCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPSCO SPC POWER CORPORATION (KSPC),”*

# *Annex B*

*(LEYECO V Articles of Incorporation)*



COPY 12  
CORPORARY

ARTICLES OF INCORPORATION  
OF THE  
LEYTE V ELECTRIC COOPERATIVE, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, all of whom are of legal age, Filipino citizens and residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a non-stock non-profit membership electric cooperative under the laws of the Republic of the Philippines, more particularly under Presidential Decree No. 269.

AND WE HEREBY CERTIFY:

FIRST - That the Name of the Cooperative shall be LEYTE V ELECTRIC COOPERATIVE, INC.;

SECOND - That the Cooperative is formed primarily for the purpose of supplying, promoting and encouraging the fullest use of electric services to its members on an area coverage basis, pursuant to the provisions of Presidential Decree No. 269;

THIRD - That the Cooperative shall have its principal office at the City of Ormoc, Leyte, Philippines;

FOURTH - That the term for which said Cooperative is to exist is fifty (50) years, from and after the date of incorporation;

FIFTH - That the names and residences of the incorporators of said Cooperatives are as follows:

<u>NAME</u>	<u>NATIONALITY</u>	<u>ADDRESS</u>
Roberto C. Omega	Filipino	Ormoc City
Ranulfo Q. Baholat	-do-	Merida, Leyte
Mario S. Laurente	-do-	Kananga, Leyte
Eufrocino Cadilla	-do-	Ormoc City
Pedro C. Barte	-do-	Albuera, Leyte
Ganilo Pastor	-do-	Tabango, Leyte
Honorato Agas, Jr.	-do-	Calubian, Leyte

SIXTH - That members in this Cooperative shall be opened to any person, firm, association, corporation, or body politic or subdivision thereof, qualified under the By-laws and rules prescribed by the Cooperative in the Municipalities of Albuera, Calubian, Isabel, Kananga, Leyte-Leyte, Matag-ob, Merida, Palospon, San Isidro, Tabango, Villaba and Ormoc City, Province of Leyte and of any additional area which may hereafter be serviced by the Cooperative;

SEVENTH - That the number of Directors of said Cooperative shall be seven (7) and the names and residences of the Directors of the Cooperative who are to serve until successors are elected and qualified as provided for in the By-laws are:





<u>NAME</u>	<u>ADDRESS</u>
Roberto C. Omega	Ormoc City
Ranulfo Q. Baholat	Merida, Leyte
Mario S. Laurente	Kananga, Leyte
Eufrocino Cadilla	Ormoc City
Pedro C. Barte	Albuera, Leyte
Ganilo Pastor	Tabango, Leyte
Honorato Agas, Jr.	Calubian, Leyte

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Certified by: MC BAHANOSO  
Date: 09/07/83

...to be altered, executed or  
...more than a majority  
...or  
...the nature of such  
...of the proposed situation,


...we have hereunto set our hands on this  
...of December, 1977 at Cebu City, Philippines:

 <u>ROBERTO S. CHUA</u>	 <u>RAMON S. LAURENTE</u>
 <u>ANTONIO CONILLA</u>	 <u>PEDRO C. BARTÉ</u>
 <u>SERGIO BARTÉ</u>	 <u>ROBERTO AGAS, JR.</u>

Signed in the presence of:

 <u>HON. JUAN T. DELA CRUZ</u>	 <u>HON. RAMON S. LAURENTE</u>
<u>HON. SERGIO B. SALVADOR</u>	<u>HON. JOSE LAURENTE</u>
<u>HON. EDUARDO B. BICARAN</u>	<u>HON. JOSE BICARAN</u>
<u>HON. ANTONIO P. PANGILAN, JR.</u>	<u>HON. AURELIO YLORIO</u>
<u>HON. SERGIO BARTÉ</u>	<u>HON. JOSE MA. MURCIQUE</u>
<u>HON. ROBERTO AGAS, JR.</u>	<u>HON. BENIGNO GRACIAS, JR.</u>
 <u>HON. RAMON S. LAURENTE</u>	

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Certified by:   
Date: 03/07/23

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-3-

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES  
CITY OF ORMOG  
PROVINCE OF LEYTE

REPORT ME, Notary Public in and for the Province of Leyte and in the City of Ormoc, Philippines, personally appeared on this 22nd day of December, 1977 the following persons with their respective Residence Certificate as follows:

*[Handwritten signature]*

NAME	RES. CERT. NO.	DATE AND PLACE ISSUED
Roberto C. Omega	5228936	1-1-77 -Ormoc City
Manila ...	5267309	3-5-77 -Marikina, Leyte
Maris S. Laurente	5228927	1-20-77 -Ormoc City
Eufrencia Odilla	6673122	1-7-77 -Ormoc City
Pedro C. Barte	5116348	1-7-77 -Albuera, Leyte
Genilo Pastor	5191488	2-16-77 -Tabango, Leyte
Honorato Agas, Jr.	5188370	2-1-77 -Calubian, Leyte

all known to me and to me known to be the same persons who execute the foregoing Articles of Incorporation and who acknowledged to me that it that the same are their free and voluntary act and deed.

This refers to Articles of Incorporation consisting of three (3) pages signed by the Incorporators and their instrumental witnesses at the left hand margin of page one and at the top portion of page two.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on this date and at the place first above written.

*[Handwritten Signature]*  
**CRISTOPHER S. PUNEDOLA**  
 Notary Public  
 Commission Expires December 31, 1978  
 My No. DECEMBER 30TH 1977  
 Issued on 2201218 9  
 DATED JAN. 3, 1977  
 AT ORMOG CITY  
 TAN-1276-087-0

Doc. No. 108  
Page No. 23  
Book No. XXIX  
Series of 1977 27

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Certified by: NO. 2201218 9  
Date: 02/09/23

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex B-1*

*(LEYECO V By-Laws)*

BY-LAWS  
of  
LEYTE V ELECTRIC COOPERATIVE, INC.

ARTICLE I - MEMBERSHIP

**SECTION 1. Requirements for Membership.** Any person, firm, association, corporation or body politic or subdivision thereof may become a member in Leyte V Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

- (a) Filing a written application for membership therein.
- (b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified in Section 6, Article I.
- (c) Agreeing to comply with and be bound by the articles of incorporation and by-laws of the Cooperative, any rule and regulation adopted by the Board, and requirements of the National Electrification Administration.
- (d) Paying the membership fee hereinafter specified, provided however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until the membership has been accepted by the Board.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these By-Laws.

No bona fide applicant for membership who is able and willing to satisfy and abide by all such terms and conditions shall be denied arbitrarily, capriciously or without good cause.

**SECTION 2. Membership Certificates.** Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these By-Laws, nor until such membership fee has been fully paid. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

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The word "Board" is used herein to refer to the Board of Directors.

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Certified by: Ne. [Signature]  
Date: 03/07/83



**SECTION 3. Joint Membership.** A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these By-Laws shall be deemed to include a husband and wife holding a joint membership, and any provision relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting.
- (b) The vote of either separately or both jointly shall constitute one joint vote.
- (c) A waiver of notice signed by either or both shall constitute a joint waiver.
- (d) Notice to either shall constitute notice to both.
- (e) Expulsion of either shall terminate the joint membership.
- (f) Withdrawal of either shall terminate the joint membership.
- (g) Either but not both may be elected or appointed as an officer or board member, provided that the qualifications for such office are met.

**SECTION 4. Conversion of Membership**

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, by-laws and rules and regulations adopted by the Board. The outstanding membership certificates shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status, provided however, that the estate of the deceased shall not be released from any debts due the Cooperative.

**SECTION 5. Rights of the Members.** Every bona fide member shall have the following rights:

- (a) To vote
- (b) To hold elective office
- (c) To be informed of cooperative affairs
- (d) To examine the cooperative's books of accounts at any reasonable time during office hours.
- (e) To bring charges against any board member
- (f) To receive one free electric service connection upon payment of membership fee.

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**SECTION 6. Membership Fee.** The membership fee shall be ₱5.00 pesos.

Certified by: W. C. Ramos  
Date: 03/07/23

**SECTION 7. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefor at rates which shall, from time to time, be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in Article VII of these By-Laws. Each member shall pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

**SECTION 8. Termination of Membership.**

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board, through a resolution, may, by the affirmative vote of not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, by-laws, or rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative and such failure shall have continued for at least ten days after such notice was given that such failure makes him liable to expulsion.

(b) The membership of a member, who, for a period of six months after service is available to him, has not purchased energy from the Cooperative may be cancelled by resolution of the Board.

(c) Upon withdrawal, death, or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debt due the Cooperative.

(d) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debt or obligation owed by the member to the Cooperative.

(e) Any member whose membership has been terminated may be reinstated through a resolution of the Board and by the affirmative vote of not less than two-thirds of all members of the Board, upon such member's compliance with the provisions of the articles of incorporation, by-laws, and rules and regulations adopted by the Board.

**ARTICLE II - PROPERTY RIGHTS AND LIABILITIES OF MEMBERS**

**SECTION 1. Property Interest of Members.** The members are the joint owners of the Cooperative, with their individual equity in its assets determined on the basis of their patronage. Upon dissolution,

after LEYECO V

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Date: 03/07/23

- (a) All debts and liabilities of the Cooperative shall have been paid, and
- (b) All capital furnished through patronage shall have been retired as provided in these By-Laws.

the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence.

**SECTION 2. Non-liability for Debts of the Cooperative.** The private property of the member shall be exempted from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debt or liability of the Cooperative.

**ARTICLE III - MEETINGS OF MEMBERS**

**SECTION 1. Annual Meeting.** The first annual meeting of the members shall be held within one year after the system has been partially energized, and annually thereafter in the month of May, 4th Sunday at such place within the service area of the Cooperative as selected by the Board and which shall be designated in the notice of the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meetings. District meetings shall be held as provided in Article IV for the purpose of electing board members.

**SECTION 2. Special Meetings.** Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three board members, by the president, or by one hundred members or five per cent of all the members, whichever shall be the lesser, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the area served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

**SECTION 3. Notice of Members' Meetings.** Written notice stating the purpose, place, day and hour of the meeting, and in case of special meeting or an annual meeting at which business requiring special notice is to be transacted is called, shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by the secretary, or upon failure to do the same, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the Philippine mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. Where practical and necessary, broadcast media may be availed of.

**SECTION 4. Quorum.** A quorum for the transaction of business at all meetings of the members of a Cooperative having not more than 1,000 members shall be five per cent of all members, and of a Cooperative having more than 1,000 members shall be five per cent of all members.

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Date: 02/07/23



members or 100, whichever is lesser. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person. Failure to obtain a quorum at an annual membership meeting shall not prevent a Board Member duly elected at a district meeting from taking office.

**SECTION 5. Order of Business.** The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

- (a) Report on the number of members present in person in order to determine the existence of a quorum.
- (b) Reading of the notice of the meeting and the proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (c) Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
- (d) Presentation and consideration of reports of officers, manager, and committees.
- (e) Unfinished business
- (f) New business
- (g) Adjournment

**SECTION 6. Voting.** Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a majority vote of the members present, except as otherwise provided by law or other provisions of these By-Laws.

#### ARTICLE IV - BOARD OF DIRECTORS

**SECTION 1. General Powers.** The business and affairs of the Cooperative shall be the responsibility of a Board of 7 members which shall formulate and adopt policies and plans, promulgate rules and regulations for the management, operation and conduct of the business of the Cooperative, and exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation, or these By-Laws conferred upon or reserved to the members of the Cooperative, or reserved by the National Electrification Administration. Powers of the Board shall be exercised only by actions and determinations taken in a regularly called and legally held meeting of the Board, and such actions and determinations shall be recorded in the official minutes of Board meetings. The authority of any individual member of the Board may be exercised only as a participant in a regularly called and legal meeting of the Board.

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Date: 02/07/23

SECTION 2. Election and Tenure.

(a) The persons named as Board Members in the articles of incorporation shall compose the Interim Board until the first annual meeting date, heretofore indicated, or until their successors shall have been elected and shall have qualified.

(b) Prior to the first annual meeting, as heretofore provided in these By-Laws, 7 regular Board Members shall be elected to office at district meetings. Each Board Member shall represent one of the 7 districts, and shall be elected in conformance with procedures as hereinafter described except that the term of office for each will be as follows:

The Board Members representing districts II & III shall each be elected to serve for one (1) year or until their successors shall have been elected and shall have qualified.

The Board Members representing district VI & VII shall each be elected to serve for two (2) years or until their successors shall have been elected and shall have qualified.

The Board Members representing districts I, IV & V shall each be elected to serve for three (3) years or until their successors shall have been elected and shall have qualified.

Beginning with the expiration of the term of office of the Board Members elected to represent districts 7 and thereafter, Board Members being elected to fill vacancies caused by expiration of the incumbents' terms of office shall each be elected for three-year term.

(c) Newly elected Board Members shall assume office on the date of the annual membership meeting.

SECTION 3. Qualifications. No person shall be elected as Director unless he is a bona fide member of the Cooperative, at least 21 years of age and a resident of the municipality he shall represent for at least six (6) months.

No person shall be eligible to become or to remain a Board Member of the Cooperative who:

- (a) is not a member and bona fide resident of the district he represents in the area served or to be served by the Cooperative;
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;

LEYECO V holds an elective office in the government above the level of a Barangay Captain;

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Date: 03/07/23

(d) is convicted of a crime involving moral turpitude;

(e) has been terminated for cause.

Upon establishment of the fact that a Board Member is holding the office in violation of any of the foregoing provisions, the Board shall remove such Board Member from office. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

**SECTION 4. Districts.**

(a) Definition. - A district is a segment or a portion of the territory served or to be served by the Cooperative, which shall be represented by one member of the Board of Directors.

(b) Composition. - A district may be composed of a barrio, a municipality or a city, or a group or portions thereof, as may be determined by the Board in accordance with the provisions hereof and duly approved by the National Electrification Administration.

(c) Number. - The Cooperative shall have not less than five districts but in no event shall the number thereof exceed fifteen. Unless and until changed the Cooperative shall consist of the following:

<u>District No.</u>	<u>Municipality, Barrio, or other Designation</u>
1	Ormoc City (North)
2	Ormoc City (South)
3	Isabel and Merida
4	Palompon, Villaba and Jabaco
5	<del>Calubian</del> <sup>Tapanan</sup> San Isidro and Leyte-Leyte
6	<del>Kananga and Matag-ob</del> <sup>LAUAPAN, VEJEV</sup>
7	<del>Atbuera</del> <sup>PAWART / MATAG-OB</sup>
8 (etc.)	<sup>ALPHEA</sup>

As additional barrios, municipalities or cities or portions thereof are integrated in the Cooperative, the aforementioned districts may be increased provided that the total number specified herein is not exceeded.

**SECTION 5. Redistricting.** In case the integration of additional barrios, municipalities or cities will require a redistricting of the territory in order that all will be duly and equitably represented in the Board, then the Board shall, subject to the approval of the National Electrification Administration, undertake a redistricting thereof in accordance with the following criteria:

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Date: 03/07/23



- (a) Each district shall be composed of barrios or municipalities or cities or portions thereof that are contiguous to each other geographically and interconnected by roads and/or other means of transportation facilities.
- (b) The number of members or potential members in each district shall, as much as possible, be equal.
- (c) Each district shall, to the extent possible, have a common dialect.

SECTION 6. Nominations. In not less than thirty days nor more than sixty days before each district meeting, it shall be the duty of the Board to appoint a committee on nominations consisting of not less than three members residing in each voting district. No member of the Board may serve on such committee. The committee shall nominate at least two members residing in such district for the office of Board Member and they shall report such nominations to the Board in not less than twenty days before the district membership meeting. Such nominations by the committee shall be posted at the principal office of the Cooperative at least fifteen days before the district meeting. Other nominations may be made by the petition of fifteen or more members of the district prior to the district meeting and such nominations shall be posted at the same place where the list of nominations by the committee is posted. Nothing herein contained shall prevent additional nominations from the floor of the district membership meeting. The candidate receiving the highest number of votes shall be declared elected.

SECTION 7. District Meetings. In not less than thirty days nor more than sixty days before any annual meeting, the Board shall call a separate meeting of the members of each district in which the terms of the incumbent Board Member is due to expire for the purpose of electing one Board Member to represent the members located within each of such districts.

Each Board Member shall be elected by ballot at the district meeting held in the district he will represent, by and from the members of the district, to serve until the annual meeting in his third year in office or until his successors shall have been elected and shall have qualified. If an election meeting or at any adjournment thereof, a special meeting shall be held within a reasonable time thereafter but not later than provided for under these By-Laws. Failure to hold the district meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

The President or, in his incapacity or absence, the Vice-President, or Secretary of the Cooperative may act as the Chairman and preside over any district meeting or a Chairman may be elected by the members present. A Secretary may be provided by the Cooperative or selected by the members present and shall record the proceeding of said meeting and together with the Chairman shall certify said proceedings to the Board. The certification of the Chairman and Secretary of the election of the Board Member of any district meeting shall be taken by the Cooperative as verification of the election of such Board Member at such district meeting.

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Date: 03/07/23

SECTION 8. Notice of District Meeting. Written notice of district meetings stating the purpose, place, day and hour of the meeting shall be delivered not less than seven days before the date of each meeting, either personally or by mail to each of the member of the district. Broadcast media may be availed of if practical and necessary.

SECTION 9. Quorum. Five per cent of the members or one hundred members, whichever is lesser, in the district shall constitute a quorum for the transaction of business at the district meeting. If less than a quorum is present at any district meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

SECTION 10. Voting. Each member in attendance at the district meeting shall be entitled to one vote. No member shall be permitted to vote by proxy or by mail at any district meeting.

SECTION 11. Complaints against Board Members. Any bona fide member of the Cooperative may bring an action against any member of the Board of Directors by filing a sworn statement with the Board Secretary.

The Board shall refer the written complaint to the Arbitration Committee within fifteen days from receipt thereof, after a meeting is called for that purpose. The Arbitration Committee shall decide the case within thirty days from the time it will convene.

The Arbitration Committee shall be composed of three members - one designated member of the Board of Directors, one representative of NEA and one bona fide member of the Cooperative who is of good moral character and who is acceptable to all parties concerned. The Committee shall act as a fact-finding body and if it finds the action meritorious, it may either warn, suspend or remove the Director concerned; otherwise, it shall dismiss the case.

SECTION 12. Vacancy. The remaining members of the Board of Directors, by a majority vote, shall fill any vacancy occurring in the Board due to death, incapacity, disability, removal, resignation, or other similar causes from among nominees of the district where the vacancy occurs, who shall serve for the unexpired portion of the term.

SECTION 13. Compensation. Board Members shall not receive any salary for their services as such. Board Members carrying out cooperative business authorized by the Board may be reimbursed for expenses incurred, subject to existing policies and regulations of NEA. No Board Member shall receive compensation for serving the cooperative in any other capacity.

#### ARTICLE V - MEETINGS OF BOARD

SECTION 1. Regular Meeting. A regular meeting of the Board shall be held without notice, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the Board shall also

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Certified by: MC. [Signature]  
Date: 03/07/23

be held once a month at the principal office of the Cooperative at such time as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time thereof, provided that the date and time of the Board meeting shall be posted in the office of the Cooperative.

SECTION 2. Special Meeting. Special meetings of the Board may be called by the President or by any three Board Members, and it shall thereupon be the duty of the Secretary to cause a notice of such meeting to be given as hereinafter provided. The President or Board Members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Special Board Meetings. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Board Member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Board Member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the Philippine mail addressed to the Board Member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

SECTION 4. Quorum. A majority of the Board shall constitute a quorum, provided that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board Member of the time and place of such adjourned meeting. The act of a majority of the Board Members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these By-Laws.

#### ARTICLE VI - OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a president, vice-president, secretary, treasurer, and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected by ballot annually, by and from the Board at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meetings, such election shall be held as soon thereafter as convenient. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby.

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SECTION 4. President. The President shall:

- (a) be the principal officer of the Cooperative and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (b) sign, with the Secretary, certificates of membership the issue of which shall have been authorized by the Board or the members; and may sign any deed, mortgage, deed of trust, note, bond, contract or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these By-Laws to some other officers and agents of the Cooperative, or shall be required by Law to be otherwise signed or executed; and
- (c) in general, perform all duties incident to the office of the President and such other duties as may be prescribed by the Board from time to time.

SECTION 5. Vice-President. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 6. Secretary. The secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose and kept in a secured file in the office of the Cooperative;
- (b) seeing that all notices are duly given in accordance with these By-Laws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these By-Laws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) signing, with the President, certificates of membership, the issue of which shall have been authorized by the Board of the members;
- (f) keeping on file at all times a complete copy of the articles of incorporation and By-Laws of the Cooperative containing all amendments thereto (which copy shall always be open to

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Date: 03/07/23

the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the By-Laws and of all amendments thereto to any member upon request; and

- (g) in general, performing all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 7. Treasurer. The Treasurer shall be responsible for:

- (a) assuring proper custody of all funds and securities of the Cooperative;
- (b) assuring the proper receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected by the Board in accordance with the requirements of the National Electrification Administration; and
- (c) the general performance of all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 8. General Manager.

- (a) The management of the Cooperative shall be vested in a General Manager who shall be appointed by the Board and who shall be responsible to the Board for performance of his duties as set forth in a position description adopted by the Board, in conformance with guidelines established by the National Electrification Administration. It is incumbent upon the Manager to keep the Board fully informed of all aspects of the operations and activities of the Cooperative. Appointment and dismissal of the Manager shall require approval by NEA.
- (b) No Member of the Board may hold or apply for the position of General Manager while serving as a Director.

SECTION 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum as the Board shall determine. The Board, in its discretion, may also require any other officer, agent or employee of the Cooperative to be bonded in such amount as it shall determine.

SECTION 10. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

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Date: 03/07/23



ARTICLE VII -- NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or shall be payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy

(a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that members and non-members alike will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members and non-members alike as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses.

(b) The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

(c) All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by Law, be (1) used to offset any losses incurred during the current or any prior fiscal year, and (2) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

(d) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credited to patrons' accounts shall be retired without priority on a pro-rata basis before any payment is made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

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Certified by: W.C. [Signature]  
Date: 03/07/23

(e) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

(f) Notwithstanding any other provisions of these By-Laws, the Board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired to the time such capital would otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

(g) The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and By-laws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the By-Laws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

#### ARTICLE VIII - DISPOSITION OF PROPERTY

SECTION 1. The Cooperative may not otherwise sell, lease or, except by consolidation or merger, otherwise dispose of its property (other than merchandise and property which shall represent not in excess of ten per cent of the value of the Cooperative's total assets, or which in the judgment of the Board are not necessary or useful in operating the Cooperative) unless such sale, lease or except in consolidation or merger, other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than two thirds of all of the members of the Cooperative and consented to by the NEA and any other lending source which holds a lien on any of the Cooperative's properties, provided however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or a deed of trust, or the pledging or encumbering otherwise, of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and whenever situated, as well as the revenues therefrom, all upon such terms and condition as the Board shall determine, to secure any borrowing by or indebtedness of the Cooperative to the Government of the Philippines or any instrumentality or agency thereof or any lending institution approved by

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FROM THE ORIGINAL**

Certified by: MC [Signature]

Date: 63/07/23

ARTICLE IX - SEAL

SECTION 1. The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative, date of incorporation, and the word "seal" engraved thereon.

ARTICLE X - FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these BY-LAWS, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances, except as limited or authorized in the loan agreement with the National Electrification Administration.

SECTION 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agents, employee or employees of the Cooperative and in accordance with NEA rules and regulations.

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select, subject to the approval of NEA.

SECTION 4. Change of Rates. Changes in the rates charged by the Cooperative for electric energy become effective only after approval by NEA, except that temporary charges based upon increase in the direct cost of fuel for generating power may be added to the consumers' bills in order to avoid deficit operation of the Cooperative.

SECTION 5. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of each year and shall end on the last day of the same year.

ARTICLE XI - MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative may, upon the authorization of the Board and approval of the National Electrification Administration, purchase stock in or become a member of any other Cooperative or corporation organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification.

SECTION 2. Audit. The Board shall, after the close of each fiscal year, cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as required of such fiscal year. A report of such audit shall be submitted to the members at the next following meeting.

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Certified by: NC. G. AMOS  
Date: 03/07/23



SECTION 3. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service, provided that the financial viability of the Cooperative will not be impaired.

SECTION 4. Nepotism. No relative of the General Manager nor any member of the Board up to third degree of relationship, either in consanguinity or affinity, shall be employed by the Cooperative, or receive compensation for service to the Cooperative.

ARTICLE XII - AMENDMENTS

SECTION 1. These By-Laws may be altered, amended or repealed only by affirmative vote of not less than a majority of the members of the Cooperative present at a regular or special meeting, and, provided further that the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

If any member or members desire to offer an amendment of any of said articles or sections, such member or members shall deposit a copy of said proposed amendment with the Secretary of the Board at least twenty days before the meeting in which such resolution is to be offered and the said Secretary shall cause a copy of said proposed resolution to be included in the notice of the meeting. All amendments to these By-Laws shall be subject to NEA approval.

I, PEDRO C. BARTE, Secretary of LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V), do hereby certify that the above is a true and correct copy of the By-Laws adopted in the meeting of the Board of Directors held on DECEMBER 15, 1977 at CITY HALL CONFERENCE, ORMOG CITY at which meeting a quorum was present.

(SGD.) PEDRO C. BARTE  
Secretary

LEYECO V  
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Certified by: [Signature]  
Date: 03/07/23

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex C*

*(Verified Certification showing list of  
Board of Directors)*



# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 861-4076 to 4078/ Fax No.: (053) 561-4888  
Cellular Phone Nos. Calls Only: Sun: 0832-882-8888; Globe: 0917-836-3888  
SMS/Texts Only: Sun: 0832-882-8888; Smart: 0908-885-8878; Globe: 0917-8763888  
Website: [www.leyteco-v.com.ph](http://www.leyteco-v.com.ph) eMail Address: [info@leyteco-v.com.ph](mailto:info@leyteco-v.com.ph)

## CERTIFICATION

This is to certify that the following are the elected/appointed members of the Board of Directors of Leyte V Electric Cooperative, Inc. (LEYECO-V) for the year 2022:

<u>NAME</u>	<u>DESIGNATION</u>
Dir. Joselito P. Yap	Board President
Dir. Anthony P. Herrera	Vice President
Dir. Ronamary R. Lequin	Board Secretary
Dir. Marcos S. Cuizon	Member
Dir. Emmanuel S. Arpon	Member
Dir. Claire R. Diaz	Member
Dir. Daniel E. Capuy, Jr.	Member

October 25, 2022, Ormoc City.

*Ronamary R. Lequin*  
Ronamary R. Lequin  
Board Secretary

Republic of the Philippines)  
Ormoc City ) S.S.

SUBSCRIBED AND SWORN TO BEFORE ME this OCT 25 2022 at \_\_\_\_\_, Philippines. The affiant exhibited her document of identification Driver License with License No H09-19-000532 valid until April 9, 2023.

Doc. No. 464;  
Page No. 03;  
Book No. LXAI  
Series of 2022.

**Atty. ARI G. LARRAZABAL**  
Notary Public for Leyte  
Until December 31, 2022  
Notarial Commission No. ORM-21-08-13  
PTR No. 6760225 04/07/2021; Ormoc City  
Roll No. 38667  
IBP No. 654778 01/16/2018, Leyte  
MCLE Compliance No. W 0011145/August 2, 2018  
7th Floor Hotel Don Felipe, Aboac St., Ormoc City,  
Ormoc City, Leyte, Philippines

LEYECO V  
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FROM THE ORIGINAL

Certified by: *NC. O. P. ARON*  
Date: 08/07/23

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex D*

*(KSPC Articles of Incorporation)*



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills  
City Of Mandaluyong, Metro Manila

COMPANY REG. NO. CS200510755

**CERTIFICATE OF FILING  
OF  
AMENDED ARTICLES OF INCORPORATION**

**KNOW ALL PERSONS BY THESE PRESENTS:**

This is to certify that the amended articles of incorporation of the

**KEPCO SPC POWER CORPORATION**  
(Amending Article II Primary and Secondary Purposes thereof.)

copy annexed, adopted on August 08, 2016 by majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and a majority of the Board of Directors of the corporation was approved by the Commission on this date pursuant to the provision of Section 16 of the Corporation Code of the Philippines, Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

Unless this corporation obtains or already has obtained the appropriate Secondary License from this Commission, this Certificate does not authorize it to undertake business activities requiring a Secondary License from this Commission such as, but not limited to acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.

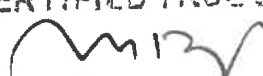
IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 30<sup>th</sup> day of September, Twenty Sixteen.



  
**FERDINAND B. SALES**  
Director

Company Registration and Monitoring Department

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY

  
Atty: Guillermo P. Dabbay, Jr.  
Corporate Secretary



# COVER SHEET

for Applications at  
COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application

AMENDMENT

SEC Registration Number

C S 2 0 0 5 1 0 7 5 5

Former Company Name

K E P C O S P C P O W E R C O R P O R A T I O N

AMENDED TO:  
New Company Name

Principal Office (No./Street/Barangay/City/Town/Province)

7 T H F L O O R C E B U H O L D I N G S C E N T E R

C E B U B U S I N E S S P A R K C E B U C I T Y

COMPANY INFORMATION

Company Email Address

gpdabbay@kepcophilippines.com

Company's Telephone Number

848-02-31

Mobile Number

09175407590

CONTACT PERSON INFORMATION

The designated person MUST be a Director, Trustee, Partner/Member/Resident Agent of the Corporation

Name of Contact Person

ATTY. GUILLERMO P. DABBAY, JR.

Email Address

gpdabbay@kepcophilippines.com

Telephone Number

848-02-31

Mobile Number

09175407590

Contact Person's Address

18TH FLOOR CITIBANK TOWER COR. VILLAR STS. SALCEDO VILLAGE, MAKATI CITY

-----  
To be accomplished by CRMD Personnel

	Date	Signature
Assigned Processor _____	_____	_____
_____	_____	_____
_____	_____	_____

Document I.D.  

Received by Corporate Filing and Records Division (CFRD)

Forwarded to

- Corporate and Partnership Registration Division
- Green Lane Unit
- Financial Analysis and Audit Division
- Licensing Unit
- Compliance Monitoring Division

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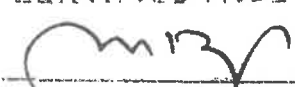
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KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY

  
 Atty. Guillermo P. Dabbay, Jr.  
 Corporate Secretary

DATE: 10/27/2022

AMENDED ARTICLES OF INCORPORATION  
OF  
KEPCO SPC POWER CORPORATION

**KNOW ALL MEN BY THESE PRESENTS:**

The undersigned incorporators, all of legal age and a majority of whom are residents of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Republic of the Philippines.

**AND WE HEREBY CERTIFY:**

**FIRST:** That the name of said corporation shall be **KEPCO SPC POWER CORPORATION** (hereinafter referred to as the "Corporation").

**SECOND:**

A. That the primary purpose for which such Corporation is incorporated:

To develop, construct, operate, maintain, own and manage the CEBU 200MW Circulation Fluidized Bed Combustion (CFBC) Boiler Coal Fired Base Load Power Plant in Naga, Cebu, Philippines, and to engage in the generation of electricity, ancillary service, energy selling and buying, energy trading and electricity sales for the contestable market, billing, collection and customer service.

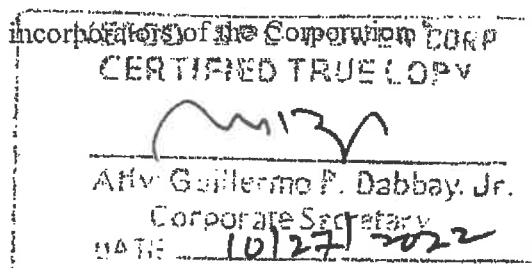
Secondary Purpose:

To do and perform any and all things reasonable and usually necessary and relative to the primary purpose, or proper for the consummation and carrying out of the foregoing objects, and to exercise and enjoy all the powers, authorities and privileges conceded by the laws of the Philippines to corporations organized under and in accordance with the said laws, and in particular, unto corporations of like nature and kind. (As amended during the special meeting of the Board of Directors and of the Stockholders on July 26, 2016)

**THIRD:** That the principal office of the Corporation is located at 7<sup>th</sup> Floor, Cebu Holdings Center, Cebu Business Park, Cebu City.

**FOURTH:** That the term for which the Corporation is to exist is fifty (50) years from and after the date of issuance of incorporation.

**FIFTH:** That the names, nationalities and residences of the incorporators of the Corporation are as follows:

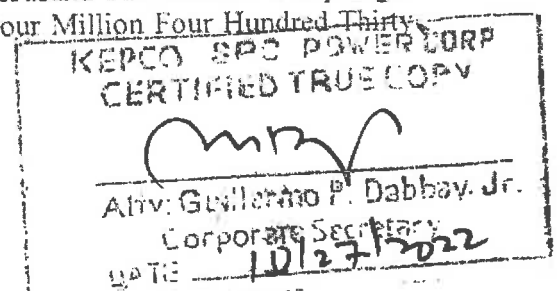


Name	Nationality	Residence
Lee, Gil Gu	Korean	32 C North Tower, Pacific Plaza, Bonifacio Global City, Taguig, M.M.
Villareal, Dennis	Filipino	37 Narra Avenue, Forbes Park, Makati City
Henares, Alfredo	Filipino	Unit 12 A, Hidalgo Place, Rockwell, Amapola St.
Lyu, Hyang Reol	Korean	Unit 1501 Aspen Tower Condo., Parkway Ave.
Hur, Kwan Hwai	Korean	15 Dao St., Valle Verde 3, Pasig City

**SIXTH:** That the number of Directors of the Corporation shall be eleven (11), and the names, nationalities and residences of those who are to serve as Directors of the Corporation until their successors are duly elected and qualified as provided by the By-Laws are as follows: (as amended on January 25, 2008)

Name	Nationality	Residence
Lee, Gil Gu	Korean	32 C North Tower, Pacific Plaza, Bonifacio Global City, Taguig, M.M.
Villareal, Dennis	Filipino	37 Narra Avenue, Forbes Park, Makati City
Henares, Alfredo	Filipino	Unit 12 A, Hidalgo Place, Rockwell, Amapola St.
Lyu, Hyang Reol	Korean	Unit 1501 Aspen Tower Condo., Parkway Ave. Muntinlupa City
Hur, Kwan Hwai	Korean	15 Dao St. Valle Verde 3, Pasig City

**SEVENTH:** That the authorized capital stock of the Corporation shall be increased to One Hundred Eighty Four Million Four Hundred Thirty One Thousand Six Hundred Forty Eight Pesos (P184,431,648) divided into One Hundred Eighty Four Million Four Hundred Thirty



One Thousand Six Hundred Forty Eight (184,431,648) common shares (each a "Share") with a par value of P 1.00 per Share. (as amended on January 25, 2008)

**EIGHT:**

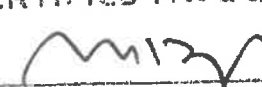
(A) That the amount of said capital stock which has been actually subscribed is Eighteen Million Four Hundred Thirty One Thousand Six Hundred Forty Eight Pesos (P18,431,648.00), and the following persons have subscribed the number of shares and the amount of capital stock indicated opposite their respective names:

Name	Nationality	No. of Shares Subscribed	Amount Subscribed
KEPCO Philippines Corporation	Korean	11,058,985	11,058,985
SALCON Power Corporation	Filipino	7,372,658	7,372,658
Lee, Gil Gu	Korean	1	1
Villareal, Dennis	Filipino	1	1
Henares, Alfredo	Filipino	1	1
Lyu, Hyang Reol	Korean	1	1
Hur, Kwan Hwai	Korean	1	1

(B) **Restrictions on Transfer.** No stockholder may Transfer any of its Shares to a third party except as expressly permitted by and in accordance with the provisions of these Articles of Incorporation. For purposes of these Articles of Incorporation, the term "Transfer" means any transfer, sale, assignment, encumbrance or other disposition of or grant of any option to purchase a Share, and entering into any agreement in respect of the votes and/or economic interest attached to such Share.

(1) **Right of First Refusal.** A shareholder that intends to Transfer any of its Shares (the "Selling Shareholder") may Transfer such Shares to a third person (such intended transfer the "Proposed Transfer") only in accordance with the following procedure:

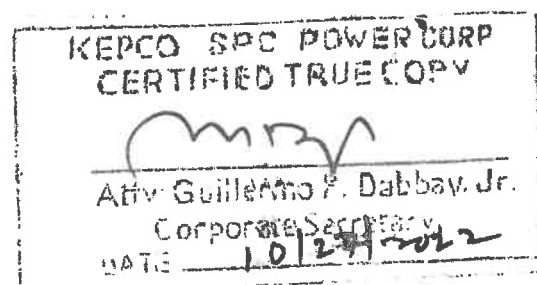
(a) The selling Shareholder shall first offer all of the Shares that it desires to transfer (the "Offered Shares") to the other shareholders (each a "Non-Selling Shareholder"), by written notice (the "Offer Notice") to the Non-Selling Shareholders (with a copy to the Company), specifying the price, proposed date, and other terms and conditions of the Proposed Transfer.

KEPCO SPC POWER CORP  
**CERTIFIED TRUE COPY**  
  
 Atty. Guillermo P. Dabbay, Jr.  
 Corporate Secretary  
 DATE: 7/27/2022

- (b) Each Non-Selling Shareholder shall have thirty (30) days (the "Offer Period") from receipt of the Offer Notice, within which to elect to accept such offer by giving written notice thereof to the Selling Shareholder. The Selling Shareholder and Non-Selling Shareholder shall have thirty (30) days from the Selling Shareholder's receipt of said acceptance notice (the "Post Period") within which to enter into an agreement for the Non-Selling Shareholder's purchase of all of the Offered Shares.
- (c) In the event that the Non-Selling Shareholder fails to either accept the offer within the Offer Period or reach an agreement with the Selling Shareholder for the transfer of the Offered Shares during the Post-offer period, the Selling Shareholder may subject to paragraph B(2) of this Eight Article, sell, assign or otherwise transfer the Offered Shares to a third party within a period of (60) days from the lapse of the Offer Period or the Post-offer Period, as the case may be (the "Sale Period"), under such terms and conditions which shall in no case be more favorable to the third party than those offered to the Non-Selling Shareholder.
- (d) If the Sale Period shall have lapsed without the Offered Shares being sold in accordance with this paragraph (B)(1), any subsequent sale of the Offered Shares must comply anew with the conditions set forth herein.
- (e) It is condition to any Transfer of Shares to a third party that the third party ratify and confirm the Shareholders' Agreement among the Corporation, KEPCO Philippines Corporation and SPC Power Corporation, agree to be bound by the terms thereof, and assume the obligations and liabilities of the Selling Shareholder (in proportion to the number of Shares which the third party acquires.)

**(2) Tag-Along Rights.**

- (a) In addition to its right of first refusal under paragraph (B)(1) above, a Non-Selling Shareholder shall have the right (the "Tag-Along Right"), exercisable by written notice (the "Tag-Along Notice") to the Selling Shareholder at any time within the Offer Period, to require the Selling Shareholder to include in the Proposed Transfer, upon the same terms and conditions applicable to the Proposed Transfer, a number of shares owned by the Non-Selling Shareholder (the "Tag-Along Shares") such that the total number of Shares to be Transferred to the third party shall be comprised of a number of Tag-Along Shares and the Offered Shares that bear the same ratio to each other as did the Shares respectively held by the Selling Shareholder and the Non-Selling Shareholder as of the date of the Offer Notice. If a Non-Selling Shareholder exercises its Tag-Along Right in accordance with paragraph (B)(2) the Offered Shares shall be decreased by the corresponding number of Tag-Along Shares. Save for any default by the Non-Selling Shareholder, the Selling Shareholder shall not be entitled to complete any Transfer to a third party unless contemporaneously, the third party completes the acquisition of the Tag-Along Shares.



(b) Subject to paragraph (B)(1) above, upon the lapse of the Offer Period without any Non-Selling Shareholder exercising its Tag-Along Right the Selling Shareholder shall be free to complete the Proposed Transfer.

(c) The Selling Shareholder shall have no liability to a Non-Selling Shareholder if a Proposed Transfer is not consummated for any reason whatsoever. Any decision as to whether to consummate any such Proposed Transfer shall be at the Selling Shareholder's sole and absolute discretion.

**(3) Pledges Permitted: Involuntary Transfer.**

(a) No shareholder may pledge or otherwise encumber its Shares to, or in favor of any financial institution or other person without prior written notice to the other shareholders.

(b) In the event a shareholder receives notice or otherwise obtains or has knowledge that any or all such shareholders interest in the Corporation will be transferred involuntarily, by operation of applicable law or otherwise, such shareholder shall give written notice (an "**Involuntary Transfer Notice**") promptly after receiving notice or obtaining knowledge thereof, and in any case within fifteen (15) days prior to such involuntary Transfer, to the other shareholders, stating the fact that the involuntary Transfer is about to occur, the reason therefor, the proposed date of such Transfer, the name and address of the transferee and the interest to be acquired by such transferee.

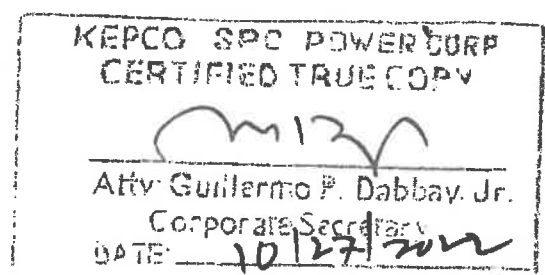
(4) No Transfer shall be made by any shareholder to any direct or indirect competitor of the other shareholders operating in the Philippines without the consent of the other shareholders which shall not be unreasonably withheld.

(5) **Void Transfer.** Any attempted Transfer by any shareholder of all or any number of its Shares that is not in compliance with the provisions of these Articles of Incorporation and/or the Corporation's by-laws shall be null and void and the Corporation shall not record such Transfer on its books and records.

(6) **Legends.** All certificates evidencing shares of stock of the Corporation shall have endorsed thereon in bold type the following legend:

**ANY SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THE SHARES STOCK REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY AND SUBJECT TO THE RESTRICTIONS ON TRANSFER SET OUT IN THE COMPANY'S ARTICLES OF INCORPORATION AND BY-LAWS. (as amended on January 25, 2008)**

**NINTH:** That the following subscribers have paid for the shares of capital stock which they have subscribed for in the amount set out after their respective names:



Name	Nationality	No. of Shares Subscribed	Amount Subscribed
KEPCO Philippines Corporation	Korean	11,058.985	11,058.985
SALCON Power Corporation	Filipino	7,372.658	7,372.658
Lee, Gil Gu	Korean	1	1
Villareal, Dennis	Filipino	1	1
Henares, Alfredo	Filipino	1	1
Lyu, Hyang Reol	Korean	1	1
Hur, Kwan Hwai	Korean	1	1

**TENTH:** That Mr. Lyu, Hyang Reol has been elected by the subscribers as Treasurer of the Corporation to act as such until his successor is duly elected and qualified in accordance with the By-Laws, and that as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the Corporation, all subscriptions (or fees) or contributions or donations paid or given by the subscribers and to issue in its name receipts for, all subscriptions paid in by the subscribers.

IN WITNESS WHEREOF, we have hereunto signed these Articles of Incorporation, this 17<sup>th</sup> day of June 2005 at Makati, Metro Manila, Republic of the Philippines.

(SGD.) Lee, Gil Gu

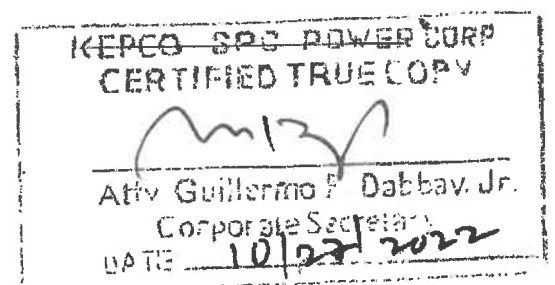
(SGD.) Villareal, Dennis T.

(SGD.) Henares, Alfredo

(SGD.) Lyu, Hyang Reol

(SGD.) Hur, Kwan Hwai

Signed in the presence of



ACKNOWLEDGMENT

Republic of the Philippines )  
City of Makati ) S.S.

BEFORE ME, a Notary Public in and for Makati City, Philippines personally appeared:

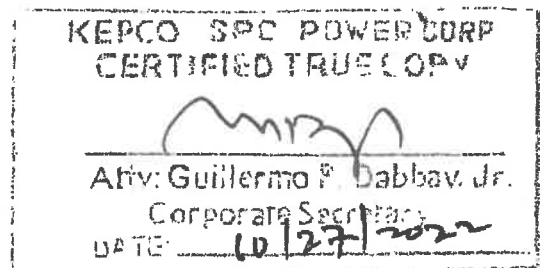
Name	TIN	Date/Place Issued
Lee, Gil-Gu	220-165-590	
Villareal, Dennis	106-933-456	
Henares, Alfredo	106-933-456	
Lyu, Hyang Reol	231-300-168	
Hur, Kwan-Hwai	218-511-168	

all known to me and by me known to be the same persons who executed the foregoing Articles of Incorporation and who acknowledge to me that the same is their free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 17<sup>th</sup> day of June 2005 at Makati City, Philippines.

(SGD.) ATTY. RODOLFO L. LOPEZ  
Notary Public  
Until December 31, 2015  
PTR No. 9405365  
Issued at Makati on 1/4/05  
IBP Life Roll 00385  
TIN No. 117-118-419

Doc. No. 138;  
Page No. 13;  
Book No. II;  
Series of 2005.





SECRETARY'S CERTIFICATE

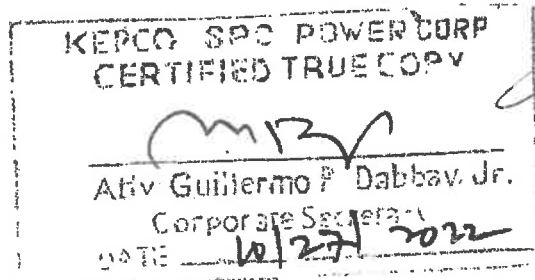
I, **GUILLERMO P. DABBAY, JR.**, Filipino, of legal age, and with office address at 18<sup>th</sup> Floor, Citibank Tower, 8741 Paseo De Roxas, Salcedo Village, Makati City, after having been duly sworn in accordance with law, hereby deposes and states:

1. I am the duly elected Corporate Secretary of **KEPCO SPC POWER CORPORATION** (hereinafter referred to as the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 7th Floor, Cebu Holdings Center, Cebu Business Park, Cebu City.
2. I certify that the attached Amended Articles of Incorporation of the Corporation, amending the Second Article thereof, is true and correct and that the aforesaid amendment was duly approved (i) by the vote of at least a majority of the members of the Board of Directors at its Special Meeting, held on August 8, 2016 at Makati City, Philippines, and (ii) by the vote of the Stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation, at the Special Meeting of the Stockholders held on August 8, 2016 at Makati City, Philippines.

  
**GUILLERMO P. DABBAY, JR.**  
Corporate Secretary

**MAKATI CITY**  
**SUBSCRIBED AND SWORN TO** before me this 09 2016 day of August 2016, affiant exhibiting to me his Driver's License No. N02-87-060550, issued on October 25, 2013 at the City of Manila.

Doc. No. 204;  
Page No. 40;  
Book No. 17;



~~ATTY. GENERAL~~  
~~NOTARY PUBLIC~~  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2016  
PTR NO. 4743512 / 01-05-2015 / MAKAT  
IBP NO. 528153 LIFETIME MEMBER  
APPT. NO. M-19-01-15/18 LL NO. 40091  
MCI E-01100-15-0000024

**CERTIFICATION**

I, **ATTY. GUILLERMO P. DABBAY, JR.**, Filipino, with office address at 18<sup>th</sup> Floor, Citibank Tower, 8741 Paseo De Roxas, Salcedo Village, Makati City, Philippines, hereby depose and state that:

1. I am the Corporate Secretary of KEPCO SPC Power Corporation (hereinafter referred to as the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 7th Floor, Cebu Holdings Center, Cebu Business Park, Cebu City.
2. In compliance with SEC Rules and Regulations and in connection with the Corporation's amendment of its Articles of Incorporation, I hereby certify that there is no pending suit or dispute filed before any judicial body, nor are there any ongoing proceedings before any administrative agencies against the Corporation's directors, officers or shareholders.

  
**ATTY. GUILLERMO P. DABBAY, JR.**  
Corporate Secretary

**MAKATI CITY**


**AUG 09 2016**

**SUBSCRIBED AND SWORN TO** before me this \_\_\_ day of \_\_\_\_\_, 2016, affiant exhibiting to me his Driver's License No. N02-87-060550, issued on October 25, 2013 at the City of Manila.

**NOTARY PUBLIC**

Doc. No. 209  
Page No. 44  
Book No. 1  
Series of 2016.

**KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY**

  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2016

**ATTY. GERVACIO B. ORTIZ, JR.**  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2016  
PTR NO. 4743572 / 01-05-2015 / MAKATI  
IBP NO. 556155 LIFETIME MEMBER  
APPT. NO. M-199/2015 / ROLL NO. 40091  
MCLE COMPLIANCE NO. V-0006934  
UNIT 102 PENINSULA COURT BLDG.  
8735 MAKATI AVE., MAKATI CITY



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

DOE-EPIMB-SEC NO. 2016-08-011

**1<sup>st</sup> ENDORSEMENT**  
25 August 2016

We are favorably endorsing to the Securities and Exchange Commission, the attached Articles of Incorporation of **KEPCO SPC POWER CORPORATION**, with the statement that this Bureau interposes no objection to amending the Second Article of the Articles of Incorporation:

A. That the primary purpose for which such Corporation is incorporated:

To develop, construct, operate, maintain, own and manage the CEBU 200 MW Circulation Fluidized Bed Combustion (CFBC) Boiler Coal Fired Base Load Power Plant in Naga, Cebu, Philippines, and to engage in the generation of electricity, ancillary service, energy selling and buying, energy trading and electricity sales for the contestable market, billing, collection and customer service.

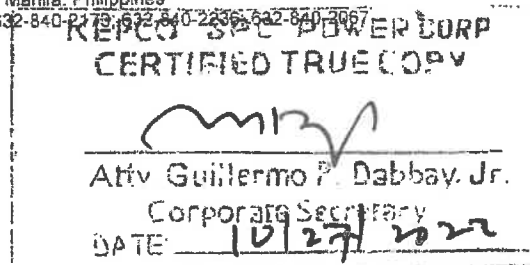
Secondary Purpose:

To do and perform any and all things reasonable and usually necessary and relative to the primary purpose, or proper for the consummation and carrying out of the foregoing objects, and to exercise and enjoy all the powers, authorities and privileges conceded by the laws of the Philippines to corporations organized under and in accordance with the said laws, and in particular, unto corporations of like nature and kind.

Provided, That **KEPCO SPC POWER CORPORATION** shall comply with the provisions of the Republic Act No. 9136 (Electric Power Industry Reform Act of 2001 or EPIRA), Republic Act No. 9513 (Renewable Energy Act of 2008) and their implementing rules and regulations (IRR), including any amendments thereto, and policy of the Department of Energy, Department of Environment and Natural Resources (DENR) and other relevant government agencies. **KEPCO SPC POWER CORPORATION** shall also secure from the Energy Regulatory Commission (ERC) the necessary clearances, permits and licenses, as well as compliance with the Competition Rules promulgated by the ERC pursuant to the EPIRA and its IRR.

**IRMA C. EXCONDE**  
OIC - Director  
Electric Power Industry Management Bureau

Energy Center, Merrill Rd., Fort Bonifacio, Taguig, Metro Manila, Philippines  
Tels.: (Trunks) 840-1401 to 40, Fax 840-2067, 840-2236; 840-2067 (Domestic); 632-840-2179; 632-840-2236; 632-840-2067 (International)




SECURITIES AND EXCHANGE COMMISSION  
SM 14-1870  
**SEP 20 2016**  
REGISTERED OFFICE

**DIRECTOR'S CERTIFICATE**

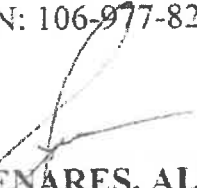
WE, the undersigned, being the majority of the Board of Directors of **KEPCO SPC POWER CORPORATION** (the "Corporation"), do hereby certify that the attached Amended Articles of Incorporation of the Corporation, amending the Second Article thereof, is true and correct and that the aforesaid amendment was duly approved (i) by the vote of at least a majority of the members of the Board of Directors at its Special Meeting, held on August 8, 2016 at Makati City, Philippines, and (ii) by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation, at the Special Meeting of the stockholders held on August 8, 2016 at Makati City, Philippines.

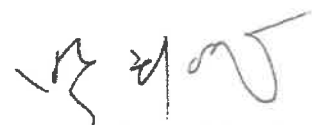
**IN WITNESS WHEREOF**, this Certificate has been signed this 8<sup>th</sup> day of August 2016, at Makati City, Philippines.

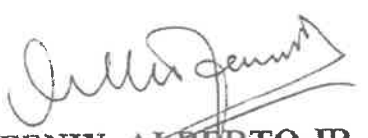
  
**GO, JAE HAN**  
Director  
TIN: 293-822-203

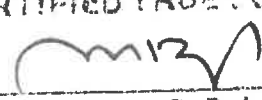
  
**VILLAREAL, DENNIS T.**  
Director  
TIN: 106-977-829


  
**CHO, CHANG YONG**  
Director  
TIN: 445-892-617

  
**HENARES, ALFREDO L.**  
Director  
TIN: 106-933-456


  
**PARK, HEE YOUNG**  
Director  
TIN: 325-047-458


  
**FENIX, ALBERTO JR.**  
Director  
TIN: 104-103-864

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY  
  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022


  
**DABBAY, GUILLERMO JR.**  
Director  
TIN: 125-673-256

  
**CHOI, KI YOUNG**  
Director  
TIN: 445-892-071

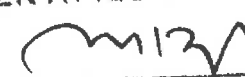
  
**PARK, BUMGI**  
Director  
TIN: 439-716-025

  
**YOO, SEONGHEE**  
Director  
TIN: 321-846-497

**ATTESTED BY:**

  
**GO, JAE HAN**  
Chairman

  
**ATTY. GUILLERMO F. DABBAY, JR.**  
Corporate Secretary

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY  
  
Atty: Guillermo F. Dabbay, Jr.  
Corporate Secretary  
DATE 10/27/2022

## ACKNOWLEDGEMENT

Republic of the Philippines     )  
 Makati City                         )SS

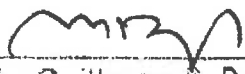
Before me, a Notary Public in and for Makati City, Philippines, personally appeared:

Name	ID	Date/Place Issued
Go. Jae Han	Passport No. M14524748	Dec. 29, 2011/ South Korea
Villareal, Dennis	Passport No. EC0806090	April 10, 2014/ Manila
Cho. Chang Yong	Passport No. M83551321	May 1, 2012/ South Korea
Henares, Alfredo	Passport No. EC6872847	Feb. 29, 2016/ Manila
Park. Hee Young	Passport No. M76422799	Feb. 9, 2012/ South Korea
Fenix, Alberto Jr.	Passport No. EB8155757	May 20, 2013/ Manila
Dabbay, Guillermo Jr.	Driver's License No. N02-87-060550	Oct. 25, 2013/ Manila
Choi, Ki Young	Passport No. M13561231	Dec. 27, 2013/ South Korea
Park. Bungie	Passport No. M39192311	June 19, 2013/ South Korea
Yoo, Seonghee	Passport No. M05699200	September 4, 2008

all known to me to be the same persons who executed the foregoing Director's Certificate and who acknowledged to me that the same is their free and voluntary act and deed.

**MAKATI CITY**  
 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this SEP 01 2016, at Makati City, Philippines.

Doc. No. 1494  
 Page No. 1/60  
 Book No. 11  
 Series of 2016.

KEPCO SPC POWER CORP  
 CERTIFIED TRUE COPY  
  
 Atty: Guillermo F. Dabbay, Jr.  
 Corporate Secretary  
 DATE: 10/27/2016

**ATTY. GERVASIO B. BORTIZ PUBLIC**  
 NOTARY PUBLIC FOR MAKATI CITY  
 UNTIL DECEMBER 31, 2016  
 PTR. NO. 4748512 / 01-05-2015/MAKATI  
 IBP NO. 656155 LIFETIME MEMBER  
 APPT. NO. M-199/2016/ROLL NO. 4009  
 MCLE COMPLIANCE NO. V-0006934  
 UNIT 102 PENINSULA COURT BLDG.  
 8755 MAKATI AVE., MAKATI CITY

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWERCORPORATION (KSPC),”*

# *Annex D-1*

*(KSPC V By-Laws)*



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
 SEC Building, EDSA, Greenhills  
 City of Mandaluyong, Metro Manila

COMPANY REG. NO. CS200510755

**CERTIFICATE OF FILING  
 OF  
 AMENDED BY-LAWS**

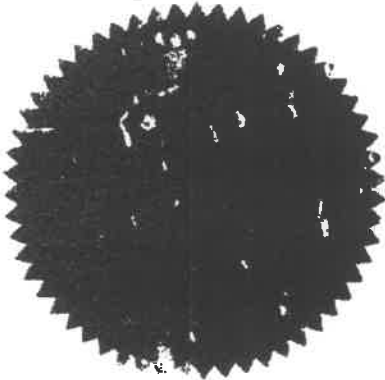
KNOW ALL PERSONS BY THESE PRESENTS:

THIS IS TO CERTIFY that the Amended By-Laws of

**KEPCO SPC POWER CORPORATION**

copy annexed, adopted on January 25, 2008 by a majority vote of the Board of Directors and by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 4<sup>th</sup> day of September, Two Thousand Eight.



*Benito A. Cataran*  
**BENITO A. CATARAN**  
 Director

Company Registration and Monitoring Department



KEPCO SPC POWER CORP  
 CERTIFIED TRUE COPY  
*Guillermo F. Dabbay Jr.*  
 Atty. Guillermo F. Dabbay, Jr.  
 Corporate Secretary  
 DATE 10/24/08



**AMENDED BY-LAWS  
OF  
KEPCO SPC POWER CORPORATION**

**ARTICLE I**

**SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES**

**Section 1. Subscriptions** – Subscribers to the capital stock of the corporation shall pay the value of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

**Section 2. Certificate** – The stockholder shall be entitled to one or more certificates for fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

**Section 3. Transfer of Shares** – Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation. The Secretary shall cancel the stock certificates and issue new certificates to the transferee.

No share of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

**Section 4. Lost Certificates** – In case any stock certificate is lost, stolen or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

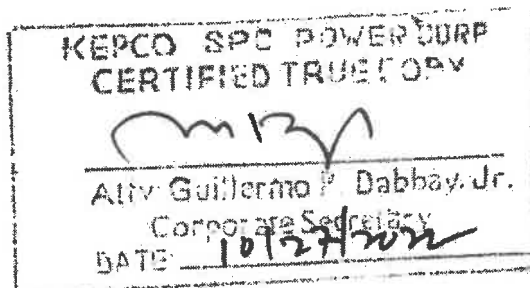
**ARTICLE II**

**MEETINGS OF THE STOCKHOLDERS**

**Section 1. Annual/Regular Meetings** – The annual/regular meetings of stockholders shall be held at the principal office on **FIRST MONDAY OF APRIL** of each year, if legal holiday, then on the day following.

**Section 2. Special Meeting** – The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.

**Section 3. Place of Meeting** – Stockholders meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.



**Section 4. Notice of Meeting** – Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

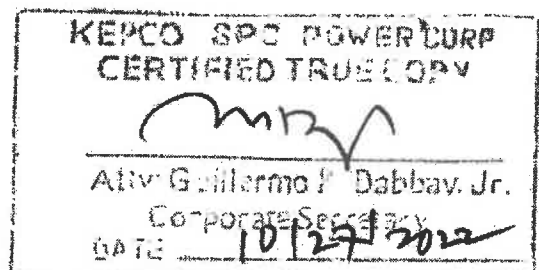
**Section 5. Quorum** – Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

**Section 6. Conduct of Meeting** – Meeting of the stockholders shall be presided over by the Chairman, or in his absence, by the Vice-Chairman, or in the absence of both, by a chairman to be chosen by the stockholders. The Secretary shall act as Secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting.

**Section 7. Manner of Voting** - At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

**Section 8. Actions Requiring Special Shareholders' Approval** – A majority of the quorum shall decide any matters that may come before the meeting, unless a greater number is required by law and except as provided below, for which the affirmative vote of stockholders holding at least 70% of the entire issued and outstanding capital stock shall be required:

- (i) The increase or reduction of the authorized capital stock, reclassification of such stock (by, among others, changing the number, par value, preferences or rights thereof), creation of new classes of capital stock or issue any other ownership interests.
- (ii) The repeal or amendment of the articles of incorporation or by-laws of the corporation, and the adoption of new by-laws of the corporation.
- (iii) The removal of directors.
- (iv) Entering into any transaction, agreement or arrangement changing the nature of the business of the corporation.
- (v) The extension or shortening of the term of the corporation.
- (vi) The incurrence, creation or increase of bonded indebtedness.
- (vii) The sale, conveyance, transfer, lease, exchange, mortgage, pledge or other disposition of, grant an option or other right to purchase, lease or otherwise acquire (whether in



one transfer or a series of transfers) all or substantially all of the corporation's properties and assets.

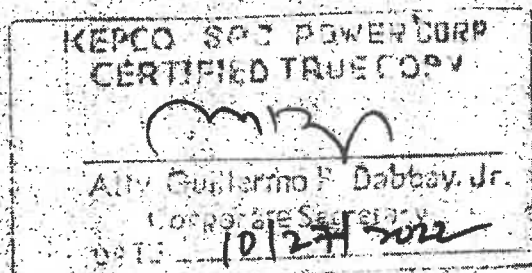
- (viii) The investment of the corporation's funds in another corporation or business or for any purpose other than the primary purpose.
- (ix) The approval of any management contract.
- (x) The delegation to the Board of Directors of the power to amend, repeal or adopt new by-laws.
- (xi) Entering into any merger or consolidation or any other manner of reorganization or purchase the capital stock (or other equity interest) or substantially all of the assets of a corporation or other entity, the business of which is not within the primary purpose of the corporation and which will result in a substantial change in the financial condition of the corporation.
- (xii) Approving a resolution or taking of any other corporate action to or otherwise institute any proceeding seeking to adjudicate the corporation a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangements, rehabilitation, adjustment, protection, relief or composition of it or its debts under applicable law relating to bankruptcy, insolvency, rehabilitation or reorganization or relief of debtors or seeking entry of an order for relief or appointment of a receiver, trustee or other such official for it or a substantial part of its property.
- (xiii) Making of a general assignment for the benefit of the creditors of the corporation or otherwise entering into a scheme or other arrangement for the benefit of the creditors.
- (xiv) Winding up the business of the corporation or liquidating its assets or dissolving the corporation.
- (xv) Appoint or remove the Company's external auditors.
- (xvi) Performing any other action for which a special or extraordinary resolution is required to be passed under applicable law. (as amended on January 25, 2008)

**Section 9. Closing of Transfer Books or Fixing of Record Date** – For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

### ARTICLE III

#### BOARD OF DIRECTORS

**Section 1. Powers of the Board** – Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among



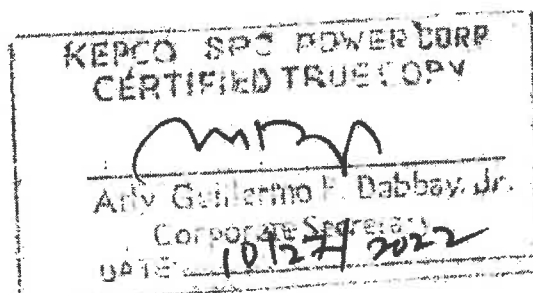
the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

- (a) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;
- (b) To purchase, receive, take or otherwise acquire for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
- (c) To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;
- (d) To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation.
- (e) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;
- (f) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officer are either plaintiffs or defendants in connection with the business of the corporation;
- (g) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit.
- (h) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.

**Section 2. Number, Election and Term** – The Board of Directors shall be composed of eleven (11) members. The members of the Board shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

**Section 3. Vacancies** – Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further



notice, or at any regular or at any special meeting of stockholders called for the purpose, after giving notice as prescribed in these by-laws.

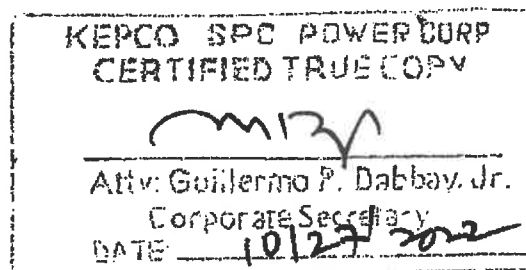
**Section 4. Meetings** – Regular meetings of the Board of Directors shall be held once every two (2) months on such dates and places as may be called by the Chairman of the Board, or upon the request of at least two (2) Directors. Unless otherwise agreed by all the Directors, the Board shall only have the authority to approve, authorize or take action with respect to matters included in the agenda for any meeting. A meeting to consider a matter that has been referred to the Board due to a failure to meet the quorum of the Executive Committee at two consecutive meetings or a failure to approve an action by the Executive Committee shall be called by the Chairman, or in his absence, by the Vice Chairman, or in the absence of both the Chairman and the Vice Chairman, by the President, upon seven (7) calendar days' notice.

**Section 5. Notice** – Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message. A director may waive this requirement, either expressly or impliedly.

**Section 6. Quorum** – A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business. If the Board fails to achieve a quorum within one hour from the time appointed for such meeting, then the meeting shall stand adjourned and shall be reconvened on a date not later than ten (10) business days after such meeting at the same time and place.

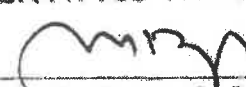
Every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the following matters, which require the affirmative vote of at least two directors nominated by each Stockholder Group (as such term is defined below):

- (i) The issuance of new shares of stock or treasury shares.
- (ii) Determine, alter or deviate from any material operating policies of the corporation or suspend any material operations thereof.
- (iii) Make a material change in accounting policy or principles other than as required by generally accepted accounting practice and principles.
- (iv) Sell, convey, transfer, lease or otherwise dispose of, or grant an option or other right to purchase, encumber or otherwise materially impair (whether in one transfer or a series of transfers) any portion of the corporation's properties or assets with a value in excess of US\$1.0 million (or other equivalent thereof in any other currency) other than liens which may arise by operation of law.
- (v) Borrow or otherwise incur indebtedness in excess of US\$2.0 million (or the equivalent thereof in any other currency) at any time outstanding in the aggregate other than any indebtedness incurred by the corporation under the financing documents relating to the development, construction, operation, maintenance, management and ownership of the 2 x 100 MW circulating fluidized bed combustion boiler coal-fired base load power plant (the "Plant") and the Plant's ancillary facilities in Naga, Cebu, Philippines (the development, construction, operation, maintenance, management and ownership of the Plant and all of the Plant's ancillary equipment or facilities, the "Project");
- (vi) To the extent allowed by law or the Articles of Incorporation of the corporation, grant a guarantee, security, indemnity or other assumption of contingent liability for



performance of a third party's obligation other than guarantees, securities, indemnities, or the assumption of contingent liabilities granted in the ordinary course of business.

- (vii) Approve the corporation's annual budget, annual O&M Plans and long term maintenance plans or any amendments thereto, which shall increase or decrease the amount thereof by 3% or more in the aggregate amount of expense budget or capital expense budget, or any material change in the approved annual operations and maintenance plans in any fiscal year.
- (viii) Make loans or extend credit to third parties in excess of US\$1.0 million (or the equivalent thereof in any other currency) at any time outstanding.
- (ix) Commence, withdraw or settle any litigation or arbitration or other legal proceeding of any nature which will have a material adverse effect on the corporation.
- (x) Initiate or settle any claim, the outcome of which will have a material adverse effect on the corporation.
- (xi) Enter into, amend, declare a default under, waive a condition of, or terminate any of the corporation's project documents (including, without limitation, any power purchase agreements, fuel supply agreements, consultancy agreements relating to the operation and maintenance of the Plant and any engineering, procurement and construction contracts to which the corporation may be a party), financing documents, refinancing documents or any contract for the sale of electric capacity or energy in any respects other than any amendment which is of a formal or minor nature or which is made to correct a manifest error.
- (xii) (a) Enter into, amend, declare a default under, waive a condition of, or terminate, or (b) give consent, approval or authorization, make a payment proposal or negotiation, make or settle claims or exercise material rights under, contracts or agreements in any form or kind by the corporation, with its stockholders or any affiliates thereof or any of their officers or directors.
- (xiii) (a) Repay any subordinated shareholder loans other than on a pro rata basis, (b) convert any shareholder advances or subordinated shareholder loans into capital stock of the corporation other than on a pro rata basis, or (c) pay any development fee to one or more persons or any of their affiliates.
- (xiv) Declare cash dividends on the corporation's common shares.
- (xv) Redeem any capital stock of the corporation.
- (xvi) Undertake any transaction in respect of the Project other than in respect of any Emergency Repair (as defined below), which (a) individually, or when aggregated with related transactions, involves, will involve, or could reasonably be expected to involve, capital expenditures or lease commitments in an amount exceeding US\$2,000,000 (or its equivalent in any other currency), and (b) which were not previously approved by the Board of Directors, not in the corporation's annual budget and annual operations and maintenance plan, and not contemplated by a contract to which the corporation is a party. For purposes hereof, the term "Emergency Repair" means any action undertaken to prevent or mitigate the consequences of an event or circumstance which was unforeseen at the time of approval of the then-current annual budget and annual operations and maintenance plan and which, in the good faith judgment of the plant manager, required the taking of immediate measures to

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY  
  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022



prevent or mitigate an emergency situation endangering life or property or jeopardizing the long-term operation of the Project.

- (xvii) Appropriate funds out of retained earnings.
- (xviii) Propose to establish, abolish, increase or reduce the number of representatives on a committee (including the Executive Committee), or grant additional powers, rights, benefits or privileges to a committee (including the Executive Committee) or its representatives or remove or diminish any such powers, rights, benefits or privileges.
- (xix) Abandon the corporation's operations.
- (xx) Repeal or amend the corporation's articles of incorporation.
- (xxi) The execution of a contract between the Company and any of its directors or officers involving an amount in excess of ₱1,000,000.00.
- (xxii) The approval, amendment or revision of the corporation's budget for undertaking and completing the Project.
- (xxiii) The approval, amendment or modification of any guarantees or support to be provided by any Affiliate relating to the Project.

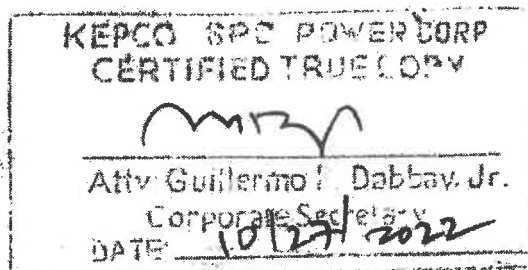
For purposes of these By-Laws, the term "Stockholder Group" means any shareholder which, individually or together with its Affiliates, directly or indirectly through one or more intermediaries, owns more than 25% of total outstanding capital stock of the Corporation. As used in these By-Laws, the term "Affiliate" means, with respect to any stockholder, any other person or entity that directly or indirectly controls, is under common control with, or is controlled by, such stockholder, and the term "control" (including, with its correlative meanings, "controlled by" and "under common control with") as used with respect to any person, means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise). (as amended on January 25, 2008)

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Section 7. Conduct of the Meetings – Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, by any other director chosen by the Board. The Secretary shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

Section 8. Directors' Expenses – The expenses of each Director for travel within the Philippines and hotel accommodations incurred in attending any Board meetings or otherwise in fulfilling his or her obligations as a Director shall be paid by the corporation. All Directors shall be entitled to receive the same remuneration for his or her services as director of the corporation as the shareholders representing at least a majority of the outstanding capital stock of the corporation may approve. Nothing herein shall preclude any Director from serving the corporation in any other capacity and receiving remuneration therefor. (as amended on January 25, 2008)

Section 9. Indemnification - The corporation shall indemnify every Director or officer of the corporation and such Director's or officer's heirs, executors and administrators, against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the corporation) to which he may be, or is, made a party by reason of his being or having been a Director or officer of the corporation, except in relation to matters as to which he shall be



finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct.

In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the corporation is advised by counsel that the person to be indemnified did not commit a breach of duty as such Director or officer.

The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by the Board.

The costs and expenses incurred in defending the abovementioned action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceedings as authorized by the Board, (as amended on January 25, 2008)

#### ARTICLE IV

#### COMMITTEES

Section 1. Creation of Committees - The Board of Directors of the corporation may create one or more committees with such powers and functions as they may deem appropriate or necessary or as may be required by the corporation's operational requirements; provided, that each shareholder shall be entitled to nominate such number of members in any such committee as corresponds to its percentage shareholding in the outstanding capital stock of the Corporation.

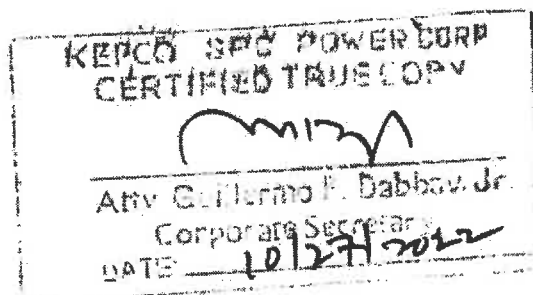
Section 2. Executive Committee - The corporation shall have an Executive Committee, which shall be composed of five (5) members.

(a) Powers of the Executive Committee - The Executive Committee shall have authority to approve, delegate the approval of, and take any action with respect to, all matters delegated to it by the Board other than: (1) the matters for which a shareholders' resolution is required under Article II, Section 3 of these By-laws or applicable law; (2) the filling of Board vacancies; (3) the adoption, repeal or amendment of By-laws of the corporation; (4) the amendment or repeal of any resolution of the Board; and (5) the distribution of dividends.

(b) Quorum. - For a quorum to exist at any Executive Committee meeting, there must be the presence of at least a majority of the members of the Executive Committee, which quorum shall include a member nominated by each Stockholder Group (as defined in Article III, Section 6 above).

If within two (2) hours from the time appointed for the meeting a quorum is not present, the meeting shall automatically without notice stand adjourned and be reconvened on a date two (2) business days after such meeting at the same time and place. If such meeting is adjourned a second time, the matters on the agenda for such meeting shall be referred to the Board for consideration during a meeting to be held not later than ten (10) business days from the date of the second reconvened meeting.

(c) Meetings. - Any member of the Executive Committee may convene a special meeting, communicated through the Secretary, upon five (5) business days' prior written notice given to the other members setting forth the agenda for such meeting. Unless delivery of the notice and agenda is waived in writing by all the members of the Executive Committee, the Executive Committee shall only have the authority to





approve, authorize or take action with respect to matters included in the agenda for a particular meeting. The unanimous approval of the members of the Executive Committee attending any duly constituted meeting shall be required for the Executive Committee to approve, authorize or take any action; any matter which fails to be unanimously approved by the members of the Executive Committee attending a duly constituted meeting shall be referred to the Board for consideration.

- (d) Written Consent; Teleconference. - Any action permitted or required to be taken by the members of the Executive Committee may be taken by unanimous written consent of all the members of the Executive Committee in lieu of convening a meeting. Such written consent shall be deemed to have the same effect as resolutions adopted at a meeting of the Executive Committee in all respects. To the extent permitted by applicable law and regulations, meetings of the Executive Committee may be held by telephone or other electronic means of communication that permits all members present to be heard by all other members present. (as amended on January 25, 2008)

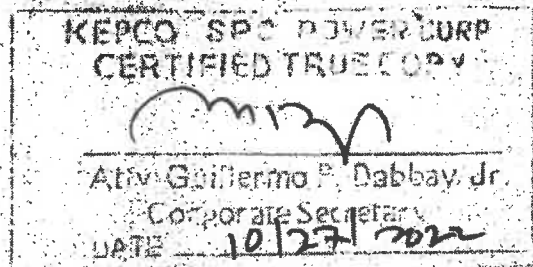
## ARTICLE V OFFICERS

**Section 1. Election / Appointment** - Immediately after their election, the Board of Directors shall formally organize by electing the Chairman, the Vice-Chairman, the President, the Executive Vice President and Chief Financial Officer, the Treasurer, the Secretary, Internal Auditor and one or more Vice Presidents at said meeting.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

**Section 2. President** - The President shall be the Chief Executive Officer of the corporation and shall exercise the following functions:

- a) To preside at the meetings of the stockholders;
- b) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;
- c) To supervise and manage the business affairs of the corporation upon the direction of the Board of Directors;
- d) To implement the administrative and operational policies of the corporation under his supervision and control;
- e) To appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;
- f) To oversee the preparation of the budgets and the statements of accounts of the corporation;
- g) To represent the corporation at all functions and proceedings;



h) To exercise on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors;

i) To make reports to the Board of Directors and stockholders;

j) To sign certificates of stock;

k) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

**Section 4. The Vice-President** – He shall, if qualified, act as president in the absence of the latter. He shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

**Section 5. The Secretary** – The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties:

a) To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;

b) To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;

c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;

d) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

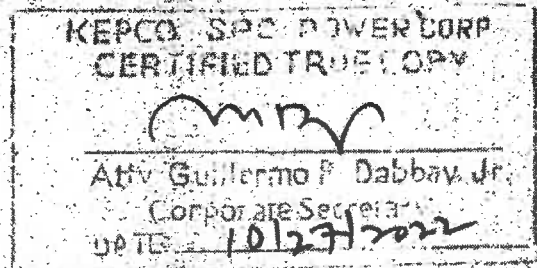
e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;

f) To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election.

g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

**Section 6. The Treasurer** – The Treasurer of the corporation shall have the following duties:

a) To keep full and accurate accounts of receipts and disbursements in the books of the corporation;



- b) To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;
- c) To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;
- d) To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;
- e) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
- f) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

**Section 7. Term of Office** – The term of office of all officers shall be one (1) year and until their successors are duly elected and qualified.

**Section 8. Vacancies** – If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

**Section 9. Compensation** – The officers shall receive such remuneration as the Board of Directors may determine. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefore.

## ARTICLE VI

### OFFICES

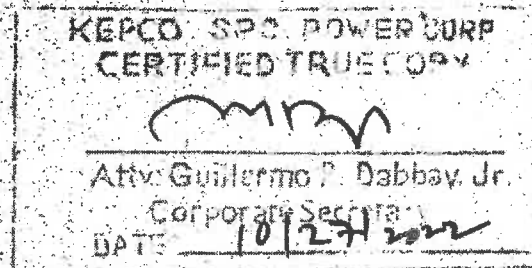
**Section 1.** The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate.

## ARTICLE VII

### AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

**Section 1. External Auditor** – At the regular stockholders' meeting, the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation.

**Section 2. Fiscal Year** – The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.



**Section 3. Interim Financial Statements and Management Reports** - As soon as practicable after the end of each quarterly period of each fiscal year, but in any event no later than sixty (60) days after the end of such quarterly period, the shareholders shall cause the Board to cause the preparation and delivery of (i) a statement of income and changes in financial position for the preceding quarterly period, (ii) a balance sheet as of the end of the preceding quarterly period and (iii) a statement comparing the financial results of the corporation for the preceding quarterly period with the budgeted or forecast results for such period.

Within fifteen (15) days following the end of each month, the corporation shall provide the shareholders with monthly management reports for the prior month, in the form approved by the Board, and setting forth the information required by, or presented to and approved by, the Board, including variances from the annual budget and annual O&M plan.

Within sixty (60) days from the date on which the Plant commences commercial operations, and within sixty (60) days after the end of each calendar quarter and year end thereafter, the corporation shall prepare a summary operating report, in the form approved by the Board and setting forth the information required by, or presented to and approved by the Board, including compliance with and variances from the annual budget and O&M plan. (as amended on January 25, 2008)

**Section 4. Inspection of Facilities and Records.** - Each shareholder shall have the right, on reasonable notice to the corporation and at all reasonable times during the corporation's usual business hours, to inspect the facilities of the corporation and examine and make copies of the books of account and other records of the corporation. Such right may be exercised through any agent or employee of such inspecting party, or by any independent public accountant, engineer, lawyer or other consultant acting on behalf of such inspecting party pursuant to written instructions. The party making the request shall bear all costs and expenses incurred by it in any inspection, examination or audit made at such party's request. (as amended on January 25, 2008)

**Section 5. Deposit and Withdrawal of Funds.** - The funds of the corporation shall be deposited in such banks or other depositories as shall be designated from time to time by the Board. All withdrawals from any such depository shall be made in accordance with the procedures adopted by the Board. (as amended on January 25, 2008)

**Section 6. Dividends** -The Company shall declare all retained earnings as dividends, save to the extent required by applicable law or allowed by the Directors in accordance with Article III, Section 6 above. (as amended on January 25, 2008)

#### **ARTICLE VIII**

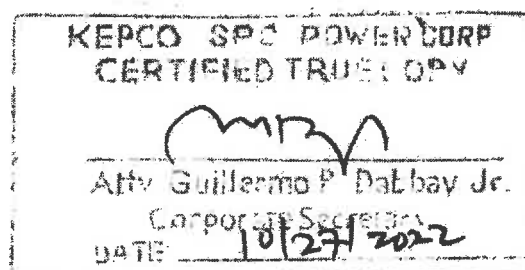
#### **SEAL**

**Section 1. Form and Inscriptions** - The corporate seal shall be determined by the Board of Directors.

#### **ARTICLE IX**

#### **AMENDMENTS**

Section 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing at least 70% of the entire



issued and outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing at least 70% of the entire issued and outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of stockholders representing at least 70% of the entire issued and outstanding capital stock at a regular or special meeting. (as amended on January 25, 2008)

IN WITNESS WHEREOF, we, the undersigned stockholders have adopted the foregoing by-laws and hereunder affixed our signatures this 17<sup>th</sup> day of June 2005 at the City of Makati.

(SGD.) LEE, GIL-GU

(SGD.) VILLAREAL, DENNIS T.

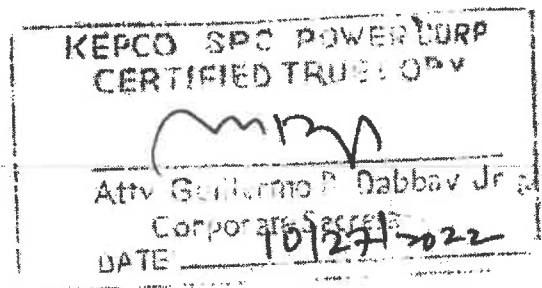
(SGD.) HENARES, ALFREDO

(SGD.) LYU, HYANG-REOL

(SGD.) HUR, KWAN-HWAI

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Book No. II  
Series of 2005

(SGD). ATTY. RODOLFO L. LOPEZ  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2005  
PTR No. 9405365  
ISSUED AT MAKATI ON 1/04/05  
IBP LIFE ROLL 00385  
TIN No. 117-118-419





*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWERCORPORATION (KSPC),”*

# *Annex E*

*(KPSC-Shareholder's Agreement)*

**AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT**

This **AMENDED AND RESTATED SHAREHOLDERS' AGREEMENT** ("this Agreement") is entered into this December 21, 2011, by and among:

**KEPCO PHILIPPINES HOLDINGS, INC. ("KPHI")**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at the 18<sup>th</sup> Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City, duly represented herein by its President, Mr. Lee, Bok Yull;

**SPC POWER CORPORATION ("SPC")**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at the 7<sup>th</sup> Floor, Citibank Center, 8741 Paseo de Roxas, Makati City, duly represented herein by its President, Mr. Dennis T. Villareal;

- and -

**KEPCO SPC POWER CORPORATION** (the "Company"), a corporation duly organized and existing under and by virtue of the laws of the Philippines, with principal offices at 7<sup>th</sup> Floor, Cebu Holdings Center, Cebu Business Park, Cebu City, Philippines, duly represented herein by its President, Mr. Lee, Bok Yull.

(KPHI and SPC are each at times individually referred in this Agreement as a "Shareholder" and collectively, as the "Shareholders." The Shareholders and the Company are each at times individually referred to in this Agreement as a "Party" and collectively, as the "Parties.")

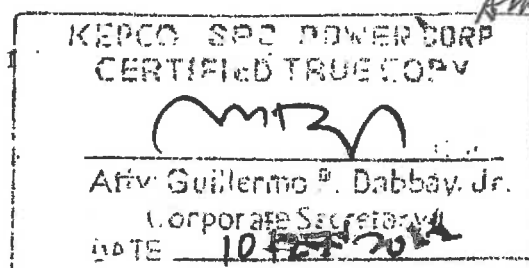
**WITNESSETH:** That –

**WHEREAS**, the Company was established for the purpose of undertaking the development, construction, operation, maintenance, management and ownership of a 2 x 100 MW circulating fluidized bed combustion boiler coal-fired base load power plant (the "Plant") and the Plant's ancillary equipment or facilities in Naga, Cebu, Philippines (the development, construction, operation, maintenance, management and ownership of the Plant and all of the Plant's ancillary equipment or facilities, the "Project");

**WHEREAS**, as of the date of this Agreement, KPHI and SPC own Common Shares (as such term is defined in Section 3.01(a) below) representing 60% and 40%, respectively, of the Company's outstanding capital stock;

**WHEREAS**, the Parties are parties to a Shareholders' Agreement dated January 10, 2008 (the "Original Agreement");

**WHEREAS**, the Parties entered into (i) an Amendment to Shareholders' Agreement dated December 9, 2008, (ii) an Amendment to Shareholders' Agreement dated June 23, 2009, (iii) an Amendment to Shareholders' Agreement dated December 29, 2009, (iv) an Amendment to Shareholders' Agreement dated March 30, 2010, and (v) a Joint Confirmation dated June 29,





2010 (collectively, the "Amendments") to extend the term and amend certain provisions of the Original Agreement (as amended by the Amendments, the "KSPC Agreement");

WHEREAS, the Parties wish to further amend certain provisions of the KSPC Agreement and to restate the provisions of the KSPC Agreement, as amended;

NOW, THEREFORE, the Parties hereby agree as follows:

**ARTICLE I  
DEFINITIONS; PRINCIPLES OF CONSTRUCTION**

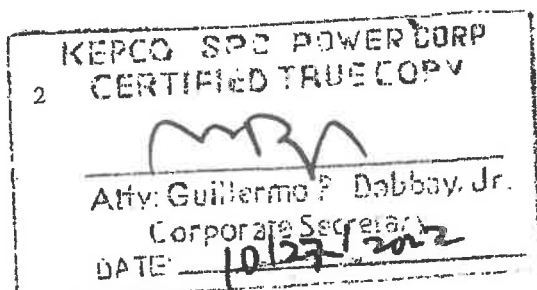
**SECTION 1.01 Definitions.**

As used in this Agreement, the terms set forth in Schedule I attached hereto shall have the meanings assigned to them in such Schedule,

**SECTION 1.02 Principles of Construction.**

In this Agreement, unless the context otherwise requires:

- (a) words importing the singular number shall include the plural and vice versa;
- (b) any reference to Articles, Sections or Schedules is a reference to the articles and sections of and schedules attached to this Agreement;
- (c) any reference to any document, instrument or agreement shall (i) include all exhibits, schedules and other attachments thereto, (ii) include all documents, instruments or agreements issued or executed in replacement thereof, and (iii) mean such document, instrument or agreement, or replacement or predecessor thereof, as amended, modified and supplemented from time to time in accordance with the terms thereof and in effect at any given time;
- (d) the headings to the Articles, Sections and paragraphs of this Agreement are inserted for ease of reference only and shall not affect the interpretation thereof or of this Agreement;
- (e) any reference to "writing" or cognate expressions includes a reference to facsimile transmission, electronic mail or comparable means of communication;
- (f) any reference to a person or entity includes its permitted successors and assigns;
- (g) the words "include," "includes" and "including" are not limiting and shall be deemed to be followed by the words "without limitation," whether or not so followed;
- (h) the words "hereof," "herein" and "hereunder" and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document; and



(i) any reference to "days" shall mean calendar days, unless the term "Business Days" is used.

**ARTICLE II  
ORGANIZATIONAL DOCUMENTS; VOTING AGREEMENT**

**SECTION 2.01 Organizational Documents**

The Organizational Documents shall be amended as may be necessary and appropriate to give effect to the provisions of this Agreement. For this purpose, each Shareholder shall, within 90 days from the date of this Agreement (or such other period as the Parties may agree upon in writing), adopt, and exercise its rights as a shareholder of the Company so as to cause the adoption by the Board and the Shareholders of resolutions approving the amended By-Laws in the form attached hereto as Schedule IV. The Company shall, within 30 days from the date on which the Board and the Shareholders approve such resolutions (or such other period as the Parties may agree upon in writing), file an application with the Securities and Exchange Commission for, and shall exert all diligent efforts to obtain, the approval of the amended By-laws as soon thereafter as is reasonably practicable.

**SECTION 2.02 Shareholder Covenant**

Each of the Parties agrees that, to the extent that any provision of this Agreement conflicts with or is at variance with the Articles or the By-laws, this Agreement shall prevail and be the binding document among them. Each of the Shareholders also covenants and agrees that:

(a) it shall vote or cause to be voted the Common Shares it owns or controls to accomplish and give effect to the terms and conditions of this Agreement; and

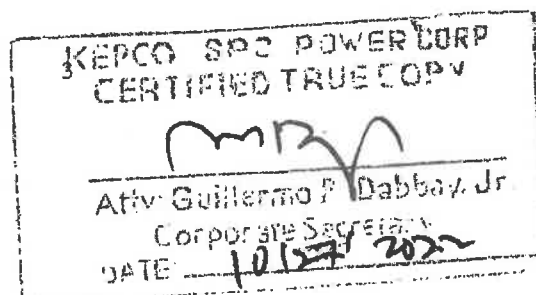
(b) in the event of any conflict between the provisions of this Agreement and the Articles or the By-laws, it shall vote or cause to be voted the Common Shares it owns or controls as provided in this Agreement and, if necessary, cause the Articles and By-laws, as the case may be, to be amended to resolve any such conflict in favor of the provisions of this Agreement, provided that such amendment will not conflict with Applicable Law.

**ARTICLE III  
SHARES, PREEMPTIVE RIGHTS, BUDGETS, CONTRIBUTION AND FEES**

**SECTION 3.01 Capital Stock**

(a) As of the date of this Agreement, the authorized capital stock of the Company as further described in the Articles consists of ₱184,431,648.00, divided into 184,431,648 shares of common stock with a par value of ₱1.00 each (the "Common Shares").

(b) As of the date of this Agreement: (i) KPHI owns, directly or indirectly through its Director Nominees, 77,971,354 fully paid Common Shares constituting sixty percent (60%) of the total issued and outstanding Common Shares, and (ii) SPC owns, directly or indirectly through its Director Nominees, 51,980,904 fully paid Common Shares, constituting forty percent (40%) of the total outstanding Common Shares. Subject to the terms and conditions of this



Agreement (or except as the Parties may otherwise agree in writing), each of KPHI and SPC agrees to maintain its ownership of sixty percent (60%) and forty percent (40%), respectively, of the Company's outstanding capital stock.

(c) All Common Shares shall be identical and shall entitle the holder thereof to the same rights and privileges. Each Common Share shall entitle the holder thereof to one vote on all matters upon which the holders of the Common Shares are entitled to vote.

(d) As of September 4, 2008, the authorized capital stock of the Company has been increased to ₱184,431,648, divided into 184,431,648 Common Shares with a par value of ₱1.00 each. The Parties agree to further increase the authorized capital of the Company as may be necessary to comply with the provisions of Section 3.03(b) of this Agreement and Applicable Law.

**SECTION 3.02 Pre-emptive Rights.**

Each Shareholder shall have pre-emptive rights in proportion to their respective shareholdings in the Company in respect of: (a) any increase in the authorized capital stock of the Company; (b) any issuance of new or unissued shares out of the unsubscribed authorized capital stock of the Company, and (c) any issuance out of treasury shares of the Company.

**SECTION 3.03 Project Funding.**

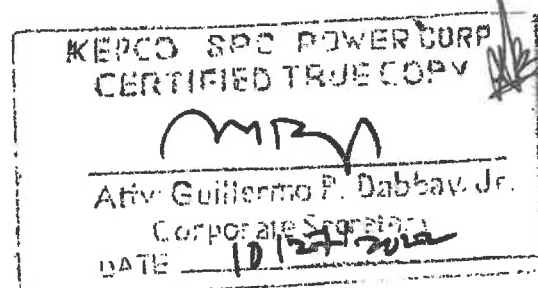
(a) The total cost of undertaking and completing the Project (the "Project Cost") shall be approved by the Board. The initial estimated Project Cost is \$451,317,000.00.

(b) Up to thirty percent (30%) of the Project Cost shall be funded by subscriptions by the Shareholders to the capital stock of the Company in the proportions set out in Section 3.01(b), with the balance to be funded by loans or other credit facilities obtained by the Company from banks or other financial institutions (the "Lenders") on terms mutually acceptable to the Shareholders; provided, that any overruns in Project Cost shall be funded by equity contributions by the Shareholders in proportion to their respective shareholdings in the Company or, subject to the approval of the Lenders, through loans to be provided by Affiliates or a combination of both debt and equity.

(c) The Company shall, and each Shareholder agrees to vote its Common Shares, and to cause its Director Nominees to take all actions necessary to cause the Company to reimburse KEPCO Philippines Corporation ("KEPHILCO"), KPHI and SPC for all costs and expenses incurred by them prior to the date of this Agreement and agreed to be incurred by KEPHILCO, KPHI and SPC.

**SECTION 3.04 Budgets.**

(a) Project Cost. The President of the Company may from time to time prepare and distribute or cause to be prepared and distributed to the Board a revised Project Cost. The Board shall consider and vote upon such proposed revised Project Cost within 30 days after receipt thereof. Until any revised Project Cost is approved by the Board, the approved Project Cost in effect prior to such proposed revision shall remain in effect.

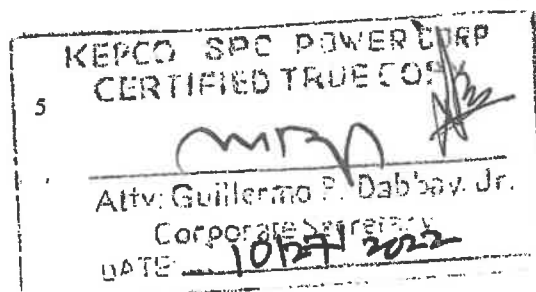


(b) Annual Budget. The Company shall prepare an Annual Budget (the "Annual Budget") for the operation, maintenance and administration of the Project during the succeeding fiscal year after giving due consideration to the advice from Korea Electric Power Corporation ("KEPCO") pursuant to the Offshore Advisory Services Agreement. Each Annual Budget shall be broken down on a monthly basis by line item and by costs to be incurred in applicable currency, shall set forth the costs which are fixed by nature and which are to be paid on an estimated basis and shall include the following items:

- i. wages and benefits of all operators, engineers and other staff, including overtime and holiday payments, payroll tax and required insurance;
- ii. the costs of tools, equipment, vehicles, replacement parts, spare parts, supplies, consumables, services, works and other items;
- iii. the direct costs of contracted and subcontracted labor and services;
- iv. capital expenditures and repair and maintenance costs;
- v. scheduled overhaul and inspection costs;
- vi. training program expenses;
- vii. equipment rental and maintenance costs;
- viii. the costs of obtaining and maintaining consents;
- ix. the direct cost of any insurance premiums; and
- x. other general & administrative costs.

(c) Annual O&M Plan. Upon the commencement of commercial operations of the Plant, the Company shall, concurrently with each Annual Budget, prepare an annual operation and maintenance plan (each an "Annual O&M Plan") for the operation, maintenance and administration of the Project for the upcoming fiscal year after giving due consideration to the advice from KEPCO pursuant to the Offshore Advisory Services Agreement. Each Annual O&M Plan shall include all relevant information relating to the operation, maintenance and administration of the Project, broken down on a monthly basis for the relevant fiscal year, including the following:

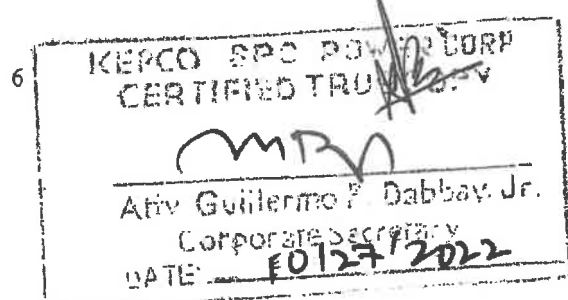
- i. routine operational services;
- ii. routine maintenance and repair for each part of the Project;
- iii. information regarding the inventory and proposed procurement of tools, equipment, vehicles, replacement parts, spare parts, supplies, consumables, services, works and other items, and, in the case of major equipment, the residual life, routine operational information, general operating data and other Project data;



- iv. organization and staffing plans (indicating any changes in the level of staff or in the management personnel of the Company) and details of the numbers of part-time and temporary operators, engineers or other staff;
- v. training programs;
- vi. consumable items the individual value of which exceeds \$10,000.00;
- vii. description of material contracts proposed to be entered into;
- viii. administrative activities, communication and relationships with the purchasers of electricity, the local community and Governmental Authorities;
- ix. any scheduled matters that will affect the operation and maintenance of the Project (such as modifications, other capital improvements or capital expenditures or changes in the operation and maintenance manuals);
- x. environmental plans describing the actions necessary to ensure compliance with all applicable laws and consents;
- xi. such other works and activities as are necessary to comply with Company's contractual obligations in respect of the Project;
- xii. scheduled outages and estimated forced outages;
- xiii. the estimated quantity of fuel to be consumed; and
- xiv. estimated and target availability and operating parameters.

(d) Long-Term Maintenance Plan. The Company shall, concurrently with each Annual Budget, prepare a long-term maintenance and capital expense plan for the Project (the "Long-Term Maintenance Plan"). The Long-Term Maintenance Plan shall be the Company's best estimate formulated after giving due consideration to the advice of KEPCO pursuant to the Offshore Advisory Services Agreement, based on all facts and circumstances then existing and known to the Company and KEPCO and broken down on an annual basis for the relevant year, of the nature, timing and scope of such maintenance and capital work envisioned for the Project over the period covered by each maintenance cycle, including (i) expected repairs, teardowns and overhauls, (ii) expected major inspections, and (iii) expected equipment procurement, including spare parts, as well as a breakdown of the costs of the capital and expense items to be incurred in U.S. dollars and each other applicable currency. The Long-Term Maintenance Plan shall be consistent with the applicable Annual Budget and the applicable Annual O&M Plan.

(e) Approval of Annual Budget, Annual O&M Plan and Long Term Maintenance Plan. Each of the Annual Budget, Annual O&M Plan and Long Term Maintenance Plan shall be submitted to the Board at least 60 days prior to the end of each fiscal year. The Shareholders shall cause the Board to consider and vote upon such proposed Annual Budget, Annual O&M Plan and Long Term Maintenance Plan within 30 days after receipt thereof.



SECTION 3.05 Performance Support

Each Shareholder hereby confirms its understanding that one or more Affiliates may from time to time provide the Company with certain guarantees or support relating to the Project ("Performance Support"). The Company will pay the appropriate fees to such Affiliate for providing any such Performance Support on terms agreed upon by the Company and such Affiliate.

ARTICLE IV  
GOVERNANCE

SECTION 4.01 Actions Requiring Special Shareholders' Approval.

The Company shall not carry out any of the actions set forth in Schedule II without the affirmative vote of the shareholders owning or representing at least 66%% of the outstanding Common Shares of the Company.

SECTION 4.02 Board of Directors.

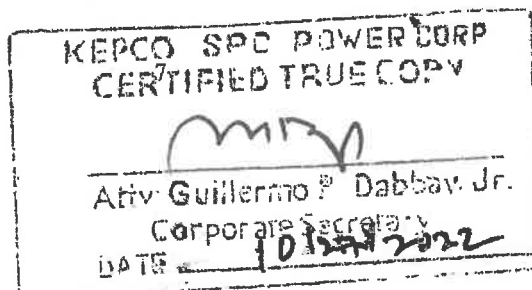
(a) Board Composition. For as long as each Shareholder respectively owns not less than the percentage of Common Shares set out in Section 3.01(b), the Board shall consist of 11 Directors and each Shareholder shall have the right to nominate Directors as follows:

- (i) KPHI shall be entitled to nominate seven Directors; and
- (ii) SPC shall be entitled to nominate four Directors.

The Shareholders shall vote their respective Common Shares to elect the foregoing nominees.

Subject to the provisions of Sections 9.01 and 10.01, in the event a Shareholder Transfers its Common Shares, or is otherwise unable to maintain ownership of not less than its required percentage of outstanding Common Shares as set out in Section 3.01(b), the number of Directors that such Shareholder can nominate shall be reduced to such number as the number of Common Shares held by such Shareholder after such Transfer or inability entitles it to vote under the Articles and By-laws and Applicable Law. In such case, such Shareholder shall cause the corresponding number of its Director Nominees to resign as Directors.

(b) Removals. No Director Nominee shall be removed without Cause unless such removal is requested by the Shareholder that nominated such Director. Except where the applicable Cause results in a Director being disqualified by Applicable Law to sit as a director, any Director Nominee may be removed for Cause by the vote of shareholders owning or representing at least 66%% of the outstanding Common Shares of the Company. If either Shareholder requests by written notice to the other Shareholder that a Director Nominee nominated by such requesting Shareholder be removed (with or without Cause), then the other Shareholder shall vote all of its Common Shares to effect such removal.



(c) Vacancies. If any Person is unable or unwilling to serve as a Director, the Shareholder that nominated such Person shall be entitled to nominate a replacement and the Shareholders shall vote their Common Shares to cause the election of such replacement.

Further, each Shareholder agrees to vote its Common Shares and take all actions necessary to ensure that any vacancy created on the Board by the death, disability, retirement, resignation or removal (with or without Cause) of a Director Nominee shall be filled by a Person nominated by the Shareholder that nominated the Director whose departure caused such vacancy.

(d) Meetings. There must be at least one regular Board meeting every two months, which shall be convened in accordance with the provisions of the By-laws. Unless otherwise agreed by all the Directors, the Board shall only have the authority to approve, authorize or take action with respect to matters included in the agenda for any meeting. Notwithstanding the foregoing, a meeting to consider a matter that has been referred to the Board due to a failure to meet the quorum of the Executive Committee at two consecutive meetings or a failure to approve an action by the Executive Committee as provided in Section 4.03(b)(iii) shall be called by the Chairman, or in his absence, by the Vice Chairman, or in the absence of both the Chairman and the Vice Chairman, by the President, upon seven calendar days' notice.

(e) Quorum. Subject to the mandatory applicable requirements of Applicable Law, no action of the Board shall be taken unless a quorum consisting of at least a simple majority of the Directors shall be in attendance at the Board meeting. If the Board fails to achieve a quorum within one hour from the time appointed for such meeting, then the meeting shall stand adjourned and shall be reconvened on a date not later than 10 Business Days after such meeting at the same time and place. If the Board fails to achieve a quorum within two hours from the time appointed for such reconvened meeting or if the meeting is not called within the abovementioned 10 Business Days, then any matter set forth in Schedule III that was on the agenda for such meeting shall be deemed to have failed to be approved at two successive meetings of the Board for purposes of Section 4.07.

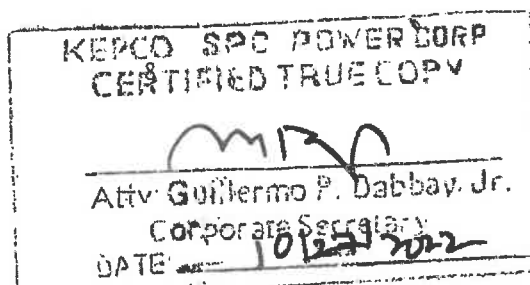
(f) Director Votes. Subject to Section 4.04, each Director shall have one vote and be entitled to vote at meetings of the Board only if such Director is duly present during such meeting.

(g) Required Approvals.

Subject to any additional requirements imposed by Applicable Law and notwithstanding anything to the contrary herein or in the Organizational Documents, the Parties covenant and agree that:

(i) Except as specified in paragraph (ii) below, any and all acts of the Board shall require the affirmative vote of a simple majority of Directors in attendance at any duly-convened meeting of the Board at which there is a quorum.

(ii) The corporate acts listed in Schedule III shall not be passed unless approved by the majority vote of the Directors present in a duly convened meeting at which there is a quorum, and at least two Director Nominees nominated by SPC, and two Director Nominees of KPHI, shall have voted affirmatively in favor of such corporate act.





(h) Directors' Expenses. The expenses of the Director Nominee for travel within the Philippines and hotel accommodations incurred in attending any Board meetings or otherwise in fulfilling his or her obligations as a Director shall be paid by the Company. Subject to Applicable Law, all Director Nominees shall be entitled to receive the same remuneration for his or her services as director of the Company as the shareholders representing at least a majority of the outstanding Common Shares may approve. Nothing in this Agreement shall preclude any Director Nominee from serving the Company in any other capacity and receiving remuneration therefor.

SECTION 4.03 Committees.

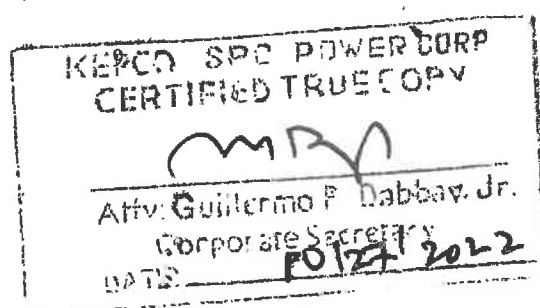
(a) Subject to Applicable Law and the terms and conditions of this Agreement, the Board may create one or more committees with such powers and functions as the Board may deem appropriate or necessary to complete the Project or as may be required by the Company's operational requirements; provided, that each Shareholder shall be entitled to nominate such number of members in any such committee as corresponds to its percentage shareholding in the outstanding capital stock of the Company.

(b) Without limiting the generality of the foregoing, the Company shall have an executive committee (the "Executive Committee") composed of five members, three of which shall be nominated by KPHI, and two of which shall be nominated by SPC. Each of the Shareholders shall cause its Director Nominee to cast his or her vote in favor of its and the other Shareholder's nominees in the Executive Committee.

(i) Authority. The Executive Committee shall have authority to approve, delegate the approval of, and take any action with respect to, all matters delegated to it by the Board other than: (1) the matters for which a shareholders' resolution is required pursuant to Section 4.01 or Applicable Law or the By-laws; (2) the filling of Board vacancies; (3) the adoption, repeal or amendment of By-laws of the Company; (4) the amendment or repeal of any resolution of the Board; and (5) the distribution of dividends.

(ii) Quorum. For a quorum to exist at all Executive Committee meetings, there must be the presence of at least a majority of the members of the Executive Committee, which quorum shall include one member nominated by SPC and one member nominated by KPHI. If within two hours from the time appointed for the meeting a quorum is not present, the meeting shall automatically without notice stand adjourned and be reconvened on a date two Business Days after such meeting at the same time and place. If such meeting is adjourned a second time, the matters on the agenda for such meeting shall be referred to the Board for consideration during a meeting to be held not later than 10 Business Days from the date of the second reconvened meeting.

(iii) Meetings. Any member of the Executive Committee may convene a special meeting, communicated through the Corporate Secretary, upon five Business Days prior written notice given to the other members setting forth the agenda for such meeting. Unless delivery of the notice and agenda is waived in writing by all the members of the Executive Committee, the Executive Committee shall only have the authority to approve, authorize or take action with respect to matters included in the agenda for a particular meeting. The unanimous approval of the members of the Executive Committee attending any duly constituted meeting shall be required for the Executive Committee to approve, authorize or take any action; any matter which fails to



be unanimously approved by the members of the Executive Committee attending a duly constituted meeting shall be referred to the Board for consideration.

(iv) Written Consent: Teleconference. Any action permitted or required to be taken by the members of the Executive Committee may be taken by unanimous written consent of all the members of the Executive Committee in lieu of convening a meeting. Such written consent shall be deemed to have the same effect as resolutions adopted at a meeting of the Executive Committee in all respects. Meetings of the Executive Committee may be held by telephone or other electronic means of communication that permits all members present to be heard by all other members present.

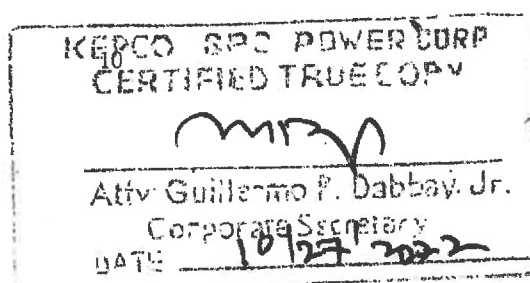
SECTION 4.04 Interested Parties.

If a dispute or disagreement arises between the Company and any Shareholder (an "Interested Shareholder") or between the Company and any Affiliate of any Shareholder (such Affiliate, an "Interested Party") concerning any transaction between the Company and such Interested Shareholder or such Interested Party other than any transaction or matter relating to or arising out of this Agreement (an "Interested Party Transaction"), and if such dispute or disagreement is submitted to arbitration or other dispute resolution proceeding, then the Interested Shareholder and any Directors or members of the Executive Committee nominated by the Interested Shareholder shall not participate in the arbitration or other dispute resolution proceeding on behalf of the Company and shall excuse itself or himself/herself from all shareholder, Director and Executive Committee votes and related deliberations concerning such dispute or disagreement; provided, that (i) with respect to matters listed in Schedule III, the Interested Shareholder shall cause the members of the Executive Committee or the Directors nominated by such Interested Shareholder to vote in the same manner as the majority of the members of the Executive Committee or the Directors (in each case, nominated by a Shareholder which is not an Interested Shareholder), and (ii) with respect to matters listed in Schedule II, for which a shareholders' resolution is required under Section 4.01 or by Applicable Law or the By-laws, the Interested Shareholder shall be required to vote its Common Shares in the same manner as the majority of the Common Shares held by the Shareholder which is not an Interested Shareholder are voted.

SECTION 4.05 Senior Officers.

(a) The senior officers of the Company shall consist of a Chairman, Vice Chairman, President, Executive Vice President and Chief Financial Officer, Treasurer, Secretary, Vice Presidents and such other officers as the Board shall deem necessary from time to time (the "Senior Officers"). The term of any Senior Officer shall be one year.

(b) Each Shareholder shall cause its Director Nominees to cause the Board to appoint the Senior Officers nominated as specified in this Section 4.05, and, subject to the requirements of this Section 4.05, to determine the positions, titles and roles of all Senior Officers. Except as otherwise provided in this Section 4.05, the President shall have the authority to appoint and determine the positions, titles and roles of all employees of the Company who are not Senior Officers.



(c) The Senior Officers shall be nominated as follows:

(i) KPHI shall be entitled to nominate the Chairman, the President, the Treasurer, the Corporate Secretary and the other Senior Officers except for those Senior Officers mentioned in sub-paragraph (ii) and;

(ii) SPC shall be entitled to nominate the Vice-Chairman, the Executive Vice President and Chief Financial Officer, and one Vice-President of the Company.

SECTION 4.06 Other Positions or Representations.


Any Director or officer of the Company may also be a director, officer or employee of a Party or of one or more Affiliates of a Party.

SECTION 4.07 Deadlock.

(a) In the event that: (i) a proposal with respect to any matter set forth in Schedule II or III fails to be approved at two meetings of the Board or the shareholders of the Company, as the case may be, or one meeting of the Executive Committee and one meeting of the Board; and (ii) any of the Shareholders whose Director Nominees or representatives to the shareholders' meeting (as the case may be) voted to approve such proposal (the "Proponent") determines in good faith that a failure to approve such proposal will fundamentally and adversely affect its investment in the Company ("Deadlock Matter"), a senior officer of each of the Proponent and of the other Shareholder, shall attempt diligently and in good faith, for a period of 30 days after the receipt by the other Shareholder of a written notice from the Proponent of such Deadlock Matter, to settle amicably such Deadlock Matter in the first instance by mutual discussion of the Shareholders; provided, that the period for settlement of a particular Deadlock Matter may be extended upon mutual agreement of the Shareholders. If a settlement in favor of the approval of the proposal is reached, each Shareholder shall cause its Director Nominees to (i) cause the re-submission of the proposal to the Board or the Executive Committee, as may be appropriate, and (ii) to vote in favor of the proposal.

(b) If the Shareholders fail to mutually agree on a resolution of the Deadlock Matter within such 30 day period, or such longer period as the Shareholders mutually agree in writing (the "Settlement Period"), then the Proponent may request the Deadlock Expert to make a recommendation that resolves the Deadlock Matter in the best commercial interests of the Company by submitting a written notice (the "Deadlock Resolution Notice") to the Deadlock Expert with a copy to the other Shareholder within 10 Business Days after the expiration of the Settlement Period. Upon delivery of the Deadlock Notice, the Proponent shall promptly:

(i) negotiate, execute and deliver an agreement (the "Engagement Agreement") with the Deadlock Expert that sets forth the terms of its engagement (including fee arrangements); provided, that: (1) such Engagement Agreement shall provide that the Deadlock Expert shall resolve all Deadlock Matters referred to it in an impartial manner and for the best economic interest of the Company; (2) the Deadlock Expert shall be required to keep confidential (A) all confidential information that is disclosed to the Deadlock Expert or otherwise comes to its knowledge during the course of its appointment, and (B) all matters concerning the existence and resolution of the Deadlock Matter; and

MEPCO SPS POWER CORP  
CERTIFIED TRUE COPY  
  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

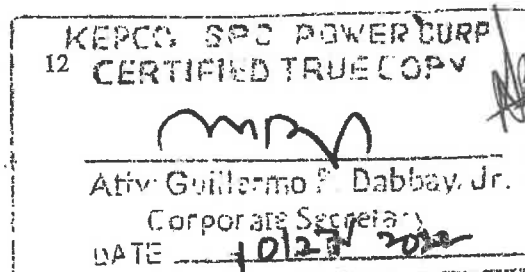
(ii) send a copy of the Engagement Agreement to the other Shareholder prior to the execution and delivery of such Engagement Agreement, solicit comments from the other Shareholder regarding the terms of the Engagement Agreement, and exercise reasonable efforts to communicate and accommodate such comments, provided, that the Proponent shall only be obligated to consider comments which are delivered within five days of the delivery of a copy of such Engagement Agreement to the other Shareholders.

(c) Each of the Shareholders shall have the option to prepare and submit a written summary of its position in respect of the Deadlock Matter to the Deadlock Expert within 10 Business Days after the date (the "Engagement Date") on which a Proponent delivers the Engagement Agreement to the other Shareholder. Unless each of the Shareholders otherwise agrees in writing, the Deadlock Expert shall convene a meeting in Manila within 10 Business Days after the Engagement Date, during which the Deadlock Expert shall provide each of the Shareholders with an opportunity to present their respective positions. In preparation for such meeting and prior to the issuance of its recommendation, the Deadlock Expert may seek the advice of the O&M Expert on engineering, environmental or other technical matters that relate to a resolution of the Deadlock Matter as determined in the Deadlock Expert's sole discretion.

(d) As promptly as practicable after the conclusion of the meeting referred to in Section 4.07(c) (but in any event within 15 Business Days after such meeting), the Deadlock Expert shall provide each of the Shareholders with a draft recommendation together with a written explanation for such recommendation that: (i) resolves the Deadlock Matter in the best economic interest of the Company; and (ii) allocates fees and expenses of the Deadlock Expert in accordance with guidelines set forth in Section 4.07(e) as determined by the Deadlock Expert in its sole discretion. Each Shareholder shall have five days to submit comments on such draft to the Deadlock Expert, and the Deadlock Expert shall issue its final recommendation in writing within 10 days after such five-day period. To the extent that such recommendation contemplates that the Company shall take further action, each of the Shareholders shall exercise its best efforts to cause the Board or Executive Committee, as may be appropriate, to approve such recommendation as promptly as possible but in any event no less than 30 calendar days after the date on which the Deadlock Expert delivers its recommendation.

(e) Prior to the issuance of the final recommendation of the Deadlock Expert, the Proponent shall pay all fees and disbursements of the Deadlock Expert. In the event that the Deadlock Expert's recommendation substantially reflects the Proponent's proposal to resolve the Deadlock Matter, then the Shareholder whose Director Nominees on the Board or representatives in the shareholders' meeting, as the case may be, either voted against the proposal that forms the basis of the Deadlock Matter or failed to attend the meetings of the Board or of the shareholders which considered such proposal (the "Blocking Party"), shall be liable to, and reimburse the Proponent for all fees and disbursements paid to the Deadlock Expert and the O&M Expert. To the extent that such recommendation neither substantially reflects the proposal of the Proponent nor substantially reflects the proposal of the Blocking Party to resolve such Deadlock Matter, each Shareholder shall each bear a portion of the aggregate amount of such fees and disbursements equal to its ownership interest in the Company expressed as a percentage.

(f) Notwithstanding the foregoing, in the event that the Board fails to approve any proposal to submit a dispute or disagreement relating to an Interested Party Transaction to arbitration or other dispute resolution proceeding, such failure shall be deemed to be a Deadlock Matter, provided, that a Director nominated by a Deadlock Party voted in favor of such proposal



at such meeting, such Shareholder may request the Deadlock Expert to make a recommendation that resolves such Deadlock Matter.

(g) Each of the Shareholders: (i) irrevocably and unconditionally waives its rights to assert, and releases the Deadlock Expert and the O&M Expert (each an "Expert") from, any and all claims against each such Expert arising out of any act or omission of an Expert during the performance of its services under or in connection with the Engagement Agreement other than any claims for gross negligence or willful misconduct; and (ii) acknowledges and agrees that each Expert shall be entitled to assert such waiver and release as a defense in any proceeding to enforce a claim by any of the Shareholders against it, arising out of such services upon the acceptance at any time by such Expert.

**ARTICLE V**  
**TRANSACTIONS WITH PARTIES OR AFFILIATES;**  
**DIVIDENDS AND DISTRIBUTIONS**

**SECTION 5.01 Service Contracts and Other Transactions.**

Each Shareholder shall exercise its rights as a shareholder so as to cause the Board to cause the Company to enter into any service contracts, agreements and other transactions as the Board shall deem appropriate with any Person (including any Shareholder or Affiliate of any Shareholder); provided, that any service contracts, agreements or other transactions entered into with any Shareholder or Affiliate of a Shareholder are on terms materially no less favorable to the Company than those prevailing at that time for comparable contracts, agreements or other transactions with unassociated or unaffiliated independent parties.

The Shareholders acknowledge that the Company has entered into the Offshore Advisory Service Agreement with KEPCO in relation to the Project, a copy of which is attached as Schedule VI.

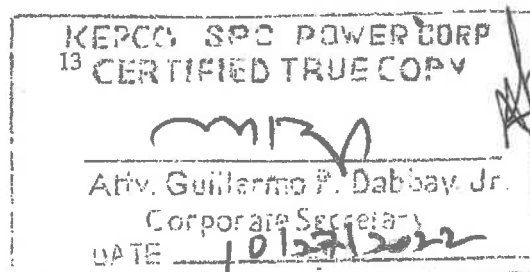
**SECTION 5.02 Dividends and Distributions.**

The Company shall declare all retained earnings as dividends, save to the extent required by Applicable Law or allowed by the Directors in accordance with the voting requirements set out in Section 4.02(g)(ii).

The Shareholders hereby agree that they shall, consistent with the Company's financial obligations and Applicable Law, exercise their rights as shareholders of the Company so as to cause the Company to optimize its distributable profits (after paying or setting aside reserves for amounts payable under various agreements and contracts) and declare all its distributable profits as dividends.

**ARTICLE VI**  
**INSURANCE**

The Company shall maintain or obtain (if not yet obtained) appropriate insurance coverage including Industrial All Risk Insurance covering physical loss and damage, Comprehensive General Liability Insurance and Motor Vehicle Liability Insurance.



**ARTICLE VII  
ACCOUNTING**

**SECTION 7.01 Interim Financial Statements and Management Reports.**

(a) As soon as practicable after the end of each quarterly period of each fiscal year, but in any event no later than 60 days after the end of such quarterly period, the Shareholders (through their Director Nominees) shall cause the Board to cause the preparation and delivery to each Shareholder of (i) a statement of income and changes in financial position for the preceding quarterly period, (ii) a balance sheet as of the end of the preceding quarterly period, and (iii) a statement comparing the financial results of the Company for the preceding quarterly period with the budgeted or forecast results for such period.

(b) Within 15 days following the end of each month, the Company shall provide the Shareholders with monthly management reports for the prior month, in the form approved by the Board, and setting forth the information required by, or presented to and approved by, the Board, including variances from the Annual Budget and Annual O&M Plan.

(c) Within 60 days from the date on which the Plant commences commercial operations, and within 60 days after the end of each calendar quarter and year end thereafter, the Company shall prepare a summary operating report, in the form approved by the Board and setting forth the information required by, or presented to and approved by the Board, including compliance with and variances from the Annual Budget and O&M Plan.


**SECTION 7.02 Inspection of Facilities and Records.**

Each Shareholder shall have the right, on reasonable notice to the Company and at all reasonable times during the Company's usual business hours, to inspect the facilities of the Company and examine and make copies of the books of account and other records of the Company. Such right may be exercised through any agent or employee of such inspecting party, or by any independent public accountant, engineer, lawyer or other consultant acting on behalf of such inspecting party pursuant to written instructions. The party making the request shall bear all costs and expenses incurred by it in any inspection, examination or audit made at such party's request.

**SECTION 7.03 Deposit and Withdrawal of Funds.**

The funds of the Company shall be deposited in such banks or other depositories as shall be designated from time to time by the Board. All withdrawals from any such depository shall be made in accordance with the procedures adopted by the Board.

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<sup>14</sup> KEPCO SPC POWER CORP  
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Atty: Guillermo P. Dabbay, Jr  
Corporate Secretary  
DATE: 10/27/2022

**ARTICLE VIII  
INDEMNIFICATION**

**SECTION 8.01 Indemnification by Parties.**

Each Shareholder (an "Indemnifying Shareholder") shall indemnify and hold harmless the other Shareholder, the Company, the affiliates of the other Shareholder and each of their successors and assigns, and the directors, officers, partners, employees, agents and representatives thereof from and against all liabilities, losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including attorneys' and consultants' fees and expenses) actually suffered or incurred by them (including any action, judicial or not, brought or otherwise initiated by any of them) (hereinafter, a "Loss"), arising out of or resulting from (i) the breach of any representation or warranty made by the Indemnifying Shareholder in this Agreement or (ii) the breach of any covenant or agreement by the Indemnifying Shareholder contained in this Agreement. The provisions of this Section 8.01 shall survive the termination of this Agreement, the withdrawal of any Party, or any purchase or Transfer of the Shares of a Shareholder.

**SECTION 8.02 Indemnification by the Company.**

(a) The Company shall indemnify every Director or officer nominated by the Parties, and such Director's or officer's heirs, executors and administrators, against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the Company) to which he may be, or is, made a party by reason of his being or having been a Director or officer of the Company, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct.

(b) In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit a breach of duty as such Director or officers.

(c) The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a simple majority of Directors in attendance at any duly convened meeting of the Board at which there is a quorum.

(d) The costs and expenses incurred in defending the abovementioned action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceedings as authorized by the Board.


**ARTICLE IX  
TRANSFERS**

**SECTION 9.01 Right of First Refusal.**

Except in the case of a Transfer of one qualifying Share to a Director Nominee of a Party or a Transfer to a Permitted Transferee under Section 9.03, in the event that any Party (the "Selling Shareholder") desires to Transfer its Shares to a third party (such Transfer, the

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"Proposed Transfer"), the Selling Shareholder shall grant the other Party (the "Non-Selling Shareholder") a right of first refusal in respect of such Shares as follows:

(a) The Selling Shareholder shall first offer all of the Shares that it desires to transfer (the "Offered Shares") to the Non-Selling Shareholder, by written notice (the "Offer Notice") to the Non-Selling Shareholder (with a copy to the Company), specifying the price, proposed date and the other terms and conditions of the Proposed Transfer.

(b) The Non-Selling Shareholder shall have 30 days (the "Offer Period") from receipt of the Offer Notice, in which to elect to accept such offer by giving written notice thereof to the Selling Shareholder. The Selling Shareholder and Non-Selling Shareholder shall then have 30 days from the Selling Shareholder's receipt of said acceptance notice (the "Post-offer Period") within which to enter into an agreement for the Non-Selling Shareholder's purchase of all of the Offered Shares.

(c) In the event that the Non-Selling Shareholder fails to either accept the offer within the Offer Period or reach an agreement with the Selling Shareholder for the transfer of the Offered Shares during the Post-offer Period, the Selling Shareholder may, subject to Sections 9.01(e) and 9.02, sell, assign or otherwise transfer the Offered Shares to a third party within a period of 60 days from the lapse of the Offer Period or the Post-offer Period, as the case may be (the "Sale Period"), under such terms and conditions which shall in no case be more favorable to the third party than those offered to the Non-Selling Shareholder.

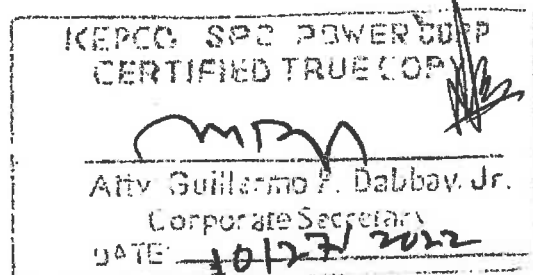
(d) After the Sale Period without the Offered Shares being sold in accordance with this Section 9.01, any subsequent sale of the Offered Shares must comply anew with the conditions set forth herein.

(e) It is a condition to any Transfer of Shares to a third party under this Section 9.01 that the third party ratify and confirm this Agreement, agree to be bound by the terms hereof, and assume, from and after the effective date of the Transfer, all of the obligations and liabilities of the Selling Shareholders (in proportion to the number of Shares which the third party acquires).

SECTION 9.02 Tag-Along Rights.

(a) In addition to its right of first refusal under Section 9.01, the Non-Selling Shareholder shall have the right (the "Tag-Along Right"), exercisable by written notice (the "Tag-Along Notice") to the Selling Shareholder at any time within the Offer Period, to require the Selling Shareholder to include in the Proposed Transfer, upon the same terms and conditions applicable to the Proposed Transfer, a number of Shares owned by the Non-Selling Shareholder (the "Tag-Along Shares") such that the total number of Shares to be Transferred to the third party shall be comprised of a number of Tag-Along Shares and Offered Shares that bear the same ratio to each other as did the Shares respectively held by the Selling Shareholder and the Non-Selling Shareholder as of the date of the Offer Notice. If a Non-Selling Shareholder exercises its Tag-Along Right in accordance with this Section 9.02(a), the Offered Shares shall be decreased by the corresponding number of Tag-Along Shares. Save for any default by the Non-Selling Shareholder, the Selling Shareholder shall not be entitled to complete any Transfer to a third party unless, contemporaneously, the third party completes the acquisition of the Tag-Along Shares.

16



(b) Subject to the provisions of Section 9.01, upon the lapse of the Offer Period without any Non-Selling Shareholder exercising its Tag-Along Right, the Selling Shareholder shall be free to complete the Proposed Transfer.

(c) Notwithstanding any provision of this Agreement, the Selling Shareholder shall have no liability to a Non-Selling Shareholder if a Proposed Transfer is not consummated for any reason whatsoever. Any decision as to whether to consummate any such Proposed Transfer shall be at the Selling Shareholder's sole and absolute discretion.

(d) The provisions of this Section 9.02 shall not apply to Transfers of one qualifying Share to a Director Nominee of a Party or a Transfer to a Permitted Transferee under Section 9.03.

SECTION 9.03 Transfer to Permitted Transferees.

Any of the Parties may, upon prior written notice to the other Party or Parties, Transfer Shares to a Permitted Transferee upon satisfaction of the following conditions: (a)(i) such Transfer shall not violate or conflict with any Applicable Law to which the Transferring Party, the Permitted Transferee, the Company or the Shares are subject, or violate, conflict with or result in an event of default under the terms and conditions of any contract to which the Transferring Party, the Permitted Transferee or the Company is a party; and (ii) the Transferring Party and the Permitted Transferee shall have obtained all consents and approvals of all Persons required in connection with such Transfer; and (b) on or prior to the date of the effectiveness of such Transfer, (i) the Transferring Party shall deliver to the Secretary of the Company a certified copy of the instrument purporting to effect such Transfer, in form and substance reasonably satisfactory to the Company, and duly executed and delivered by the Transferring Party and the Permitted Transferee; and (ii) the Permitted Transferee, unless it is already a Party to this Agreement, shall execute and deliver to the Non-Transferring Party, an agreement, in form and substance reasonably satisfactory to the Non-Transferring Party, pursuant to which the Permitted Transferee shall ratify and confirm this Agreement, agree to be bound by the terms hereof and thereof, assume, from and after the effective date of such Transfer, all of the obligations and liabilities of the Transferring Party (in proportion to the number of Shares which the Permitted Transferee acquires).


SECTION 9.04 Pledges Permitted: Involuntary Transfers.

(a) To the maximum extent permitted by Applicable Law, each Party covenants and agrees that it shall not pledge or otherwise encumber its Shares to, or in favor of, any financial institution or other Person without prior written notice to the other Party.

(b) In the event a Party receives notice or otherwise obtains or has knowledge that any or all of such Party's interest in the Company will be transferred involuntarily, by operation of Applicable Law or otherwise, such Party shall give written notice (an "Involuntary Transfer Notice") promptly after receiving notice or obtaining knowledge thereof, and in any case within 15 days prior to such involuntary Transfer, to the other Party, stating the fact that the involuntary Transfer is about to occur, the reason therefor, the proposed date of such Transfer, the name and address of the transferee and the interest to be acquired by such transferee.

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17

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Atty. Guillermo P. Dabbay, Jr. Corporate Secretary
DATE <u>10/27/2022</u>

SECTION 9.05 Restriction on Transfer.

No Transfer shall be made by any Party to any direct or indirect competitor of the other non-selling Party operating in the Philippines without the consent of said other non-selling Party, which consent shall not be unreasonably withheld.

SECTION 9.06 Effect of Permitted Transfer.

Upon the consummation of any Transfer to a Permitted Transferee (unless such Permitted Transferee is already a shareholder), such Permitted Transferee shall be admitted as a shareholder in substitution for, or in the case of a partial Transfer in addition to, the Transferring Party, upon execution and delivery of the agreements referred to in Section 9.03. Except as provided in this Section 9.06, no such Transfer shall give rise to a right in any transferee to become a Party. Upon the Transfer of all its interest in the Company, a Party shall have no further interest in the Company or rights under this Agreement except its rights under Sections 8.01 and 13.09; provided, that no Transfer shall relieve the Transferring Party of liability under this Agreement for matters arising or events occurring prior to the completion of the Transfer.

SECTION 9.07 Shares of the Company.

The provisions of this Agreement relating to Shares shall apply *mutatis mutandis* to any shares or securities into which the Shares may be converted, changed, reclassified, re-divided, re-designated, redeemed, subdivided or consolidated; to any Shares or other securities that are received by a Shareholder as a stock dividend or distribution payable in Shares or other securities of the Company; and to any Shares or other securities of the Company or of any successor or continuing corporation to the Company that may be received by the Shareholders in a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

**ARTICLE X  
TERMINATION**

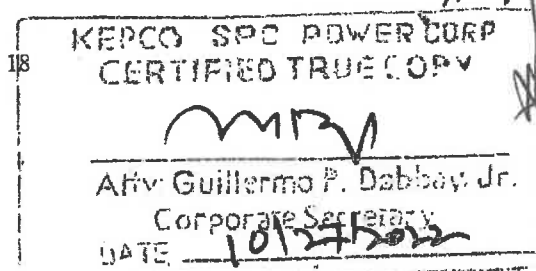
SECTION 10.01 Term.

This Agreement shall become effective on the Effective Date, and (except for Sections 8.01, 10.02 and 13.09, which shall survive the termination of this Agreement) shall automatically and without need of further notice, act or demand by the Parties, terminate upon the earlier of:

- (i) the date on which the Parties mutually agree in writing to terminate this Agreement, or
- (ii) the date on which one hundred percent (100%) of the Shares is owned by a single Shareholder or its Affiliates.

SECTION 10.02 Effect of Termination.

Upon termination of this Agreement in accordance with Section 10.01 above, this Agreement shall be void and of no effect, and no Party shall have any obligations or liabilities hereunder or with respect hereto, except in respect of any rights or claims that may have accrued prior to the date of such termination.



**ARTICLE XI  
REPRESENTATIONS AND WARRANTIES**

**SECTION 11.01**      Representations and Warranties of Each Shareholder.

As an inducement to the other Shareholder to enter into this Agreement, each Shareholder represents and warrants, as to itself alone, to the other Shareholder that as of the date hereof:

(a)      Organization and Authority. It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and has full power, authority and legal right (including all governmental licenses, permits and other approvals) to own, lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted, and to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by all necessary action on its part.

(b)      Execution and Delivery. This Agreement has been duly and validly executed and delivered by its legal representative and (assuming due execution and delivery by the other Shareholder) constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms of this Agreement.

(c)      No Conflict. The execution and delivery of, and performance by it of its obligations under, this Agreement:

(i)      do not and shall not result in a violation of, or be in conflict with, any provision of its organizational or authorizing documents, result in a violation of, or be in conflict with, any term or provision of, any law, governmental rule, judgment or order of any court or governmental authority applicable to or binding upon it or any of its property; and

(ii)     do not conflict with, violate or constitute a breach of or default under, or result in the imposition or creation of any Encumbrance under, any term or condition of any contract, agreement or other instrument to which it is a party or by which it or any of its properties or assets are bound.

(d)      No Default. It is not in default under any mortgage, loan agreement, deed of trust, indenture or other agreement evidencing indebtedness to which it is party or by which it is bound, or in violation of or in default under any governmental rule, which default or violation would materially and adversely affect its ability to perform its obligations under this Agreement.

(e)      Consents and Approvals. The due execution, delivery and performance of this Agreement do not and shall not require any consent, approval, authorization, or other order of, or action by, any governmental authority or regulatory body or any other third party, other than such consents, approvals, authorizations and orders as have been obtained by it on or prior to the date hereof, which remain in full force and effect on the date hereof.

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Atty: Guillermo F. Dabbay, Jr.  
Corporate Secretary

DATE: 10/27/2022

(f) No Litigation. There is no claim, action, suit, proceeding, inquiry or investigation pending or, to the best of its knowledge, threatened against it before or by any governmental authority or regulatory body, which purports to affect the transactions contemplated hereby or materially and adversely affect its ability to perform its obligations under this Agreement, nor, to the best of its knowledge, is there any reasonable basis for any such claim, action, suit, litigation, proceeding or investigation.

(g) No Sovereign Immunity. It is subject to civil and commercial law with respect to its obligations hereunder, and its execution, delivery and performance of this Agreement constitute private and commercial acts rather than public or governmental acts. Neither it nor any of its property has any immunity from the jurisdiction of any court or from set-off or any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of any jurisdiction relevant to the transactions contemplated hereby.

(h) Proper Legal Form. This Agreement is in proper legal form under the laws of its jurisdiction of formation for the enforcement thereof against it, and to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement in its jurisdiction of formation, it is not necessary that this Agreement or any other document be filed or recorded with any court or other authority in its jurisdiction of formation or that any stamp or similar tax be paid on or in respect of this Agreement in its jurisdiction of formation, except as otherwise provided herein.

**ARTICLE XII**  
**APPLICABLE LAW; DISPUTE RESOLUTION**

**SECTION 12.01**      Applicable Law.

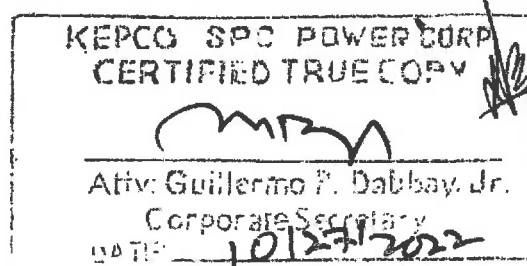
This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

**SECTION 12.02**      Amicable Settlement.

If any dispute, controversy, conflict or difference of any kind whatsoever (a "Dispute"), other than with respect to the matters referred to in Section 4.07, shall arise between the Shareholders in connection with this Agreement or the performance or non-performance of the obligations set forth herein, the respective Presidents of the Shareholders shall attempt diligently and in good faith, for a period of 60 days after the receipt by a Party of a written notice from any other Party of such Dispute, to settle such Dispute in the first instance by mutual discussion of the Shareholders. The period for settlement of a particular Dispute may be extended upon mutual agreement of the Shareholders.

**SECTION 12.03**      Arbitration Procedures.

(a) If the Shareholders fail to mutually agree on a resolution of the Dispute after 60 days unless such period is extended by mutual agreement of the Parties, any and all Disputes arising out of or in connection with this Agreement or its performance (including the validity of this Agreement) shall be settled by arbitration in Singapore by a three member arbitration tribunal



in English under the Rules of Arbitration and Conciliation of the International Chamber of Commerce ("ICC Rules").

(b) The three members of the tribunal shall be appointed in accordance with the procedures set out in the ICC Rules regarding the appointment of arbitrators.

(c) The arbitral proceeding shall accord to each of the Parties the right-of- cross-examination of witnesses, the right to provide witnesses including expert witnesses, and the right to make both written and oral submissions.

(d) In addition to any other remedies ordered or awarded by the arbitrators, the arbitrators shall have the power to order specific performance of this Agreement and any other appropriate injunctive relief. Each Party hereby irrevocably waives, to the fullest extent that it may do so under Applicable Law, any defense based on the adequacy of a remedy at law that may be asserted as a bar to the remedy of specific performance in any action brought against such Party for specific performance of this Agreement by the other Party.

(e) The arbitral award made and granted by the arbitrators shall be final, binding and incontestable and may be used as a basis for judgment thereon in the Philippines or elsewhere. All costs of arbitration (including without limitation those incurred in the appointment of the three members of the arbitration board) shall be apportioned by the arbitral award.

SECTION 12.04 Court Action.

None of the Parties shall be entitled to commence or maintain any action in a court of law upon any matter in dispute arising from or in relation to this Agreement except for the application for any interim relief necessary in aid of arbitration or enforcement of an arbitral award granted pursuant to this Article XII in which case the Parties agree that such application for interim relief shall be made only before a court of competent jurisdiction in the Philippines.

SECTION 12.05 Continued Performance during Arbitration.

During the period of submission to arbitration and thereafter until the granting of the arbitral award, the Parties shall, except in the event of termination, continue to perform all their obligations under this Agreement without prejudice to a final adjustment in accordance with the said award.

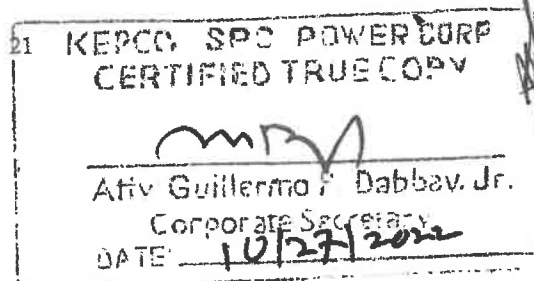
SECTION 12.06 Survival.

The provisions contained in this Article XII shall survive the termination or expiration of this Agreement.

**ARTICLE XIII  
MISCELLANEOUS PROVISIONS**

SECTION 13.01 Entire Agreement.

This Agreement (together with any documents described in or expressed to be entered into in connection with this Agreement) constitutes the entire agreement between the Parties concerning the subject matter of this Agreement and supersedes any previous agreements or



understandings (whether written or oral) between the Parties or representations by any Party to any other Party (whether written or oral) concerning the subject matter of this Agreement.

**SECTION 13.02**      Amendments and Other Modifications.

No amendment, modification or other variation of any of the terms of this Agreement shall be effective unless it is made or confirmed in writing and signed by or on behalf of each of the Parties.

**SECTION 13.03**      No Waiver.

No waiver of any provision of this Agreement shall be effective unless made in writing and signed by each Party that is waiving the rights or against whom the waiver is claimed, and each such waiver shall be effective only in the specific instance and for the specified purpose for which it was given. No failure on the part of any Party to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No waiver of any right, power or remedy or of any breach of any Agreement terms shall be deemed to be a waiver of any other right, power or remedy or of any later breach.

**SECTION 13.04**      Notices.

(a) All notices and other communications provided for or permitted hereunder shall be in writing in the English language and shall be delivered by hand, telecopied, or sent by overnight or international courier service or by certified or registered mail, return receipt requested, postage prepaid, in each case addressed in the manner set forth below (or in such other manner for a Party as shall be specified in a notice given in accordance with this Section 13.04):

(i) If to SPC:

**SPC POWER CORPORATION**  
7<sup>th</sup> Floor, Citibank Center  
8741 Paseo de Roxas  
Makati City  
1226 Philippines  
Attention:      President  
Phone:          632 810 4474 ~ 77  
Fax:              632 893 4844

(ii) If to KPHI:

**KEPCO PHILIPPINES HOLDINGS, INC.**  
18<sup>th</sup> Floor, Citibank Tower  
8741 Paseo de Roxas  
Makati City  
1226 Philippines  
Attention:      President  
Phone:          632 848 0231  
Fax:              632 848 0014

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<i>MBJ</i>
Atty. Guillermo P. Dabbay, Jr. Corporate Secretary
DATE: <u>10/23/2022</u>



(b) All such notices and communications shall be deemed to have been received: (i) if delivered by hand, at the time of delivery; (ii) if delivered by courier or by certified or registered mail, on the third and seventh day, respectively, as the case may be, after such notice is deposited with the courier or mail service, courier fee or postage prepaid, addressed as provided above; or (iii) if telecopied (with transmission confirmation notice received), at the time of transmission; provided, that in each case, if such time of deemed receipt is not a Business Day or is not within the hours during which business is normally conducted by the recipient Party, then such notice shall be deemed received on the next Business Day.

SECTION 13.05 Further Assurances.

If a Party reasonably determines that any further instruments or any other acts or things are necessary or desirable to carry out the terms of this Agreement, the other Party shall execute and deliver all such instruments and assurances and do all such things as the first Party reasonably deems necessary or desirable to carry out the terms of this Agreement.

SECTION 13.06 Counterparts.

This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement in accordance with Section 13.04 shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 13.07 Headings.

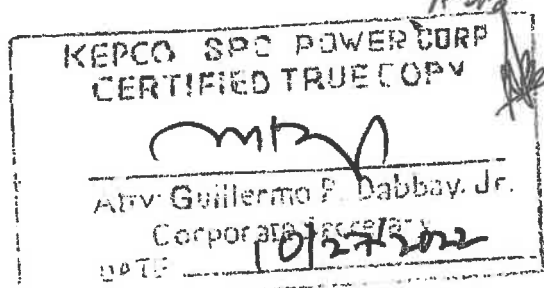
The division of this Agreement into Articles, Sections, subsections and clauses, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not be deemed to form part of the text or affect the construction or interpretation hereof.

SECTION 13.08 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 13.09 Confidentiality.

(a) Each Party (a "Receiving Party") undertakes to treat, and to cause its officers, employees and agents and each of its Affiliates to treat, Confidential Information that is provided by or on behalf of any other Party (a "Disclosing Party") as follows: (i) it shall keep all such Confidential Information confidential, except as provided in Section 13.09(a)(ii); (ii) it shall restrict access to the Confidential Information to its officers, employees and representatives and others whose access is reasonably necessary in connection with its performance of this Agreement and any related agreement and the development and implementation of the Company's business, within the limits necessary for the fulfillment of this Agreement or any



related agreement; it being understood that in the case of such disclosure, it shall ensure that such officers, employees and representatives shall not disclose or use such Confidential Information for any purpose other than the fulfillment of this Agreement and the development and implementation of the Company's business; and (iii) upon termination of this Agreement or sale or transfer of all of its Shares, it shall return or destroy all such Confidential Information and any copies thereof, as required by the Disclosing Party.

(b) Notwithstanding anything in Section 13.09(a) to the contrary, the Receiving Party may disclose Confidential Information necessary for the purpose of: (i) obtaining the necessary permits and authorizations for the Company's business; (ii) complying with a court or administrative order, law or regulation, including regulations of stock exchanges or similar regulatory authorities or a formal request of a Governmental Authority; provided, that the Receiving Party shall furnish only the portion of such Confidential Information which is legally required to be provided (or is requested by a Governmental Authority or the stock exchanges and such request is of a nature that is customarily complied with by other Persons similarly situated) and shall exercise all reasonable efforts to obtain assurances that confidential treatment shall be accorded such information and shall give notice to the Disclosing Party as promptly as practicable of the Receiving Party's obligation to disclose any such information; and (iii) any litigation or arbitration arising out of or related to this Agreement.

(c) The obligations of the Parties under this Section 13.09 shall remain in full force and effect until the expiration of two years following the termination of this Agreement.

SECTION 13.10 Successors and Assigns, Etc.

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Shareholder may assign its rights and obligations under this Agreement to any other party except with the prior written consent of the other Shareholder or otherwise as expressly permitted hereby. This Agreement shall not otherwise be deemed to, and shall, not confer upon or give to any third party any grant, claim, cause of action or other interest herein and nothing herein, express or implied, is intended to, or shall, confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

SECTION 13.11 Remedies.

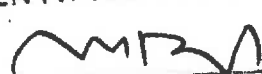
Except as specifically provided otherwise in this Agreement, the rights and remedies provided herein are cumulative and not exclusive of any rights or remedies provided by law.

SECTION 13.12 Costs and Expenses.

Each Party shall, except to the extent expressly provided herein to the contrary, be responsible for its own costs and expenses (including fees and disbursements of counsel) incurred in the preparation, negotiation and execution of this Agreement and the documents to be entered into as referred to herein.

SECTION 13.13 Consequential Damages.

No Party or any of its respective Affiliates shall, in any event, be liable under this Agreement to any other Party for any incidental, indirect, special, punitive, exemplary or

24  
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Atty: Guillermo F. Dabbay, Jr.  
Corporate Secretary  
DATE 10/27/2022

consequential loss or damages arising out of, or in connection with, this Agreement, including loss of revenue, loss of profits, loss of product, cost of capital and loss of business reputation or opportunity, whether such liability arises out of contract, tort (including negligence), strict liability, statute or otherwise unless expressly provided herein.

SECTION 13.14 Waiver of Immunities.

To the extent that any Party or any of such Party's properties, assets or revenues may have been or in the future may become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any proceeding, from setoff or counterclaim, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under, or arising out of, or in connection with this Agreement to the maximum extent permitted by law, each Party irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to any such relief and the enforcement of any such judgment.

SECTION 13.15 Survival.

Notwithstanding anything to the contrary in this Agreement, expiration or termination of this Agreement shall be without prejudice to any liability or obligation of any Party arising on or prior to the date of such expiration or termination, which liabilities and obligations shall expressly survive expiration or termination of this Agreement. In addition, the obligations of each Party contemplated by the provisions of Articles VIII and XII and Sections 13.09, 13.13 and 13.14 and this Section 13.15 shall survive the termination of this Agreement, in whole or in part.

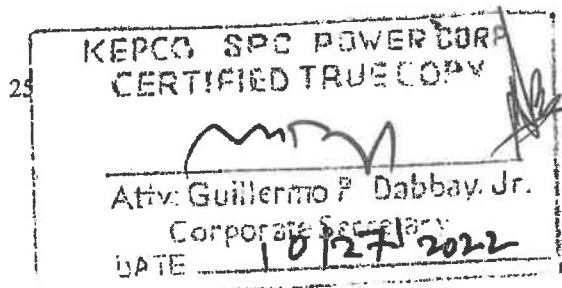
SECTION 13.16 Language.

This Agreement has been executed in the English language, which shall be the governing language hereof, regardless of any translation into any other language. All amendments, waivers, notices and other communications delivered pursuant to or in connection with this Agreement shall be in the English language.

SECTION 13.17 Relationship of Parties.

Nothing in this Agreement shall be construed to create between or among any of the Parties an association, trust, partnership, joint venture or other business entity, or impose any trust or partnership or similar duty on any Party. In no event shall any Party represent to other persons or entities that any such association, trust, partnership, joint venture or other business entity has been formed, other than the Company. Nothing in this Agreement shall be construed so as to make any Party an agent or contractor of the other Party. Except as expressly provided in this Agreement, no agent or representative of any Party has or shall have the authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise, agreement or other binding commitment of any kind on behalf of the other Party.

*WMS*

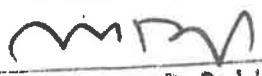


SECTION 13.18 Effective Date.

Notwithstanding any provision hereof to the contrary, this Agreement shall only be effective and binding on the Parties on the date ("Effective Date") the Parties jointly confirm in writing that the condition precedent specified in Schedule V has been satisfied, and in the event the Effective Date does not occur within one hundred eighty (180) days after the date hereof, this Agreement shall be void and of no effect and no Party shall have any obligations or liabilities hereunder or with respect hereto.

[signature page follows]



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Atty: Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

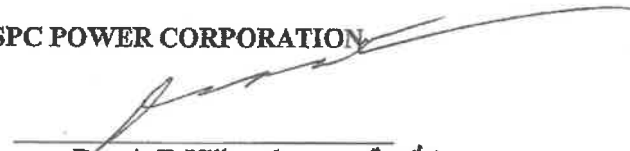


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

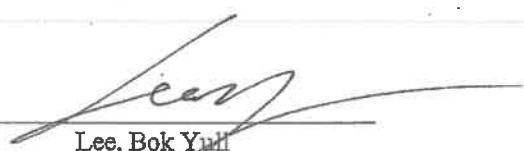
**KEPCO PHILIPPINES HOLDINGS, INC.**

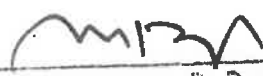
By:   
Lee, Bok Yull

**SPC POWER CORPORATION**

By:   
Dennis T. Villareal *RVH*

**KEPCO SPC POWER CORPORATION**

By:   
Lee, Bok Yull

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Atty Guillermo P. Dabbay Jr.  
Corporate Secretary  
DATE: 10/27/2022

**SCHEDULE I**

**DEFINITIONS**

Capitalized terms used in this Agreement shall, unless the context otherwise requires, have the meanings set out below:

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person. Neither the Company nor any Subsidiary thereof shall be considered an Affiliate of any Party or their Affiliates or their successors and permitted assigns.

“Agreement” means this Amended and Restated Shareholders’ Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Amendments” has the meaning given to that term in the preamble of this Agreement.

“Annual Budget” has the meaning set forth in Section 3.04(b).

“Annual O&M Plan” has the meaning set forth in Section 3.04(c).

“Applicable Law” means any constitution, treaty, statute, law, rule, regulation, ordinance, judgment, order, decree, governmental consent or approval or any published directive, guideline requirement or other governmental restriction, which has the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, binding on a given Person or its property, or any transaction document whether in effect as of the date hereof or thereafter.

“Articles” means the articles of incorporation of the Company, as amended, modified or supplemented from time to time.

“Blocking Party” has the meaning set forth in Section 4.07(e).


“Board” means the board of directors of the Company.

“Business Day” means any day other than Saturday, Sunday or any day on which banks in Makati and Cebu are authorized or required to be closed.

“By-laws” means the by-laws of the Company, as amended, modified or supplemented from time to time.

“Cause” means the willful and persistent failure or neglect by a Director to substantially perform his duties as such Director, serious misconduct or willful disobedience by a Director of the lawful orders of the Board in connection with such Director's work, the willful engaging by a Director in conduct that is demonstratively and materially injurious to the Company, the willful or knowing voting for or concurrence with patently unlawful acts of the Company, gross negligence or bad faith in directing the affairs of the Company, fraud or willful breach of the trust reposed in a Director by the Company, the acquisition of any personal or pecuniary interest in conflict with a Director's duty as Director, or a Director's conviction of a crime constituting a felony, or other causes analogous to the foregoing.

28

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Atty. Guillermo F. Databay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

“Chairman” means the chairman of the Board.

“Common Shares” has the meaning set forth in Section 3.01(a).

“Company” has the meaning given to that term in the preamble of this Agreement.

“Confidential Information” of any Disclosing Party means all information provided by or on behalf of such Disclosing Party pursuant to or in connection with this Agreement; provided, that Confidential Information shall not include information that (a) is, or becomes, publicly known or available other than through an act of the Receiving Party; (ii) is in the possession of the Receiving Party prior to receipt from such Disclosing Party; or (iii) was or has become known to such Receiving Party independent of any disclosure by such Disclosing Party and which has not been wrongfully disclosed to or obtained by such Receiving Party.

“Controls” (including the correlative meanings of the terms “Controlled by” and “under common Control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

“Deadlock Expert” means FPCG Services Sdn Bhd (“Fieldstone Private Capital Group”) with a regional office address at No. 20 Changkat Bukit Bintang, 50200 Kuala Lumpur, Malaysia, or such other person or entity as the Shareholders may agree upon in writing; provided, that Fieldstone Private Capital Group shall provide the Proponent and each of the other Party with a letter (the “Confirmation Letter”) confirming that it: (i) has no knowledge of any conflict of interest that would render it incapable of producing an impartial recommendation in respect of the relevant Deadlock Matter; and (ii) has the in-house experience to resolve the Deadlock Matter in the best commercial interests of the Company subject to its ability to receive advice from the O&M Expert. In the event that Fieldstone Private Capital Group declines to serve as the Deadlock Expert for any reason, the Shareholders shall exercise their best efforts to promptly agree in good faith upon the selection of a financial institution or other third party to serve as the Deadlock Expert within 10 Business Days after the date of such declination. In the event that the Shareholders fail to agree upon and engage a Deadlock Expert by the expiration of such ten-day period, any Proponent may recommend a Deadlock Expert, and upon such recommendation, the Proponent may engage the Deadlock Expert as contemplated in Section 4.07.

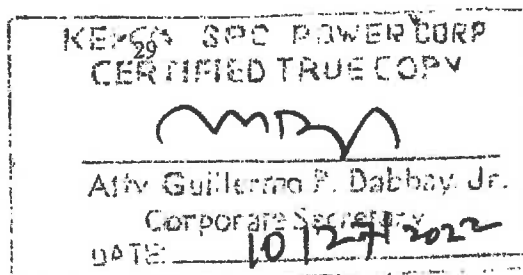
“Deadlock Matter” has the meaning set forth in Section 4.07(a).

“Deadlock Resolution Notice” has the meaning set forth in Section 4.07(b).

“Director Nominee” of a Shareholder means a Director nominated by such Shareholder to whom one Common Share is Transferred; provided, that: (i) such Director Nominee shall have first executed and delivered to the Company a declaration of trust reasonably satisfactory to the Shareholders evidencing that such Director holds the Common Share in trust on behalf of the nominating Shareholder, and (ii) the nominating Shareholder shall retain custody and control over the certificate evidencing such Common Share.

“Directors” shall mean the members of the Board appointed in accordance with Section 4.02.

“Disclosing Party” has the meaning set forth in Section 13.09(a).





"Dispute" has the meaning set forth in Section 12.02.

"Dollars" or "\$" means the lawful currency of the United States of America.

"Effective Date" has the meaning set forth in Section 13.18.

"Encumbrance" means any security interest, pledge, mortgage, lien (including environmental and tax liens), charge, encumbrance, adverse claim, preferential arrangement or restriction of any kind, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

"Engagement Agreement" has the meaning set forth in Section 4.07(b)(i).

"Engagement Date" has the meaning set forth in Section 4.07(c).

"Executive Committee" has the meaning set forth in Section 4.03(b).

"Expert" has the meaning set forth in Section 4.07(g).

"Good Operating Procedures" means relevant practices, procedures and methods conforming to Applicable Law and otherwise generally engaged in or approved by the international electric power industry in the course of constructing, operating and maintaining private power generation systems that, at any particular time, in the exercise of reasonable judgment by a skilled and experienced person seeking in good faith to perform its contractual obligations and in the light of the facts which are known or which should reasonably have been known at the time a decision is made, would be expected to accomplish the desired result in a manner consistent with safety, reliability, environmental protection, economy, expedition and the interests of the Company. Such practices, procedures and methods may evolve over time but generally modified practices, procedures and methods shall be applied only with prospective effect and as shall be appropriate for a power station of the age and condition of the Project.

"ICC" means the International Chamber of Commerce.

"ICC Rules" has the meaning set forth in Section 12.03(a).

"Indemnifying Shareholder" has the meaning set forth in Section 8.01.

"Initial Capital Increase" has the meaning set forth in Section 3.01(e).

"Interested Party" has the meaning set forth in Section 4.04.

"Interested Party Transaction" has the meaning set forth in Section 4.04.

"Interested Shareholder" has the meaning set forth in Section 4.04.

"Involuntary Transfer Notice" has the meaning set forth in Section 9.04(b).

"KEPCO" has the meaning set forth in Section 3.04(b).

"KEPHILCO" has the meaning set forth in Section 3.03(e).

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Corporate Secretary  
DATE: 10/27/2012

"KPHI" has the meaning given to that term in the preamble of this Agreement.

"KSPC Agreement" has the meaning given to that term in the preamble of this Agreement.

"Long-Term Maintenance Plan" has the meaning set forth in Section 3.04(d).

"Loss" has the meaning set forth in Section 8.01.

"Non-Selling Shareholder" has the meaning set forth in Section 9.01.

"Offer Notice" has the meaning set forth in Section 9.01(a).

"Offer Period" has the meaning set forth in Section 9.01(b).

"Offered Shares" has the meaning set forth in Section 9.01(a).

"Offshore Advisory Services Agreement" means the Offshore Advisory Services Agreement dated \_\_\_\_\_ entered into between the Company and KEPCO.

"O&M Expert" means PB Power, an entity with regional address at 23<sup>rd</sup> Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong, or such other internationally recognized engineering firm with significant power plant operating and maintenance experience in Asia mutually agreed by the Shareholders.

"Organizational Documents" means the Articles, the By-laws and any other documents relating to the incorporation of the Company.

"Original Agreement" has the meaning given to that term in the preamble of this Agreement.

"Party" or "Parties" has the meaning set forth in the preamble.

"Performance Support" has the meaning set forth in Section 3.05.

"Permitted Transferee" means an Affiliate of a Shareholder.

"Person" means an individual, a corporation, voluntary association, firm, joint stock corporation, trust, limited or general partnership, joint venture, unincorporated association, governmental authority or agency, or any other legal entity.

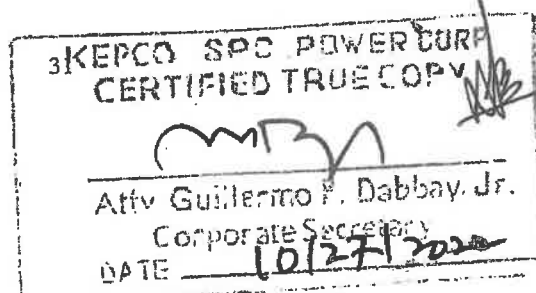
"Peso" or "Pesos" means the lawful currency of the Republic of the Philippines.

"Post-offer Period" has the meaning set forth in Section 9.01(b).

"Project" has the meaning set forth in the preamble of this Agreement.

"Project Cost" has the meaning set forth in Section 3.04(a).

"Proponent" has the meaning set forth in Section 4.07(a).



“Proposed Transfer” has the meaning set forth in Section 9.01.

“Receiving Party” has the meaning set forth in Section 13.09(a).

“Sale Period” has the meaning set forth in Section 9.01(c).

“Secretary” means the corporate secretary of the Company.

“Selling Shareholder” has the meaning set forth in Section 9.01.

“Senior Officers” has the meaning set forth in Section 4.05(a).

“Settlement Period” has the meaning set forth in Section 4.07(b).

“Shareholder” and “Shareholders” have the meanings given to those terms in the preamble of this Agreement.

“Shares” means the Common Shares and any instruments evidencing any other interest in the authorized capital stock of the Company.

“SPC” has the meaning given to that term in the preamble of this Agreement.

“Subsidiary” of the Company means any corporation or other Person in which the Company owns, directly or indirectly, more than 50% of the capital stock or other equity interest having ordinary voting power to elect the board of directors or other governing body of such Person or otherwise possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Tag-Along Notice” has the meaning set forth in Section 9.02(a).

“Tag-Along Right” has the meaning set forth in Section 9.02(a).

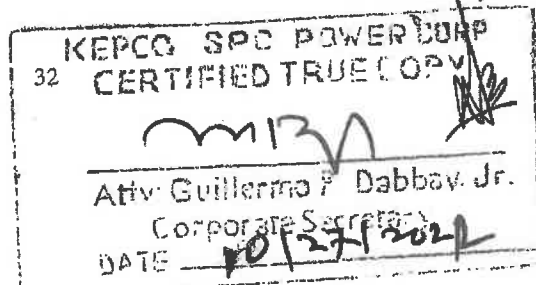
“Tag-Along Shares” has the meaning set forth in Section 9.02(a).

“Transco” means National Transmission Corporation, a corporation organized pursuant to the Republic Act No.9136, otherwise known as the “Electric Power Industry Reform Act of 2001” as amended.

“Transfer” or “Transferred” means, with respect to the Shares held by any Party, any transfer, sale, assignment, encumbrance or other disposition of or grant of any option to purchase such Share, and the entering into any agreement in respect of the votes and/or economic interest attached to such Share.

“Transferring Party” means a Party that intends or is required to Transfer some or all of its Shares to another Person.

“TSA” means the Transmission Line Service Agreement to be executed by the Company with Transco (as such agreement may be amended, supplemented or otherwise modified).



**SCHEDULE II**

Actions requiring the affirmative vote of shareholders holding at least 66%% of the outstanding capital stock

- (i) The increase or reduction of the authorized capital stock, reclassification of such stock (by, among others, changing the number, par value, preferences or rights thereof), creation of new classes of capital stock or issue any other ownership interests.
- (ii) The repeal or amendment of the Articles or the By-laws, and the adoption of new By-laws.
- (iii) The removal of Directors.
- (iv) Entering into any transaction, agreement or arrangement changing the nature of the business of the Company.
- (v) The extension or shortening of the term of the Company.
- (vi) The incurrence, creation or increase of bonded indebtedness.
- (vii) The sale, conveyance, transfer, lease, exchange, mortgage, pledge or other disposition of, grant an option or other right to purchase, lease or otherwise acquire (whether in one transfer or a series of transfers) all or substantially all of the Company's properties and assets.
- (viii) The investment of the Company's funds in another corporation or business or for any purpose other than the primary purpose.
- (ix) The approval of any management contract.
- (x) The delegation to the Board of the power to amend, repeal or adopt new By-laws.
- (xi) Entering into any merger or consolidation or any other manner of reorganization or purchase the capital stock (or other equity interest) or substantially all of the assets of a corporation or other entity, the business of which is not within the primary purpose of the Company and which will result in a substantial change in the financial condition of the Company.
- (xii) Approving a resolution or taking of any other corporate action to or otherwise institute any proceeding seeking to adjudicate the Company a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangements, rehabilitation, adjustment, protection, relief or composition of it or its debts under Applicable Law relating to bankruptcy, insolvency, rehabilitation or reorganization or relief of debtors or seeking entry of an order for relief or appointment of a receiver, trustee or other such official for it or a substantial part of its property.
- (xiii) Making of a general assignment for the benefit of the creditors of the Company or otherwise entering into a scheme or other arrangement for the benefit of the creditors.

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Corporate Secretary

DATE: *10/27/2012*

(xiv) Winding up the business of the Company or liquidating its assets or dissolving the Company.

(xv) Appoint or remove the Company's external auditors.

(xvi) Performing any other action for which a special or extraordinary resolution is required to be passed under Applicable Law.

*Handwritten initials*

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY  
*Signature*  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
Date: 10/24/2022

*Handwritten signature*


**SCHEDULE III**

Actions requiring special Board approval

- (i) The issuance of new shares of stock or treasury shares.
- (ii) Determine, alter or deviate from any material operating policies of the Company or suspend any material operations thereof.
- (iii) Make a material change in accounting policy or principles other than as required by generally accepted accounting practice and principles.
- (iv) Sell, convey, transfer, lease or otherwise dispose of, or grant an option or other right to purchase, encumber or otherwise materially impair (whether in one transfer or a series of transfers) any portion of the Company's properties or assets with a value in excess of US\$5.0 million (or other equivalent thereof in any other currency) other than liens which may arise by operation of law.
- (v) Borrow or otherwise incur indebtedness in excess of US\$5.0 million (or the equivalent thereof in any other currency) at any time outstanding in the aggregate other than any indebtedness incurred by the Company under the financing documents relating to the Project.
- (vi) To the extent allowed by law or the Articles, grant a guarantee, security, indemnity or other assumption of contingent liability for performance of a third party's obligation other than guarantees, securities, indemnities, or the assumption of contingent liabilities granted in the ordinary course of business.
- (vii) Approve amendments to the Annual Budget, annual O&M Plans and Long Term Maintenance Plans which shall increase the amount thereof by more than 5% in the aggregate amount of expense budget or capital expense budget.
- (viii) Make loans or extend credit to third parties in excess of US\$1.0 million (or the equivalent thereof in any other currency) at any time outstanding.
- (ix) Commence, withdraw or settle any litigation or arbitration or other legal proceeding of any nature which will have a material adverse effect on the Company.
- (x) Initiate or settle any claim, the outcome of which will have a material adverse effect on the Company.
- (xi) (a) Amend, declare a default under, waive a condition of, or terminate any of the Company's project documents (including, without limitation, any power purchase agreements, offshore advisory service agreements, fuel supply agreements and any engineering, procurement and construction contracts to which the Company may be a party); or (b) enter into, amend, declare a default under, waive a condition of, or terminate any contract for the sale of electric capacity or energy where the amount involved exceeds US\$5.0 million.
- (xii) (a) Repay any subordinated shareholder loans other than on a *pro rata* basis, (b) convert any shareholder advances or subordinated shareholder loans into capital stock of the

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Atty: Guillermo P. Dabbay Jr.  
Corporate Secretary  
DATE 10/27/2022

Company other than on a *pro rata* basis, or (c) pay any development fee to one or more persons or any of their affiliates.

(xiii) Declare cash dividends on the Common Shares.

(xiv) Redeem any capital stock of the Company.

(xv) Undertake any transaction in respect of the Project other than in respect of any Emergency Repair (as defined below), which (a) individually or when aggregated with related transactions involves, will involve, or could reasonably be expected to involve, capital expenditures or lease commitments in an amount exceeding US\$5.0 million (or its equivalent in any other currency), and (b) were not previously approved by the Board of Directors, not in the Company's Annual Budget and Annual O&M Plan, and not contemplated by a contract to which the Company is a party. As used herein, "Emergency Repair" means any action undertaken to prevent or mitigate the consequences of an event or circumstance which was unforeseen at the time of approval of the then-current annual budget and annual operations and maintenance plan and which, in the good faith judgment of the plant manager, required the taking of immediate measures to prevent or mitigate an emergency situation endangering life or property or jeopardizing the long-term operation of the Project.

(xvi) Appropriate funds out of retained earnings.

(xvii) Abandon the Company's operations.

(xviii) Repeal or amend the Articles.

(xix) The execution of a contract between the Company, on one hand, and any Director or officer of the Company, on the other hand, involving an amount in excess of ₱1.0 million.

(xx) The approval, amendment or revision of the Project Cost.

(xxi) The approval, amendment or modification of the terms and conditions of any Performance Support.

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*MAs*  
Atty. Guillermo P. Dabbay, Jr.  
CORPORATE SECRETARY  
DATE: 10/27/2012

*[Signature]*



Execution Version

**SCHEDULE IV**

Form of Amended By-laws

*Atty*

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*MBA*  
Atty Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE *10/27/2022*

*[Handwritten signature]*

**AMENDED BY-LAWS  
OF  
KEPCO SPC POWER CORPORATION**

**ARTICLE I  
SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES**

**Section 1. Subscriptions** – Subscribers to the capital stock of the corporation shall pay to the corporation the subscription value or price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

**Section 2. Certificate** – The stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificate shall be signed by the President, countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal.

**Section 3. Transfer of Shares** – Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, ceded, assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation, cancellation of the certificate surrendered to the Secretary, and issuance of a new certificate to the transferee.

No shares of stock against which the corporation holds unpaid claim shall be transferable in the books of the corporation.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

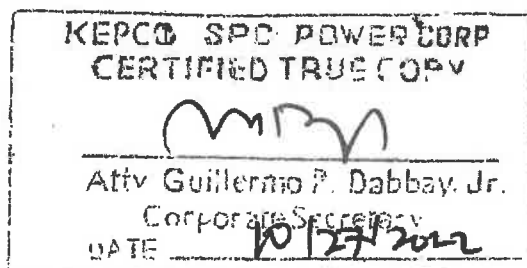
**Section 4. Lost Certificates** – In case any stock certificate is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

**ARTICLE II  
MEETINGS OF STOCKHOLDERS**

**Section 1. Annual/Regular Meetings** – The annual/regular meetings of stockholders shall be held at the principal office on **FIRST MONDAY OF APRIL** of each year; if legal holiday, then on the day following.

**Section 2. Special Meeting** – The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, b) President.

**Section 3. Place of Meeting** – Stockholders meetings, whether regular or special, shall be held in the principal office of the corporation or at any place designated by the Board of Directors in the city or municipality where the principal office of the corporation is located.



**Section 4. Notice of Meeting** – Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known address. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

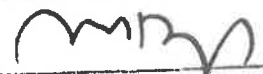
**Section 5. Quorum** – Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

**Section 6. Conduct of Meeting** – Meeting of the stockholders shall be presided over by the Chairman, or in his absence, by the Vice-Chairman, or in the absence of both, by a chairman to be chosen by the stockholders. The Secretary shall act as Secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting.

**Section 7. Manner of Voting** – At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

**Section 8. Actions Requiring Special Shareholders' Approval** – A majority of the quorum shall decide any matter that may come before the meeting, unless a greater number is required by law and except as provided below, for which the affirmative vote of stockholders holding at least 66⅔% of the entire issued and outstanding capital stock shall be required: (As amended by the Board of Directors and Stockholders on \_\_\_\_\_ and \_\_\_\_\_, respectively)

- (i) The increase or reduction of the authorized capital stock, reclassification of such stock (by, among others, changing the number, par value, preferences or rights thereof), creation of new classes of capital stock or issue any other ownership interests.
- (ii) The repeal or amendment of the articles of incorporation or by-laws of the corporation and the adoption of new by-laws of the corporation.
- (iii) The removal of directors.
- (iv) Entering into any transaction, agreement or arrangement changing the nature of the business of the corporation.
- (v) The extension or shortening of the term of the corporation.
- (vi) The incurrence, creation or increase of bonded indebtedness.

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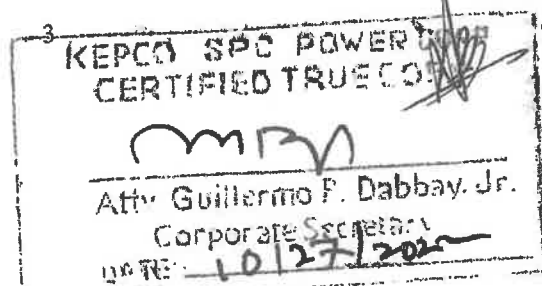
- (vii) The sale, conveyance, transfer, lease, exchange, mortgage, pledge or other disposition of, grant an option or other right to purchase, lease or otherwise acquire (whether in one transfer or a series of transfers) all or a substantially all of corporation's properties and assets.
- (viii) The investment of the corporation's funds in another corporation or business or for any purpose other than the primary purpose.
- (ix) The approval of any management contract.
- (x) The delegation of the Board of Directors of the power to amend, repeal or adopt new by-laws.
- (xi) Entering into any merger or consolidation or any other manner of reorganization or purchase of capital stock (or other equity interest), or of substantially all of the assets, of another corporation or entity, the business of which is not within the primary purpose of the corporation and which will result in a substantial change in the financial condition of the corporation.
- (xii) Approving a resolution or taking of any other corporate action to or otherwise institute any proceeding seeking to adjudicate the corporation a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangements, rehabilitation, adjustment, protection, relief or composition of it or its debts under applicable law relating to bankruptcy, insolvency, rehabilitation or reorganization or relief of debtors or seeking entry of an order for relief or appointment of a receiver, trustee or other such official for it or a substantial party of its property.
- (xiii) Making of a general assignment for the benefit of the creditors of the corporation or otherwise entering into a scheme or other arrangement for the benefit of the creditors.
- (xiv) Winding up the business of the corporation or liquidating its assets or dissolving the corporation.
- (xv) Appoint or remove the Company's external auditors.
- (xvi) Performing any other action for which a special or extraordinary resolution is required to be passed under law. (as amended on January 25, 2008)

**Section 9. Closing of Transfer Books of Fixing of Record Date** – For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for ten (10) working days immediately preceding such meeting.

### ARTICLE III BOARD OF DIRECTORS

**Section 1. Powers of the Board** – Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected, by and from among the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following powers:

- a) From time to time, to make and change rules and regulations not inconsistent with these by-laws for the management of the corporation's business and affairs;



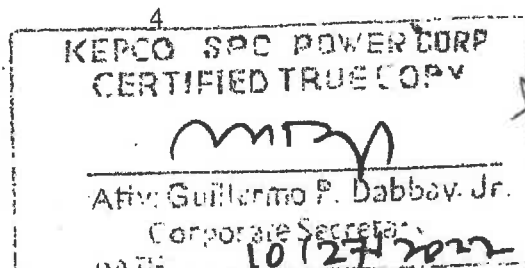
- b) To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the corporation, any and all properties, rights, or privileges, including securities and bonds of other corporations, for such consideration and upon such terms and conditions as the Board may deem proper or convenient;
- c) To invest the funds of the corporation in other corporations or for purposes other than those for which the corporation was organized, subject to such stockholders' approval as may be required by law;
- d) To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, instruments, bonds, debentures, or securities, subject to such stockholder approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the corporation;
- e) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation;
- f) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officers are either plaintiffs or defendants in connection with the business of the corporation;
- g) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business or businesses of the corporation to any standing or special committee or to any officer or agent and to appoint any person to be agent of the corporation with such powers and upon such terms as may be deemed fit;
- h) To implement these by-laws and to act on any matter not covered by these by-laws, provided such matter does not require the approval or consent of the stockholders under any existing law, rules or regulation.

**Section 2. Number, Election and Term** - The Board of Directors shall be composed of eleven (11) members. The members of the Board shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

**Section 3. Vacancies** - Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at any special meeting of stockholders called for the purpose, after giving notice as prescribed in these by-laws.

**Section 4. Meetings** - Regular meetings of the Board of Directors shall be held once every two (2) months on such dates and places as may be called by the Chairman of the Board, or upon the request of at least two (2) Directors. Unless otherwise agreed by all the Directors, the Board shall only have the authority to approve, authorize or take action with respect to matters included in the agenda for any



meeting. A meeting to consider a matter that has been referred to the Board due to a failure to meet the quorum of the Executive Committee at two consecutive meetings or a failure to approve an action by the Executive Committee shall be called by the Chairman, or in his absence, by the Vice Chairman, or in the absence of both the Chairman and the Vice Chairman, by the President, upon seven (7) calendar days' notice.

**Section 5. Notice** – Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telegram, or by written message. A director may waive this requirement, either expressly or impliedly.

**Section 6. Quorum** -- A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business. If the Board fails to achieve a quorum within one hour from the time appointed for such meeting, then the meeting shall stand adjourned and shall be reconvened on a date not later than ten (10) business days after such meeting at the same time and place.

Every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the following matters, which require the affirmative vote of at least two directors nominated by each Stockholder Group (as such term is defined below):

- (i) The issuance of new shares of stock or treasury shares.
- (ii) Determine, alter or deviate from any material operating policies of the Corporation or suspend any material operations thereof.
- (iii) Make a material change in accounting policy or principles other than as required by generally accepted accounting practice and principles.
- (iv) Sell, convey, transfer, lease or otherwise dispose of, or grant an option or other right to purchase, encumber or otherwise materially impair (whether in one transfer or a series of transfers) any portion of the Corporation's properties or assets with a value in excess of US\$5.0 million (or other equivalent thereof in any other currency) other than liens which may arise by operation of law.
- (v) Borrow or otherwise incur indebtedness in excess of US\$5.0 million (or the equivalent thereof in any other currency) at any time outstanding in the aggregate other than any indebtedness incurred by the Corporation under the financing documents relating to the development, construction, operation, maintenance, management and ownership of the 2 x 100 MW circulating fluidized bed combustion boiler coal-fired base load power plant (the "Plant") and the Plant's ancillary facilities in Naga, Cebu, Philippines (the development, construction, operation, maintenance, management and ownership of the Plant and all of the Plant's ancillary equipment or facilities, the "Project").
- (vi) To the extent allowed by law or the Articles of Incorporation, grant a guarantee, security, indemnity or other assumption of contingent liability for performance of a third party's obligation other than guarantees, securities, indemnities, or the assumption of contingent liabilities granted in the ordinary course of business.
- (vii) Approve amendments to the Corporation's annual budget, annual O&M Plans and long term maintenance plans which shall increase the amount thereof by more than 5% in the aggregate amount of expense budget or capital expense budget.

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Corporate Secretary

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(viii) Make loans or extend credit to third parties in excess of US\$1.0 million (or the equivalent thereof in any other currency) at any time outstanding.

(ix) Commence, withdraw or settle any litigation or arbitration or other legal proceeding of any nature which will have a material adverse effect on the Corporation.

(x) Initiate or settle any claim, the outcome of which will have a material adverse effect on the Corporation.

(xi) (a) Amend, declare a default under, waive a condition of, or terminate any of the Corporation's project documents (including, without limitation, any power purchase agreements, offshore advisory service agreements, fuel supply agreements and any engineering, procurement and construction contracts to which the Corporation may be a party); or (b) enter into, amend, declare a default under, waive a condition of, or terminate any contract for the sale of electric capacity or energy where the amount involved exceeds US\$5.0 million.

(xii) (a) Repay any subordinated shareholder loans other than on a *pro rata* basis, (b) convert any shareholder advances or subordinated shareholder loans into capital stock of the Corporation other than on a *pro rata* basis, or (c) pay any development fee to one or more persons or any of their affiliates.

(xiii) Declare cash dividends on the Corporation's common shares.

(xiv) Redeem any capital stock of the Corporation.

(xv) Undertake any transaction in respect of the Project other than in respect of any Emergency Repair (as defined below), which (a) individually or when aggregated with related transactions involves, will involve, or could reasonably be expected to involve, capital expenditures or lease commitments in an amount exceeding US\$5.0 million (or its equivalent in any other currency), and (b) were not previously approved by the Board of Directors, not in the Corporation's annual budget and annual operations and maintenance plan, and not contemplated by a contract to which the Corporation is a party. As used herein, "Emergency Repair" means any action undertaken to prevent or mitigate the consequences of an event or circumstance which was unforeseen at the time of approval of the then-current annual budget and annual operations and maintenance plan and which, in the good faith judgment of the plant manager, required the taking of immediate measures to prevent or mitigate an emergency situation endangering life or property or jeopardizing the long-term operation of the Project.

(xvi) Appropriate funds out of retained earnings.

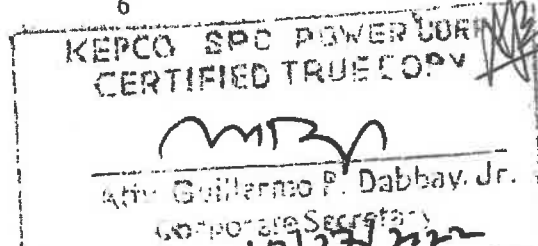
(xvii) Abandon the Corporation's operations.

(xviii) Repeal or amend the Corporation's articles of incorporation.

(xix) The execution of a contract between the Corporation, on one hand, and any director or officer of the Corporation, on the other hand, involving an amount in excess of ₱1,000,000.00.

(xx) The approval, amendment or revision of the Corporation's budget for undertaking and completing the Project.

(xxi) The approval, amendment or modification of the terms and conditions of any guarantees or support to be provided by any Affiliates relating to the Project.





(As amended by the Board of Directors and Stockholders on \_\_\_\_\_ and \_\_\_\_\_, respectively)

For purposes of these By-Laws, the term "Stockholder Group" means any shareholder which, individually or together with its Affiliates, directly or indirectly through one or more intermediaries, owns more than 25% of total outstanding capital stock of the Corporation. As used in these By-Laws, the term "Affiliate" means, with respect to any stockholder, any other person or entity that directly or indirectly controls, is under common control with, or is controlled by, such stockholder; and the term "control" (including, with its correlative meanings, "controlled by" and "under common control with") as used with respect to any person, means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise). (as amended on January 25, 2008)

**Section 7. Conduct of the Meetings** – Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, by any other director chosen by the Board. The Secretary shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

**Section 8. Directors' Expenses** - The expenses of each Director for travel within the Philippines and hotel accommodations incurred in attending any Board meetings or otherwise in fulfilling his or her obligations as a Director shall be paid by the corporation. All Directors shall be entitled to receive the same remuneration for his or her services as director of the corporation as the shareholders representing at least a majority of the outstanding capital stock of the corporation may approve. Nothing herein shall preclude any Director from serving the corporation in any other capacity and receiving remuneration therefor. (as amended on January 25, 2008)

**Section 9. Indemnification** - The corporation shall indemnify every Director or officer of the corporation and such Director or officer's heirs, executors and administrators, against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the corporation) to which he may be, or is, made a party by reason of his being or having been a Director or officer of the corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct.

In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the corporation is advised by counsel that the person to be indemnified did not commit a breach of duty as such Director or officer.

The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by the Board.

The costs and expenses incurred in defending the abovementioned action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceedings as authorized by the Board. (as amended on January 25, 2008)

#### ARTICLE IV COMMITTEES

**Section 1. Creation of Committees** – The Board of Directors of the corporation may create one or more committees with such powers and functions as they may deem appropriate or necessary or as may be

7  
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Corporate Secretary  
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required by the corporation's operational requirements; *provided*, that each shareholder shall be entitled to nominate such number of members in any such committee as corresponds to its percentage shareholding in the outstanding capital stock of the Corporation.

**Section 2. Executive Committee** – The corporation shall have an Executive Committee which shall be composed of five (5) members.

- (a) **Powers of the Executive Committee** - The Executive Committee shall have authority to approve, delegate the approval of, and take any action with respect to, all matters delegated to it by the Board other than: (1) the matters for which a shareholders' resolution is required under Article II, Section 8 of these By-laws or applicable law; (2) the filling of Board vacancies; (3) the adoption, repeal or amendment of By-laws of the corporation; (4) the amendment or repeal of any resolution of the Board; and (5) the distribution of dividends.
- (b) **Quorum.** - For a quorum to exist at any Executive Committee meeting, there must be the presence of at least a majority of the members of the Executive Committee, which quorum shall include a member nominated by each Stockholder Group (as defined in Article III, Section 6 above).

If within two (2) hours from the time appointed for the meeting a quorum is not present, the meeting shall automatically without notice stand adjourned and be reconvened on a date two (2) business days after such meeting at the same time and place. If such meeting is adjourned a second time, the matters on the agenda for such meeting shall be referred to the Board for consideration during a meeting to be held not later than ten (10) business days from the date of the second reconvened meeting.

- (c) **Meetings.** - Any member of the Executive Committee may convene a special meeting, communicated through the Secretary, upon five (5) business days' prior written notice given to the other members setting forth the agenda for such meeting. Unless delivery of the notice and agenda is waived in writing by all the members of the Executive Committee, the Executive Committee shall only have the authority to approve, authorize or take action with respect to matters included in the agenda for a particular meeting. The unanimous approval of the members of the Executive Committee attending any duly constituted meeting shall be required for the Executive Committee to approve, authorize or take any action; any matter which fails to be unanimously approved by the members of the Executive Committee attending a duly constituted meeting shall be referred to the Board for consideration.
- (d) **Written Consent; Teleconference.** – Any action permitted or required to be taken by the members of the Executive Committee may be taken by unanimous written consent of all the members of the Executive Committee in lieu of convening a meeting. Such written consent shall be deemed to have the same effect as resolutions adopted at a meeting of the Executive Committee in all respects. To the extent permitted by applicable law and regulations, meetings of the Executive Committee, may be held by telephone or other electronic means of communication that permits all members present to be heard by all other members present. (as amended on January 25, 2008)

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**ARTICLE V  
OFFICERS**


**Section 1. Election/Appointment** – Immediately after their election, the Board of Directors shall formally organize by electing the Chairman, the Vice-Chairman, the President, the Executive Vice-President and Chief Financial Officer, the Treasurer, the Secretary, Internal Auditor and one or more Vice Presidents at said meeting.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

**Section 2. President** - The President shall be the Chief Executive Officer of the corporation and shall exercise the following functions:

- a) To preside at the meetings of the stockholders;
- b) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;
- c) To supervise and manage the business affairs of the corporation upon the direction of the Board of Directors;
- d) To implement the administrative and operational policies of the corporation under his supervision and control;
- e) To appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;
- f) To oversee the preparation of the budgets and the statements of accounts of the corporation;
- g) To represent the corporation at all functions and proceedings;
- h) To exercise on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors;
- i) To make reports to the Board of Directors and stockholders;
- j) To sign certificates of stock;
- k) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

**Section 4. The Vice-President** – He shall, if qualified, act as president in the absence of the latter. He shall have such other powers and duties as may from time to time be assigned to him by the Board of Directors or by the President.

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Corporate Secretary  
DATE: 10/27/2022

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**Section 5. The Secretary** – The Secretary must be a resident and a citizen of the Philippines. He shall have the following specific powers and duties:

- a) To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
- b) To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
- c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;
- d) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;
- e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;
- f) To act as inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear, and determine questions in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election.
- g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

**Section 6. The Treasurer** – The Treasurer of the corporation shall have the following duties:

- a) To keep full and accurate accounts of receipts and disbursements in the books of the corporation;
- b) To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;
- c) To deposit in the name and, to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;
- d) To render an annual statements showing the financial condition of the corporation and such other financial reports as the Board of Directors, or the President may, from time to time require;

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Corporate Secretary  
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e) To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;

f) To exercise such powers and perform such duties and functions as may be assigned to him by the President.

**Section 7. Term of Office** – The term of office of all officers shall be for a period of one (1) year and until their successors are duly elected and qualified.

**Section 8. Vacancies** – If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, by majority vote may elect a successor who shall hold office for the unexpired term.

**Section 9. Compensation** – The officers shall receive such remuneration as the Board of Directors may determine. A director shall not be precluded from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefore.

#### ARTICLE VI OFFICES

**Section 1.** The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate.

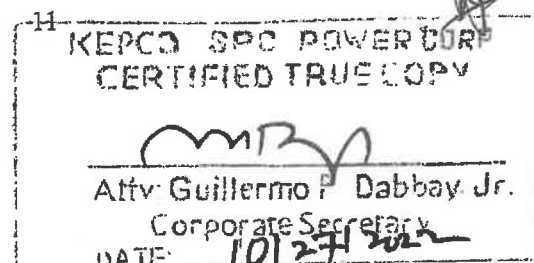
#### ARTICLE VII AUDIT OF BOOKS, FISCAL YEAR AND DIVIDENDS

**Section 1. External Auditors** – At the regular stockholders' meeting, the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation.

**Section 2. Fiscal Year** – The fiscal year of the corporation shall begin on the first day of January and end on the last day of December of each year.

**Section 3. Interim Financial Statements and Management Reports** – As soon as practicable after the end of each quarterly period of each fiscal year, but in any event no later than sixty (60) days after the end of such quarterly period, the shareholders shall cause the Board to cause the preparation and delivery of (i) a statement of income and changes in financial position for the preceding quarterly period, (ii) a balance sheet as of the end of the preceding quarterly period and (iii) a statement comparing the financial results of the corporation for the preceding quarterly period with the budgeted or forecast results for such period.

Within fifteen (15) days following the end of each month, the corporation shall provide the shareholders with monthly management reports for the prior month, in the form approved by the Board, and setting forth the information required by, or presented to and approved by, the Board, including variances from the annual budget and annual O&M plan.



Within sixty (60) days from the date on which the Plant commences commercial operations, and within sixty (60) days after the end of each calendar quarter and year end thereafter, the corporation shall prepare a summary operating report, in the form approved by the Board and setting forth the information required by, or presented to and approved by the Board, including compliance with and variances from the annual budget and O&M plan. (as amended on January 25, 2008)

**Section 4. Inspection of Facilities and Records.** - Each shareholder shall have the right, on reasonable notice to the corporation and at all reasonable times during the corporation's usual business hours, to inspect the facilities of the corporation and examine and make copies of the books of account and other records of the corporation. Such right may be exercised through any agent or employee of such inspecting party, or by any independent public accountant, engineer, lawyer or other consultant acting on behalf of such inspecting party pursuant to written instructions. The party making the request shall bear all costs and expenses incurred by it in any inspection, examination or audit made at such party's request. (as amended on January 25, 2008)

**Section 5. Deposit and Withdrawal of Funds.** - The funds of the corporation shall be deposited in such banks or other depositories as shall be designated from time to time by the Board. All withdrawals from any such depository shall be made in accordance with the procedures adopted by the Board. (as amended on January 25, 2008)

**Section 6. Dividends** - The Company shall declare all retained earnings as dividends, save to the extent required by applicable or allowed by the Directors in accordance with Article III, Section 6 above. (as amended on January 25, 2008)

#### ARTICLE VIII SEAL

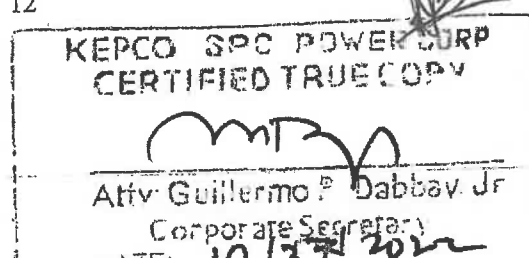
**Section 1. Form and Inscriptions** - The corporate seal shall be determined by the Board of Directors.

#### ARTICLE IX AMENDMENTS

**Section 1.** These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing at least 66 $\frac{2}{3}$ % of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing at least 66 $\frac{2}{3}$ % of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing at least 66 $\frac{2}{3}$ % of the outstanding capital stock at a regular or special meeting. (As amended by the Board of Directors and Stockholders on \_\_\_\_\_ and \_\_\_\_\_, respectively)

IN WITNESS WHEREOF, we, the undersigned stockholders have adopted the foregoing by-laws and hereunder affixed our signatures this 17<sup>th</sup> day of June 2005 at the City of Makati.

12



(SGD.) LEE, GIL-GU

(SGD.) VILLAREAL, DENNIS T.

(SGD.) HENARES, ALFREDO

(SGD.) LYU, HYANG-REOL

(SGD.) HUR, KWAN-HWAI

Doc. No. 139  
Page No. 13  
Book No. II  
Series of 2005

(SGD). ATTY. RODOLFO L. LOPEZ  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2005  
PTR No. 9405365  
ISSUED AT MAKATI ON 1/04/05  
IBP LIFE ROLL 00385  
TIN NO. 117-118-419

*Handwritten signature*

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY  
*Signature*  
Atty. Guillermo P. Dabbay Jr.  
Corporate Secretary  
DATE: 10 12 2002


*Handwritten signature*

**SCHEDULE V**

Condition Precedent

The closing of the sale and purchase of the common shares of SPC under the Sale and Purchase Agreement dated September 20, 2011 among Rayfield Holdings, Inc. and KPHI, as sellers, and KVHL, as buyer, must have occurred in accordance with its terms.

*ATW*

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY  
  
Atty Guillermo F. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

*[Handwritten mark]*



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPSCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPSCO SPC POWER CORPORATION (KSPC),”*

# *Annex F*

*(KPSC General Information Sheet)*



## SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines  
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: rms@sec.gov.ph



The following document has been received:

Receiving: AARON PAGKATIPUNAN

Receipt Date and Time: April 27, 2022 02:31:26 PM

### Company Information

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SEC Registration No.: CS200510755

Company Name: KEPCO SPC POWER CORPORATION

Industry Classification: E40100

Company Type: Stock Corporation

### Document Information

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Document ID: OST1042720228336101

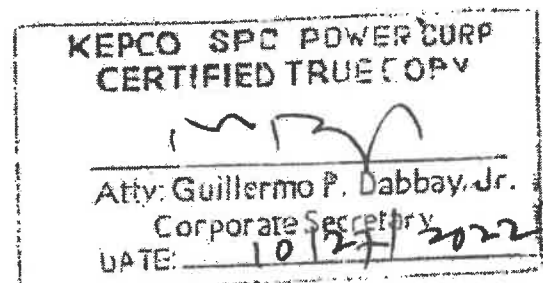
Document Type: General Information Sheet

Document Code: GIS

Period Covered: April 08, 2022

Submission Type: Annual Meeting

Remarks: None



**GENERAL INFORMATION SHEET (GIS)**  
**FOR THE YEAR 2022**  
**STOCK CORPORATION**

**GENERAL INSTRUCTIONS:**

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. DO NOT LEAVE ANY ITEM BLANK. WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE.
6. ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS.

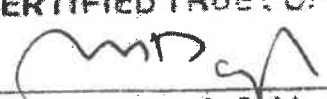
\*\*\*\*\* PLEASE PRINT LEGIBLY. \*\*\*\*\*

CORPORATE NAME: <b>KEPCO SPC POWER CORPORATION</b>		DATE REGISTERED: <b>June 22, 2005</b>	
BUSINESS/TRADE NAME: <b>KEPCO SPC POWER CORPORATION</b>		FISCAL YEAR END: <b>December 31</b>	
SEC REGISTRATION NUMBER: <b>CS 2005 10755</b>		CORPORATE TAX IDENTIFICATION NUMBER (TIN): <b>244-498-539-000</b>	
DATE OF ANNUAL MEETING PER BY-LAWS: <b>FIRST MONDAY OF APRIL</b>		WEBSITE/URL ADDRESS: <b>www.kepcophilippines.com</b>	
ACTUAL DATE OF ANNUAL MEETING: <b>APRIL 8, 2022</b>		E-MAIL ADDRESS: <b>gndabbay@kepcophilippines.com</b>	
COMPLETE PRINCIPAL OFFICE ADDRESS: <b>7TH FLOOR CEBU HOLDINGS CENTER, CEBU BUSINESS PARK, CEBU CITY</b>		FAX NUMBER: <b>8 848-00-14</b>	
COMPLETE BUSINESS ADDRESS: <b>7TH FLOOR CEBU HOLDINGS CENTER, CEBU BUSINESS PARK, CEBU CITY</b>		ALTERNATE MOBILE NUMBER: <b>0917-8627442</b>	
OFFICIAL E-MAIL ADDRESS: <b>gndabbay@kepcophilippines.com</b>	ALTERNATE E-MAIL ADDRESS: <b>msguangco@kepcophilippines.com</b>	OFFICIAL MOBILE NUMBER: <b>0917-540-7590</b>	ALTERNATE MOBILE NUMBER: <b>0917-8627442</b>
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: <b>SGV &amp; CO./ MR. ALVIN PINPIN</b>		SEC ACCREDITATION NUMBER (if applicable): <b>0781-AR-3</b>	TELEPHONE NUMBER(S): <b>(032) 489-7010</b>
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: <b>To develop, construct, operate, maintain, own and manage the Cebu 200 MW Circulation Fluidized Bed Combustion (CFBC) Boiler Coal Fired Base Load Power Plant in Naga, Cebu City, Philippines</b>		INDUSTRY CLASSIFICATION: <b>POWER GENERATION</b>	GEOGRAPHICAL CODE: <b>072-223-000</b>

\*\*\*\*\* INTERCOMPANY AFFILIATIONS \*\*\*\*\*

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
<b>KEPCO PHILIPPINES HOLDINGS, INC.</b>	<b>CS200520464</b>	<b>18TH FLR BDO TOWERS VALERO (FORMERLY CITIBANK TOWER), 8741 PASEO DE ROXAS, SALCEDO VILLAGE, MAKATI CITY</b>
SUBSIDIARY/AFFILIATE	SEC REGISTRATION NO.	ADDRESS

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**  
  
**Atty: Guillermo P. Dabbay, Jr.**  
**Corporate Secretary**  
**DATE: 10/27/2022**

**GENERAL INFORMATION SHEET**

**STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====

Corporate Name: **KEPCO SPC POWER CORPORATION**

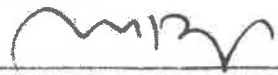
**A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365)**     Yes     No

Please check the appropriate box:

<p><b>1.</b></p> <p><input type="checkbox"/> a. Banks</p> <p><input type="checkbox"/> b. Offshore Banking Units</p> <p><input type="checkbox"/> c. Quasi-Banks</p> <p><input type="checkbox"/> d. Trust Entities</p> <p><input type="checkbox"/> e. Non-Stock Savings and Loan Associations</p> <p><input type="checkbox"/> f. Pawnshops</p> <p><input type="checkbox"/> g. Foreign Exchange Dealers</p> <p><input type="checkbox"/> h. Money Changers</p> <p><input type="checkbox"/> i. Remittance Agents</p> <p><input type="checkbox"/> j. Electronic Money Issuers</p> <p><input type="checkbox"/> k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.</p>	<p><b>4.</b> <input type="checkbox"/> Jewelry dealers in precious metals, who, as a business, trade in precious metals</p>
<p><b>2.</b></p> <p><input type="checkbox"/> a. Insurance Companies</p> <p><input type="checkbox"/> b. Insurance Agents</p> <p><input type="checkbox"/> c. Insurance Brokers</p> <p><input type="checkbox"/> d. Professional Reinsurers</p> <p><input type="checkbox"/> e. Reinsurance Brokers</p> <p><input type="checkbox"/> f. Holding Companies</p> <p><input type="checkbox"/> g. Holding Company Systems</p> <p><input type="checkbox"/> h. Pre-need Companies</p> <p><input type="checkbox"/> i. Mutual Benefit Association</p> <p><input type="checkbox"/> j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)</p>	<p><b>5.</b> <input type="checkbox"/> Jewelry dealers in precious stones, who, as a business, trade in precious stone</p>
<p><b>3.</b></p> <p><input type="checkbox"/> a. Securities Dealers</p> <p><input type="checkbox"/> b. Securities Brokers</p> <p><input type="checkbox"/> c. Securities Salesman</p> <p><input type="checkbox"/> d. Investment Houses</p> <p><input type="checkbox"/> e. Investment Agents and Consultants</p> <p><input type="checkbox"/> f. Trading Advisors</p> <p><input type="checkbox"/> g. Other entities managing Securities or rendering similar services</p> <p><input type="checkbox"/> h. Mutual Funds or Open-end Investment Companies</p> <p><input type="checkbox"/> i. Close-end Investment Companies</p> <p><input type="checkbox"/> j. Common Trust Funds or Issuers and other similar entities</p> <p><input type="checkbox"/> k. Transfer Companies and other similar entities</p> <p><input type="checkbox"/> l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on</p> <p><input type="checkbox"/> m. Entities administering of otherwise dealing in valuable objects</p> <p><input type="checkbox"/> n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)</p>	<p><b>6.</b> Company service providers which, as a business, provide any of the following services to third parties:</p> <p><input type="checkbox"/> a. acting as a formation agent of juridical persons</p> <p><input type="checkbox"/> b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons</p> <p><input type="checkbox"/> c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement</p> <p><input type="checkbox"/> d. acting as (or arranging for another person to act as) a nominee shareholder for another person</p>
<p><b>7.</b> Persons who provide any of the following services:</p> <p><input type="checkbox"/> a. managing of client money, securities or other assets</p> <p><input type="checkbox"/> b. management of bank, savings or securities accounts</p> <p><input type="checkbox"/> c. organization of contributions for the creation, operation or management of companies</p> <p><input type="checkbox"/> d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities</p>	<p><b>B.</b> <input type="checkbox"/> None of the above</p>
<p>Describe nature of business:</p>	

**B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS?**     Yes     No

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**



Atty: Guillermo P. Dabbay, Jr.  
 Corporate Secretary

DATE: 10/27/2022

**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME: KEPCO SPC POWER CORPORATION</b>							
<b>CAPITAL STRUCTURE</b>							
<b>AUTHORIZED CAPITAL STOCK</b>							
		<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>		<b>AMOUNT (Php)</b> (No. of shares X Par/Stated Value)	
		COMMON	184,431,648	1.00		184,431,648.00	
		<b>TOTAL</b>	<b>184,431,648</b>	<b>TOTAL P</b>		<b>184,431,648.00</b>	
<b>SUBSCRIBED CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
	5	COMMON	51,980,904		1.00	51,980,904.00	40%
		<b>TOTAL</b>	<b>51,980,904</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>51,980,904.00</b>	
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **</b>	<b>PAR/STATED VALUE</b>	<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
KOREAN	8	COMMON	77,971,354		1.00	77,971,354.00	60%
		<b>TOTAL</b>	<b>77,971,354</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>77,971,354.00</b>	
<b>Percentage of Foreign Equity :</b>			<b>TOTAL</b>	<b>77,971,354</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>77,971,354.00</b>
					<b>TOTAL SUBSCRIBED P</b>	<b>129,952,258.00</b>	
<b>PAID-UP CAPITAL</b>							
<b>FILIPINO</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>		<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
	5	COMMON	51,980,904	1.00		51,980,904.00	40%
		<b>TOTAL</b>	<b>51,980,904</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>51,980,904.00</b>	
<b>FOREIGN (INDICATE BY NATIONALITY)</b>	<b>NO. OF STOCK-HOLDERS</b>	<b>TYPE OF SHARES *</b>	<b>NUMBER OF SHARES</b>	<b>PAR/STATED VALUE</b>		<b>AMOUNT (Php)</b>	<b>% OF OWNERSHIP</b>
KOREAN	8	COMMON	77,971,354	1.00		77,971,354.00	60%
		<b>TOTAL</b>	<b>77,971,354</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>77,971,354.00</b>	
<b>100.00 %</b>		<b>TOTAL</b>	<b>77,971,354</b>	<b>TOTAL</b>	<b>TOTAL P</b>	<b>77,971,354.00</b>	
					<b>TOTAL PAID-UP P</b>	<b>129,952,258.00</b>	

NOTE: USE ADDITIONAL SHEET IF NECESSARY

\* Common, Preferred or other classification

\*\* Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**

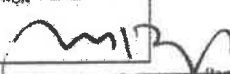
*WMB*

Atty: Guillermo F. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

**GENERAL INFORMATION SHEET**

STOCK CORPORATION  
PLEASE PRINT LEGIBLY

CORPORATE NAME: <b>KEPCO SPC POWER CORPORATION</b>								
DIRECTORS / OFFICERS								
NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
<sup>1</sup> SEO, GUEN BAE 55 Jeollyeok-ro, Naju-si, Jeollanam-do, South Korea	Korean	N	C	M	Y	Chairman of the Board	N.A.	217-260-231
<sup>2</sup> VILLAREAL, DENNIS 37 Narra Ave., Forbes Park, Makati City	Filipino	N	M	M	Y	Vice Chairman	M	106-977-829
<sup>3</sup> KIM, HONG JAE 55 Jeollyeok-ro, Naju-si, Jeollanam-do, South Korea	Korean	N	M	M	Y	N.A.	N.A.	765-512-259
<sup>4</sup> LEE, DALHUN Unit 38-E Tower 1, Park Terraces, West Street, Legaspi Village, Makati City	Korean	N	M	M	Y	President & CEO	M	231-301-698
<sup>5</sup> HENARES, ALFREDO 12A Hidalgo Place, Rockwell Center, Makati City	Filipino	N	M	M	Y	Exetutive Vice President/ CFO	M	106-933-456
<sup>6</sup> KIM, TAE HO Paseo Don Sergio, Ma. Luisa Estate Park, Banilad, Cebu City	Korean	N	M	M	Y	Vice President	M	354-250-903
<sup>7</sup> KIM, YOUNGRAK Unit 1202 Aspen Tower Condominium, Filinvest Corporate City, Muntinlupa City	Korean	N	M	M	Y	N.A.	N.A.	761-536-735
<sup>8</sup> VILLAREAL, JAMES ROY 37 Narra Ave., Forbes Park, Makati City	Filipino	N	M	M	Y	N.A.	N.A.	236-389-260
<sup>9</sup> DABBAY, GUILLERMO JR. 1654 Road 20, Fabie Estate Paco, Manila	Filipino	N	M	M	Y	Corporate Secretary	N.A.	125-673-256
<sup>10</sup> CHO, KYUCHIL Alicia Service Apartelle, Gov., M Cuenco Ave., Banilad Cebu City	Korean	N	M	F	Y	Treasurer	M	604-664-833
<sup>11</sup> JEON, SUNGNAM Unit 2102 Marco Polo Residences, Tower 1 Veterans Drive, Nivel Hills, Lahug, Cebu City	Korean	N	M	F	Y	N.A.	N.A.	748-088-252
<sup>12</sup> WI, GEUK 55 Jeollyeok-ro, Naju-si, Jeollanam-do, South Korea	Korean	N	N.A.	M	N	Internal Auditor	N.A.	601-412-363
<sup>13</sup>								
<sup>14</sup>								
<sup>15</sup>								
<b>INSTRUCTION</b> FOR SEX COLUMN, PUT "F" FOR FEMALE "M" FOR MALE FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN "M" FOR MEMBER "I" FOR INDEPENDENT DIRECTOR FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER FROM VP UP INCLUDING THE POSITION OF THE CHIEF FINANCIAL OFFICER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON. FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE "A" FOR AUDIT COMMITTEE "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER								

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**  
  
 Atty: Guillermo P. Dabbay, Jr.  
 Corporate Secretary  
 DATE: 10/27/2022

**GENERAL INFORMATION SHEET  
STOCK CORPORATION**

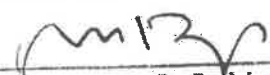
\*\*\*\*\* PLEASE PRINT LEGIBLY \*\*\*\*\*

<b>CORPORATE NAME: KEPCO SPC POWER CORPORATION</b>						
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		<b>13</b>	<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH: 2</b>			
<b>TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:</b>		<b>Php12,072,775,707.00</b>				
STOCKHOLDER'S INFORMATION						
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP		
1 KEPCO Philippines Holdings, Inc. Korean 18th Flr., BDO Towers Valero (Formerly Citibank Tower), 8741 Paseo de Roxas, Salcedo Village, Makati City	Common	77,971,347	77,971,347.00	60%	77,971,347.00	243-619-091
	<b>TOTAL</b>	<b>77,971,347</b>	<b>77,971,347.00</b>			
2 SPC Power Corporation Filipino 7/F BDO Towers Paseo (Formerly Citibank Center), 8741 Paseo de Roxas, Makati City	Common	51,980,900	51,980,900.00	40%	51,980,900.00	008-868-048
	<b>TOTAL</b>	<b>51,980,900</b>	<b>51,980,900.00</b>			
3 SEO, GUEN BAE Korean 55 Jeollyeong-ro, Naju-si, Jeollanam-do, South Korea	Common	1	1.00		1.00	217-260-231
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
4 VILLAREAL, DENNIS Filipino 37 Narra Ave., Forbes Park, Makati City	Common	1	1.00		1.00	106-977-829
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
5 KIM, HONG JAE Korean 55 Jeollyeong-ro, Naju-si, Jeollanam-do, South Korea	Common	1	1.00		1.00	765-512-259
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
6 LEE, DALHUN Korean Unit 38-E Tower 1, Park Terraces, West Street, Legaspi Village, Makati City	Common	1	1.00		1.00	231-301-698
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
7 HENARES, ALFREDO Filipino 12A Hidalgo Place, Rockwell Center, Makati City	Common	1	1.00		1.00	106-933-456
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>			
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>						
			<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>			

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

*Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.*

**KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY**

  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

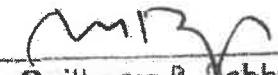


**GENERAL INFORMATION SHEET  
STOCK CORPORATION**

===== PLEASE PRINT LEGIBLY =====

<b>CORPORATE NAME:</b>		<b>KEPCO SPC POWER CORPORATION</b>						
<b>TOTAL NUMBER OF STOCKHOLDERS:</b>		<b>13</b>			<b>NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:</b>		<b>2</b>	
<b>TOTAL ASSETS BASED ON LATEST AUDITED FS:</b>		<b>Php12,072,775,707.00</b>						
<b>STOCKHOLDER'S INFORMATION</b>								
NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	SHARES SUBSCRIBED				AMOUNT PAID (PhP)	TAX IDENTIFICATION NUMBER		
	TYPE	NUMBER	AMOUNT (PhP)	% OF OWNERSHIP				
8. KIM, TAE HO Korean Paseo Don Sergio, Ma. Luisa Estate Park, Banilad, Cebu City	Common	1	1.00		1.00	354-250-903		
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>					
9. KIM, YOUNGRAK Korean Unit 1202 Aspen Tower Condominium, Filinvest Corporate City, Muntinlupa City	Common	1	1.00		1.00	761-536-735		
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>					
10. VILLAREAL, JAMES ROY Filipino 37 Narra Ave., Forbes Park, Makati City	Common	1	1.00		1.00	236-389-260		
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>					
11. DABBAY, GUILLERMO JR. Filipino 1654 Road 20, Fabie Estate Paco, Manila	Common	1	1.00		1.00	125-673-256		
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>					
12. CHO, KYUCHIL Korean Alicia Service Apartelle, Gov., M Cuenco Ave., Banilad Cebu City	Common	1	1.00		1.00	354-579-441		
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>					
13. JEON, SUNGNAM Korean Unit 2102 Marco Polo Residences, Tower 1 Veterans Drive, Nivel Hills, Lahug, Cebu City	Common	1	1.00		1.00	748-088-252		
	<b>TOTAL</b>	<b>1</b>	<b>1.00</b>					
14.								
	<b>TOTAL</b>							
<b>TOTAL AMOUNT OF SUBSCRIBED CAPITAL</b>			<b>129,952,258</b>	<b>100%</b>				
<b>TOTAL AMOUNT OF PAID-UP CAPITAL</b>					<b>129,952,258.00</b>			
<b>INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS</b>								
<small>Note: For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of the Company's voting securities. Attach separate sheet, if necessary.</small>								

**CERTIFIED TRUE COPY**

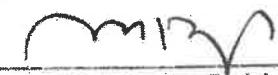
  
 Atty: Guillermo P. Dabbay, Jr.  
 Corporate Secretary



**GENERAL INFORMATION SHEET**  
STOCK CORPORATION

PLEASE PRINT LEGIBLY			
<b>CORPORATE NAME: KEPCO SPC POWER CORPORATION</b>			
<b>1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION</b>	<b>AMOUNT (Php)</b>	<b>DATE OF BOARD RESOLUTION</b>	
1.1 STOCKS	NONE	NONE	
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)	NONE	NONE	
1.3 LOANS/ CREDITS/ ADVANCES	NONE	NONE	
1.4 GOVERNMENT TREASURY BILLS	NONE	NONE	
1.5 OTHERS	NONE	NONE	
<b>2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)</b>	<b>DATE OF BOARD RESOLUTION</b>	<b>DATE OF STOCKHOLDERS RATIFICATION</b>	
NONE	NONE	NONE	
<b>3. TREASURY SHARES</b>	<b>NO. OF SHARES</b>	<b>% AS TO THE TOTAL NO. OF SHARES ISSUED</b>	
NONE	NONE	NONE	
<b>4. UNRESTRICTED /UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR: <b>Php4,866,164,775.00</b></b>			
<b>5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR: <b>Php2,566,999,865.00</b></b>			
<b>TYPE OF DIVIDEND</b>	<b>AMOUNT (Php)</b>	<b>DATE DECLARED</b>	
5.1 CASH	Php 1,729,533,485.00	June 8, 2021	
	Php 837,466,380.00	December 13, 2021	
5.2 STOCK	NONE	NONE	
5.3 PROPERTY	NONE	NONE	
<b>TOTAL</b>	<b>Php2,566,999,865.00</b>		
<b>6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:</b>			
<b>DATE</b>	<b>NO. OF SHARES</b>	<b>AMOUNT</b>	
NONE	NONE	NONE	
NONE	NONE	NONE	
NONE	NONE	NONE	
NONE	NONE	NONE	
<b>SECONDARY LICENSE /REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:</b>			
<b>NAME OF AGENCY:</b>	<b>SEC</b>	<b>BSP</b>	<b>IC</b>
<b>TYPE OF LICENSE /REGN.</b>	NONE	NONE	NONE
<b>DATE ISSUED:</b>	NONE	NONE	NONE
<b>DATE STARTED OPERATIONS:</b>	NONE	NONE	NONE
<b>TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in Php)</b>	<b>TOTAL NO. OF OFFICERS</b>	<b>TOTAL NO. OF RANK &amp; FILE EMPLOYEES</b>	<b>TOTAL MANPOWER COMPLEMENT</b>
NONE	73	96	169

NOTE: USE ADDITIONAL SHEET IF NECESSARY

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**  
  
 Atty: Guillermo P. Dabbay Jr.  
 Corporate Secretary

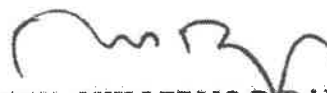
I, **GUILLERMO P. DABBAY, JR.**, Corporate Secretary of **KEPCO SPC POWER CORPORATION** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (Section 177, RA No. 11232).

Done this APR 26 2022 day of \_\_\_\_\_, 20\_\_ in \_\_\_\_\_.

  
**ATTY. GUILLERMO P. DABBAY, JR.**  
(Signature over printed name)


**MAKATI CITY**

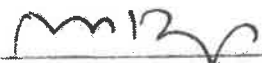
**APR 26 2022**

**SUBSCRIBED AND SWORN TO** before me in \_\_\_\_\_ on \_\_\_\_\_ by affiant who personally appeared before me and exhibited to me his competent evidence of identity consisting of D. L. N02-87-060550 valid until October 25, 2024.

NOTARY PUBLIC

176  
37  
33  
Series of 2022

  
**ATTY. JOSHUA P. LAPUZ**  
Notary Public, Makati City  
Until Dec. 31, 2023  
Appointment No. 10-016-(2022-2023)  
PTR No. 8655510 Jan. 9, 2021 / Makati  
IEP Lifetime No. G-007 Roll No. 45790  
MCLC Comp. No. VI-0016565  
G/P Fedman Bldg., 100 Salcedo St.  
Legaspi Village, Makati City

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**  
  
Atty: Guillermo P. Dabbay, Jr  
Corporate Secretary  
DATE 10/27/2022

**BENEFICIAL OWNERSHIP DECLARATION  
FOR THE YEAR: 2022**

SEC REGISTRATION NUMBER: CS 2005 10755  
CORPORATE NAME: KEPCO SPC POWER CORPORATION

**Instructions:**

1. Identify the Beneficial Owner/s of the corporation as described in the Categories of Beneficial Ownership in items A to I below. List down as many as you can identify. You may use an additional sheet if necessary.
2. Fill in the required information on the beneficial owner in the fields provided for.
3. In the "Category of Beneficial Ownership" column, indicate the letter(s) corresponding thereto. In the event that the person identified as beneficial owner falls under several categories, indicate all the letters corresponding to such categories.
4. If the category is under letter "I", indicate the position held (i.e., Director/Trustee, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, etc.).
5. Do not leave any item blank. Write "N/A" if the information required is not applicable or "NONE" if non-existent.

"Beneficial Owner" refers to any natural person(s) who ultimately own(s) or control(s) or exercise(s) ultimate effective control over the corporation. This definition covers the natural person(s) who actually own or control the corporation as distinguished from the legal owners. Such beneficial ownership may be determined on the basis of the following:

Category	Description
A	Natural person(s) owning, directly or indirectly or through a chain of ownership, at least twenty-five percent (25%) of the voting rights, voting shares or capital of the reporting corporation.
B	Natural person(s) who exercise control over the reporting corporation, alone or together with others, through any contract, understanding, relationship, intermediary or tiered entity.
C	Natural person(s) having the ability to elect a majority of the board of directors/trustees, or any similar body, of the corporation.
D	Natural person(s) having the ability to exert a dominant influence over the management or policies of the corporation.
E	Natural person(s) whose directions, instructions, or wishes in conducting the affairs of the corporation are carried out by majority of the members of the board of directors of such corporation who are accustomed or under an obligation to act in accordance with such person's directions, instructions or wishes.
F	Natural person(s) acting as stewards of the properties of corporations, where such properties are under the care or administration of said natural person(s).
G	Natural person(s) who actually own or control the reporting corporation through nominee shareholders or nominee directors acting for or on behalf of such natural persons.
H	Natural person(s) ultimately owning or controlling or exercising ultimate effective control over the corporation through other means not falling under any of the foregoing categories.
I	Natural person(s) exercising control through positions held within a corporation (i.e., responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation such as the members of the board of directors or trustees or similar body within the corporation; or exercising executive control over the daily or regular affairs of the corporation through a senior management position). This category is only applicable in exceptional cases where no natural person is identifiable who ultimately owns or exerts control over the corporation, the reporting corporation having exhausted all reasonable means of identification and provided there are no grounds for suspicion.

COMPLETE NAME (Surname, Given Name, Middle Name, Name Extension (i.e., Jr., Sr., III))	SPECIFIC RESIDENTIAL ADDRESS	NATIONALITY	DATE OF BIRTH	TAX IDENTIFICATION NO.	% OF OWNERSHIP <sup>1</sup> / % OF VOTING RIGHTS <sup>2</sup>	TYPE OF BENEFICIAL OWNER <sup>3</sup>  Direct (D) or Indirect (I)	CATEGORY OF BENEFICIAL OWNERSHIP
Mr. Lee, Dalhun	Unit 38-E Tower 1, Park Terraces, West Street, Legaspi Village, Makati City	Korean	May 1, 1966	231-301-698-000	0.01%	D	B, D

Note: This page is not for uploading on the SEC IView.

<sup>1</sup> For Stock Corporations  
<sup>2</sup> For Non-Stock Corporations.  
<sup>3</sup> For Stock Corporations

**KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY**

*[Signature]*  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary  
DATE: 10/27/2022

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex G*

*(KSPC Verified Certification showing List  
of Board of Directors)*

October 26, 2022

## CERTIFICATION

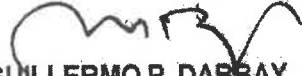
I, hereby certify that the following are the members of the Board of Directors of the Ultimate Parent Company, Subsidiaries and Affiliates of KEPCO SPC POWER CORPORATION:

A. KEPCO PHILIPPINES HOLDINGS, INC.

KIM, HONG JAE  
LEE, DALHUN  
KIM, TAE HO  
KIM, KILWON  
KIM, YOUNGRAK

B. SPC POWER CORPORATION

ALFREDO L. HENARES  
DENNIS T. VILLAREAL  
ALBERTO P. FENIX, JR.  
ENRIQUE L. BENEDICTO  
SERGIO ORTIZ-LUIS, JR.  
FRANCISCO L. VIRAY  
LEE, DAL HUN  
KIM, KILWON  
LEE, KYUNG-EUN  
YOUN, SANG YOUNG  
JAMES ROY N. VILLAREAL

  
GUILLERMO P. DABBAY, JR.  
Corporate Secretary

### MAKATI CITY

**SUBSCRIBED AND SWORN TO** before me this OCT 28 2022 at Makati City, Philippines, affiant exhibiting to me his Driver's License No. N02-87-060550 valid until October 28, 2024.

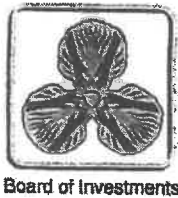
Doc. No. 416 ;  
Page No. 85 ;  
Book No. 4 ;  
Series of 2022.

**ATTY. JOSHUA P. LAPUZ**  
Notary Public, Makati City  
Until Dec. 31, 2023  
Appointment No. M-019-(2022-2023)  
PTR No. 8852510 Jan. 3, 2022 / Makati  
IBP Lifetime No. 04897 Roll No. 45790  
MCLE Compliance No. VI-0016585  
G/F Fedman Bldg., 199 Salcedo St.  
Legaspi Village, Makati City

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex H*

*(Annex H - KSPC Certificate of Registration with Terms and Condition issued by the BOI)*



Republic of the Philippines  
**BOARD OF INVESTMENTS**  
 Makati City



## CERTIFICATE OF REGISTRATION

No. 2008-088

**TO ALL WHOM IT MAY CONCERN:**

*This is to certify that the Board of Investments has duly registered*

### KEPCO SPC POWER CORPORATION

New Operator of Two Hundred (200) MW Coal Fired Power Plant

*in accordance with the provisions of the Omnibus Investments Code of 1987, as amended, subject to the representations and commitments set forth in its application for registration, the provisions of the above law, the rules and regulations of the Board of Investments and the terms and conditions herein prescribed.*

*In testimony whereof the seal of the Board of Investments and the signature of its Chairman / Vice-Chairman is hereunto affixed. Given at Makati City, Philippines, this 8<sup>th</sup> day of,*

May, 2008

Board Res.No.12-10 S'2008

KEPCO SPC POWER CORP  
 CERTIFIED TRUE COPY

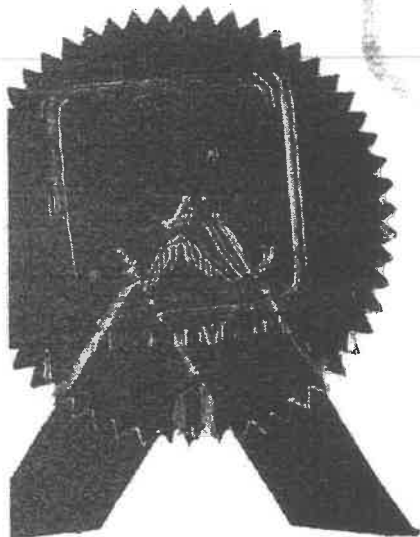
*[Signature]*

Atty: Guillermo P. Dabbay, Jr.  
 Corporate Secretary

DATE: 10/29/2022

*[Signature]*  
**USEC. ELMER C. HERNANDEZ**  
 Vice Chairman & Managing Head

249235



**Attested:**

*[Signature]*  
**BOBBY G. FONDEVILLA**  
 Board Secretary



Department of Trade and Industry

## KEPCO SPC POWER CORPORATION

Type of Registration/Activity : **NEW OPERATOR OF TWO HUNDRED ( 200 ) MW  
COAL FIRED POWER PLANT**  
Status : **PIONEER**  
Certificate of Registration No. : **2008-088**  
Date : **MAY 8, 2008**

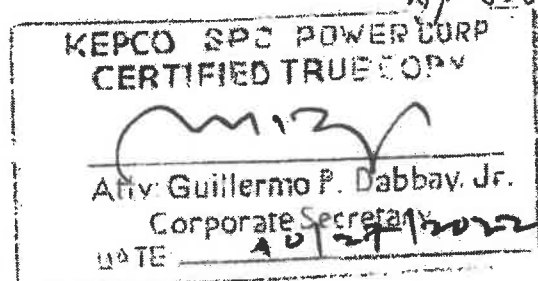
X -----X

### SPECIFIC TERMS AND CONDITIONS

1. The firm shall start commercial operations in **October 2011**. Request for amendment of timetable shall be filed before the scheduled start of commercial operations.
2. The firm shall increase its Authorized, Subscribed and Paid-up Capital Stock to **at least Php4,987 Million** and shall submit proof of compliance prior to availment of Income Tax Holiday incentive.
3. The firm shall secure a Certificate of Compliance (COC) from Energy Regulatory Commission (ERC) prior to start of commercial operation subject to the condition that in the event that ERC denies the said COC, registration shall be subject to automatic cancellation procedure for non-compliance of the post registration requirement.
4. The firm shall submit an undertaking that the incentives availed of shall translate to the benefits of the end-users in terms of reduced price of electricity. Semi-annual report shall be submitted to the Board of Investments (BOI) reflecting the firm's compliance to this condition.
5. To maintain its Pioneer status, the firm shall invest at least **US\$1 Million/MW** in the project and shall submit proof of investment to BOI on or before the start of commercial operation; otherwise, the Board shall be constrained to automatically downgrade the project status from Pioneer to Non-Pioneer or shall be automatically withdrawn for not complying with 60% Filipino ownership.
6. The firm is enjoined to undertake Corporate Social Responsibility (CSR) projects/activities, and shall submit to Project Evaluation and Registration Department (PERD) a CSR program proposal, duly approved by the firm's Board of Directors within 90 days from date of registration. A report on completed/on-going CSR projects/activities shall be submitted to the Supervision and Monitoring Department (SMD) prior to availment of Income Tax Holiday. For its CSR project, the firm may choose from the list of activities identified by the National Anti-Poverty Commission (NAPC).

*Amib*

(Continued on page 2)





**KEPCO SPC POWER CORPORATION**  
**C.R. No. 2008 – 088**  
**Specific Terms and Conditions**  
**Page 2 -**

7. The firm shall observe the following production and sales schedule:

Year	1	2	3	4	5
Capacity (MW)	2 x 100	2 x 100	2 x 100	2 x 100	2 x 100
Gross Output (MW)	200 MW	200 MW	200 MW	200 MW	200 MW
Sales Volume in KWh (Assuming 72% power availability @365 days)	893,520,000	1,261,440,000	1,261,440,000	1,261,440,000	1,261,440,000
Tariff Rate (Php/kwh)	4.2592	4.2592	4.2592	4.2592	4.2592
Income Derived from Delivered Energy	3,805,720,000	5,372,781,000	5,372,781,000	5,372,781,000	5,372,781,000
Income Derived from Delivered Energy (P'Million)	3,806	5,373	5,373	5,373	5,373

*1<sup>st</sup> year operation is only 51% power plant availability*

*Subject to change due to changes in market and commercial conditions, technical condition, regulatory conditions, and/or force majeure.*

*Notwithstanding, it is assumed that any decrease in the above production schedule is not a ground for the movement of the ITH reckoning date.*

8. The firm shall observe the following project timetable:

Activity	Date	Related Expenses	Cost (in Php'000)
Obtained appropriate license/ agreement/ permit from the government	January 2011	Pre-Operating	208,535
Site acquisition through execution of deed of sale or lease contract of land	December 2007	Land Lease	198,604
Site preparation and development	January 2011	Construction Cost	11,233,640
Acquisition of equipment	January 2011	Machinery and Equipment Cost	7,898,239
Trial/Test Run a. Unit #1 b. Unit #2	March 2011 June 2011		
Start of commercial operations for whole plant	October 2011	Working Capital	406,768
<b>TOTAL PROJECT COST</b>			<b>19,945,786</b>

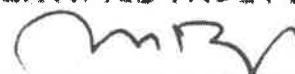
9. The firm shall be entitled to the following incentives:

- a. Income Tax Holiday (ITH) for a period of six (6) years from **October 2011** or actual start of commercial operations, whichever is earlier, but in no case earlier than the date of registration. **The ITH incentives shall be limited only to the sales/revenue generated from the sales of electricity of the coal fired power plant.**

*Amends*

(Continued on page 3)

AP-5-8-08

**KEPCO SPC POWER CORP**  
**CERTIFIED TRUE COPY**  
  
**Atty. Guillermo P. Dabbay, Jr.**  
**Corporate Secretary**  
 DATE: *10/22/2011*

**KEPCO SPC POWER CORPORATION**

**C.R. No. 2008 - 088**

Specific Terms and Conditions

Page 3 -

The preceding paragraph notwithstanding, the firm shall initially be granted a 4-year ITH. The additional 2-year ITH shall be granted upon submission of completed or on-going projects in compliance with its Corporate Social Responsibility (CSR), which shall be submitted before the lapse of its initial four-year ITH.

The firm may choose from the following in compliance with the CSR requirement:

- List of activities identified by the National Anti-Poverty Commission (NAPC) and shall submit the chosen activity to BOI; and/or
- Financial benefits to Host Communities pursuant to Energy Regulations No. 1-94.

**Date of filing :** An application shall be filed with the BOI Incentives Department within one (1) month from the filing of the final ITR with the BIR in order to validate claim for income tax exemption. The application shall be accompanied by a certification by SSS that the firm is in good standing in the remittance of SSS contributions of its employees. Any request for extension of the reckoning date of ITH availment shall be filed prior to the scheduled date or within 90 days from the occurrence of fortuitous events and/or government delays.

The firm can avail of bonus year in each of the following cases but the aggregate ITH availment (basic and bonus years) shall not exceed eight (8) years, subject to compliance with CSR's guidelines:

- The ratio of the total imported and domestic capital equipment to the number of workers for the project does not exceed US\$10,000 to one (1) worker; or
- The net foreign exchange savings or earnings amount to at least US\$500,000 annually during the first three (3) years of operation; and
- The indigenous raw materials used in the manufacture of the registered product must at least be fifty percent (50%) of the total cost of raw materials for the preceding years prior to the extension unless the Board prescribes a higher percentage.

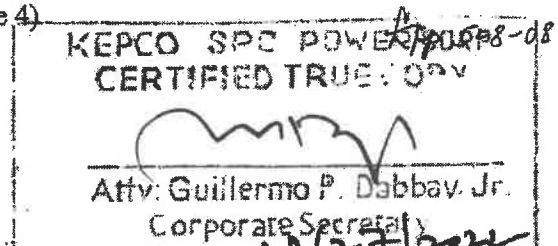
**Date of filing :** An application shall be filed with the BOI Incentives Department prior to the filing with BIR of the firm's final ITR, for which the bonus years will be applied.

- b. For the first five (5) years from the date of registration, the firm shall be allowed an additional deduction from taxable income of fifty percent (50%) of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board of US\$10,000 to one (1) worker and provided that this incentive shall not be availed of simultaneously with the income tax holiday.

**Date of filing :** An application shall be filed with the BOI Incentives Department within one (1) month from filing of final ITR with the BIR.

*hmb*

(Continued on page 4)



**KEPCO SPC POWER CORPORATION**

**C.R. No. 2008 – 088**

Specific Terms and Conditions

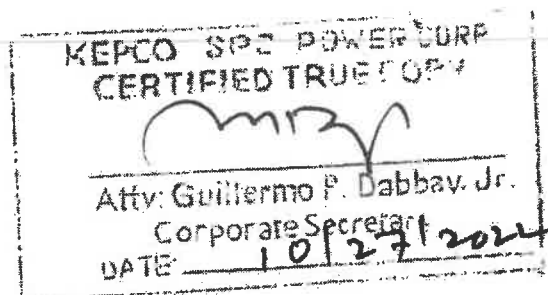
Page 4 -

- c. Employment of foreign nationals. This may be allowed in supervisory, technical or advisory positions for five (5) years from date of registration. The president, general manager and treasurer of foreign-owned registered firms or their equivalent shall not be subject to the foregoing limitations.  
**Date of filing:** Application shall be filed with the BOI Incentives Department before assumption to duty of newly hired foreign nationals and at least one (1) month before expiration of existing employment for renewal of visa.
- d. Importation of consigned equipment for a period of ten (10) years from date of registration, subject to the posting of re-export bond.  
**Date of filing:** Apply with the BOI Incentives Department for endorsement to the Department of Finance (DOF) before loading on board of the equipment.
10. The firm may qualify to import capital equipment, spare parts and accessories at zero duty from date of registration up to June 16, 2011 pursuant to Executive Order No. 528 and its Implementing Rules and Regulations.
11. The firm shall submit to the Supervision and Monitoring Department of BOI, a quarterly report on Actual Investments, Employment and Sales pertaining to the registered project. This report shall be due within fifteen (15) days after the end of each quarter, starting on the date of registration.
12. The firm shall visit the BOI website (<http://www.boi.gov.ph>), on a regular basis, for updates on BOI rules, policies and guidelines, and citation and recognition to particular BOI-registered firms for exemplary performance, as well as notice to particular firms regarding specific violation(s) of the terms and conditions of the registration.

*Armas*

—000—

*AP 5-8-08*



## KEPCO SPC POWER CORPORATION

C.R. No. 2008-088

### GENERAL TERMS AND CONDITIONS

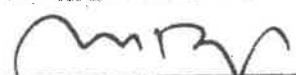
1. The firm shall observe and abide by the provisions of the Omnibus Investments Code of 1987 and other related laws and their implementing rules and regulations as well as its commitments and representations made in the application for registration and take adequate measures to ensure that its obligation thereunder as well as those of its officers, employees and stockholders are faithfully discharged; provided it is understood that any misrepresentation or falsification in the documents or other supporting papers submitted to the Board shall constitute as ground for automatic cancellation of its registration.
2. The firm's registered product/s shall be subject to periodic testing, at least once a year, by any independent agency whenever the BOI so requires, such test to be conducted at the expense of the registered enterprise.
3. The firm's Address of Record shall be at **18<sup>th</sup> Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City**. All BOI notices/ communications to the firm shall be sent to this address. The firm shall be responsible for notifying BOI, in writing, of any changes in its Address of Record, within ten (10) calendar days after such change, and therefore, should it fail to do so, service of all BOI communications, notices or processes in its Address of Record shall be considered valid, complete and binding to this firm.

In case the firm has an authorized representative, designated as such by virtue of a Board Resolution of the firm, duly certified by its Board Secretary, and as appearing in the records of the BOI, it shall be so indicated that notices, communications and/or processes of the latter shall be sent to said representative. The authorized representative shall be responsible for notifying BOI, in writing, of any changes in its Address of Record within ten (10) calendar days after such change, and therefore, should it fail to do so, service of all BOI communications, notices or processes in the Address of Record of such authorized representative shall be considered valid, complete and binding to this firm.

4. The firm shall notify the BOI of the following acts:
  - a. Invest in, extend loans, or buy bonds, in substantial amount, from any enterprise either in the Philippines or abroad. This does not apply to bonds issued by the Philippine Government;
  - b. Issue stock convertible into voting stocks;
  - c. Buy its own stocks;
  - d. Expand its capacity, with or without incentives;
  - e. Appointment or replacement of its general manager.
5. The firm shall secure prior permission of the BOI before doing any of the following acts:
  - a. Transfer ownership and/or control of the firm;
  - b. Engage in an undertaking other than the preferred project covered by its registration.
6. The firm shall maintain separate books of accounts for each activity, registered and unregistered with the Board. Moreover, the firm shall submit a list of direct costs attributable to each type of activity for purposes of determining the taxable income of each activity.

(Continued on page 2)

*Amad*

KEPCO SPC POWER CORPORATION  
CERTIFIED TRUE COPY  
  
Atty. Guillermo P. Dabbay, Jr.  
Corporate Secretary

**KEPCO SPC POWER CORPORATION**

**C.R. No. 2008 – 088**

**General Terms And Conditions**

Page 2 -

7. The firm shall submit to the Board an annual report of its actual investments, taxes paid and employment in the project within one (1) month following the end of its calendar/fiscal year.
8. The firm shall comply with all environmental laws and regulations.
9. The firm shall comply with the Tree Planting Program of the BOI requiring a minimum of one hundred (100) forest trees to be planted pursuant to Memorandum Circular No. 01 not later than one (1) year from date of registration. Proof of compliance must be submitted within one (1) year from the first anniversary date of the firm's registration; otherwise, application for availment of any incentive by the firm shall not be accepted by the Board.
10. The firm shall comply with the other conditions and representations made and accepted by the firm as embodied in its project feasibility study, confirmation letter, among others, and these shall form part of this registration.
11. All the fiscal and non-fiscal incentives which do not contain specific period for their enjoyment shall terminate after a period of not more than ten (10) years from start up of operation.
12. Failure of the firm to file the incentive application within the prescribed date shall mean imposition of fines and penalty including possible forfeiture or suspension of incentives or non-acceptance of the said application.
13. The firm shall submit the following reporting requirement to **Supervision and Monitoring Department** on or before their respective due dates:

<u>Report</u>	<u>Due Date</u>
S1 (Annual Report of Performance)	Calendar year – May 15 Fiscal year – 4 ½ months after the end of fiscal year
Annual Audited Financial Statements	One (1) month from the date of filing with the BIR
Annual Income Tax Return	Thirty (30) calendar days from the date of filing with the BIR

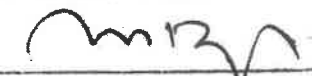
You may submit the above report on-line to [SMD@boi.gov.ph](mailto:SMD@boi.gov.ph).

For late filing and/or non-submission of reports and other requirements, the Board shall impose such fines in accordance with the schedule as set forth in the rules.

-----o0o-----

App 5-8-08

KEPCO SPC POWER CORP  
CERTIFIED TRUE COPY

  
Atty: Guillermo P. Dabbay, Jr.  
Corporate Secretary

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex I*

*(KSPC- Environmental Compliance Certificate and  
its Amendments)*



Department of Environment and Natural Resources  
**ENVIRONMENTAL MANAGEMENT BUREAU**  
 DENR Compound, Visayas Avenue, Dillman, Quezon City 1116  
 Tel.Nos. (632)927-1517; 928-3725; Fax No.(632)920-2258  
 Website: [www.emb.gov.ph](http://www.emb.gov.ph) Email: recordsco@emb.gov.ph



Management System  
 ISO 9001:2015  
 ISO 14001:2015  
 www.tuv.com  
 ID #108092327



May 11, 2021

**Mr. Tae Ho Kim**  
 Vice President and Plant Manager  
**KEPCO-SALCON POWER CORP.**  
 7<sup>th</sup> Floor Citibank Center  
 8741 Paseo de Roxas, Makati City  
 e.sevilla@kepcospc.com/n.miral@kepcospc.com

**SUBJECT : REFLECTING THE ACTUAL CAPACITY FROM 2 X 100 MW TO 2 X 103 MW IN THE ENVIRONMENTAL COMPLIANCE CERTIFICATE (ECC-CO-0511-013-206)**


Dear Mr. Tae Ho Kim:

This refers to your submitted Project Description Report and Environmental Management Plan as support to your request to reflect the actual power generation capacity in the ECC-CO-0511-013-206 for your Coal-Fired Power Plant located in Naga City, Cebu. Based on the evaluation of submitted document, providing i.e. the name plate of the installed generators and permit to operate, it has been determined that there have been no modifications in its project components and the additional (2x3MW) have been considered in the Environmental Management Plan of the previously approved EIS. Hence, this Office hereby reflected the aforementioned capacity in the mentioned ECC as follows:

ECC-CO-0511-013-206	Capacity in the ECC	Actual Capacity
issued December 05, 2005	2 x 100 MW	2 x 103 MW

Nevertheless, please be reminded that the emissions generated from the said units shall not exceed the permissible limits set under Section 19 of RA 8749 otherwise known as the Philippine Clean Air Act of 1999 and that all other conditions stipulated in the above-cited ECC shall remain enforce unless otherwise revised in writing. Further, any expansion and/or modification of approved operations shall be subjected to a new Environmental Impact Assessment (EIA) requirement.

Sincerely yours,

  
**ENGR. WILLIAM P. CUÑADO**  
 Director



Amount: Php 1000.00  
 OR No.: 2397372 / 2199344  
 Date : JUN 22 2021

Cc: EMB Region VII  
 IIS CO-2021-010471



Republic of the Philippines  
Department of Environment and Natural Resources  
Visayas Avenue, Diliman, Quezon City  
Tel Nos. (632) 929-66-26 to 29 • (632) 929-62-52  
929-66-20 • 929-66-33 to 35  
929-70-41 to 43

**ENVIRONMENTAL COMPLIANCE CERTIFICATE**  
**0511-013-206**

The Department of Environment and Natural Resources (DENR) through the Environmental Management Bureau (EMB) hereby grants this Environmental Compliance Certificate (ECC) to **Salcon Power Corporation** for their proposed **2 x 100 MW COAL FIRED THERMAL POWER PLANT PROJECT** located in the Municipality of Naga in the Province of Cebu after complying with the Environmental Impact Assessment (EIA) requirement, as prescribed in the promulgated guidelines implementing Section 3(b) of P.D. 1121 and P.D. 1586.


This Certificate is being issued subject to the following conditions

1. This Certificate shall cover the construction, installation and operation of a 2 x 100 MW Circulating Fluidized Bed Combustion (CFBC) Coal Power Plant on an ash pond fronting the existing power plant operated by Salcon Power Corporation with the following technical components:
  - 1.1 Boiler and Auxiliary System;
  - 1.2 Fuel Burning System;
  - 1.3 Combustion and Flue Gas System;
  - 1.4 Coal Handling System;
  - 1.5 Ash handling System;
  - 1.6 Electrostatic Precipitator;
  - 1.7 Turbine/Generator and Auxiliary System;
  - 1.8 Feed Water System;
  - 1.9 Condensate System;
  - 1.10 Circulating Water System;
  - 1.11 Closed Cooling Water System;
  - 1.12 Compressed Air System
  - 1.13 Raw Water Supply and Pretreatment System;
  - 1.14 Make-up Demineralization System;
  - 1.15 Demi, Condensate Storage and Transfer System; and
  - 1.16 Chemical Feed System
2. The proponent and their subcontractors should ensure that the nearby patch reef should not experience temperature rise of 0.5 degrees centigrade to protect the remaining corals and associated biota. The proposed submarine effluent discharge must not be implemented unless *study first* a redesign of the submarine discharge and further modeling of consequent thermal dispersion would prove that the warm body of water will not hit the said reef. Configuration of plant structures and other operation design must be carefully adjusted, exploring all possibilities of sparing this short and narrow fringing reef otherwise a more specific mitigating measure must be spelled out, including as how the proponent would compensate for eventual loss of this reef;
3. All commitments, mitigating measures and monitoring requirements, especially those contained in the revised Environmental Impact Statement (EIS) particularly in the Environmental Management and




Monitoring Plans as approved by the EMB shall be instituted to minimize any adverse impact of the project to the environment throughout the project implementation including the following:

- 3.1 Implementation of a continuing Information, Education and Communication (IEC) Program to explain to all stakeholders the mitigative measures embodied in its EIS, as well as the conditions of this Certificate for greater awareness and acceptance of the project, especially among the local residents. Transparency and timeliness of information should be honored and it should provide opportunities to educate the workers, contractors, subcontractors, and affected community(ies) through sectoral and small group orientations and consultations on environmental and safety measures leading to a more responsible participation and involvement. The IEC activities should be funded by the proponent and should be implemented in coordination with EMB Region VII;
- 3.2 Installation of an appropriate signages and other applicable measures for the safety of the affected stakeholders;
- 3.3 Establishment and maintenance of a five (5) meters buffer zone around the perimeter of the power plant and appropriate noise barriers should be installed especially near the generators/engines to effectively attenuate the noise emanating from the same;
- 3.4 The proponent should regularly monitor the community water sources to ensure that their water needs is not adversely affected by the project;
- 3.5 Construction, installation and operation of an adequate air and water pollution control devices including the oil and water separator/s, electrostatic precipitators (EP) and the like;
- 3.6 Conformance with the DENR standards on the noise levels, water effluents and air emissions generated during all the project phases. Noise emission shall be measured at the fenceline or boundary of the project and for this purpose multiple noise fenceline monitors shall be installed and integrated with the ambient air quality monitoring system;
- 3.7 Installation of a continuous ambient air quality monitoring stations (Noise levels, SO<sub>x</sub>, NO<sub>x</sub> and Dust-PM<sub>10</sub>) in the immediate vicinity of the power plant particularly at the nearby residential areas and at the school, the exact locations of which shall be determined in consultation and approval by the affected groups. A minimum of four (4) stations shall be installed for this purpose and shall be provided with at least one (1) on-line public data display boards showing the realtime data of the parameters monitored at all stations. Any exceedence should be a cause for the immediate stoppage of the causing process/processes or operation/s of the power plant;
- 3.8 Implementation of an Emergency Response Plan and Disaster Preparedness Program in case of fire and other emergencies and natural calamities;
- 3.9 Implementation of an adequate slope protection measures to minimize siltation/sedimentation of the nearest water body;
- 3.10 Provision in and around the plant of an adequate and well-engineered internal and external drainage system and flood protection structures;

- 3.11 Compliance with the Republic Act (R.A. No. 6969) requirements for the transport, storage and disposal of hazardous waste materials and other toxic chemicals; and
  - 3.12 Strict implementation, throughout the project phases, of the Solid Waste Management Program which shall include proper collection and disposal of metal wastes, petrol containers, oil-soaked materials and other solid wastes generated.
4. An Environmental Unit (EU) shall be established by the proponent to competently handle the environment-related aspects of the project in addition to the monitoring requirements as specified in the Environmental Monitoring Plan, the EU shall also:
    - 4.1 Established marine monitoring stations for regular sampling to determine changes in the physico-chemical conditions of the marine environment attributable to plant operations, and relate these environmental changes with the status of habitats including soft bottom communities and fisheries within the vicinity. Result should be submitted to EMB semi annually;
    - 4.2 Monitor actual project impacts vis a vis the predicted impacts in the EIS and accordingly formulate suggestions on the revisions of the EMP if necessary;
    - 4.3 Conduct a validation study in coordination with EMB Region VII on the results of the air quality modeling and the study shall be conducted on the third month of project operations and a report on the same shall be submitted to EMB;
    - 4.4 Undertake an annual environmental audit to be conducted by a third party auditor and submit report to EMB;
    - 4.5 Comply with the conditions of the ECC.
  5. An Environmental Pollution, Impairment and Clean-Up Liability Insurance (EPICLI) to answer for all claims arising from damages to the environment, bodily injury, property damage arising from pollution event including environmental rehabilitation, clean-up and/or remediation costs and expenses for contamination and/or impairment of the environment, inclusive of all violations of environmental laws and standards.
  6. Transfer of ownership of the project carries the same conditions in this Certificate for which written notification with certified transfer documents should be submitted by herein grantee to the EMB within fifteen (15) days from such transfer; and
  7. An Abandonment Plan should be submitted to the EMB and the EMB Region VII one (1) year prior to the project's abandonment. The plan should include rehabilitation measures/clean-up, remediation of areas possibly contaminated with oil, grease and other substances and proposed alternative projects in the area.
- 

Non-compliance with any of the above-stated conditions shall be a sufficient cause for the suspension or cancellation of this Certificate and/or imposition of fine in the amount of Fifty Thousand Pesos (P50,000.00) for every violation thereof at the discretion of the EMB and in accordance with Section 9 of P.D. No. 1586.

Granted this DEC 16 2006

  
MICHAEL T. DEFENSOR  
Secretary



cc: EMB Region VII



12.7.00

Republic of the Philippines  
Department of Environment and Natural Resources  
Visayas Avenue, Diliman, Quezon City 1110  
Tel. Nos.: (632) 929-66-26 to 29 • (632) 929-65-52  
929-66-20 • 929-66-33 to 35  
929-70-41 to 43

DEC 06 2005

**Ref. No. 0511-013-206**

**Mr. Dennis Villareal**  
President  
**SALCON POWER CORPORATION**  
7<sup>TH</sup> Floor Citibank Center  
8741 Paseo de Roxas Street  
Makati City

Dear Mr. Villareal :

This is refers to your with your application for an Environmental Compliance Certificate (ECC) for your **Proposed 2 x 100 MW Coal-Fired Power Plant** to be located at Naga City, Cebu.


After evaluation of the documents submitted and upon recommendation of the Environmental Management Bureau (EMB) on the abovementioned project, this Office has decided to grant the same an ECC.

With the issuance of this ECC, you are expected to implement the measures presented in the EIS and the Environmental Management Plan intended to protect/enhance the environment and mitigate the project's adverse impacts on the environment and on the community's health and welfare. Environmental considerations shall be incorporated in all phases and aspect of the project.

This office will be conducting periodic and on the spot monitoring to ensure your compliance with the conditions cited in the attached document.

Further, any significant expansion or modification of the currently approved operations will be subjected to the Environmental Impact Assessment requirements.

Very truly yours,

  
**MICHAEL T. DEFENSOR**  
Secretary



FOIA 2011  
9/9 EIA

SEP 11 2007

**KEPCO-SALCON POWER CORPORATION**  
7th Floor, Citibank Center,  
8741 Paseo de Roxas St., Makati City

Attention : **MR. DENNIS T. VILLAREAL**  
President.


Subject : **ECC Transfer (ECC Ref.No.0511-013-206)**

Dear Mr. Villareal:

This Office hereby approves the transfer of the Environmental Compliance Certificate (ECC) issued on 05 December 2005 for the 2x100MW Coal Fired Power Plant Project located at Naga City, Cebu from SALCON POWER CORPORATION to **KEPCO-SALCON POWER CORPORATION** by virtue of the supporting documents submitted.

Please be reminded that all the other conditions stipulated in the said ECC shall remain in force unless otherwise amended in writing. Any expansion and/or modification of approved operations shall be subjected to a new Environmental Impact Assessment (EIA) requirement.

Very truly yours,

  
**JULIAN D. AMADOR**  
Director

cc: EMB Region VII

O.R. No.	
Amount	P300.00
Date	



JUL 31 2009

**Byung Ill Choi**  
Vice President  
**KEPCO SPC POWER CORPORATION**  
Colon, Naga City, Cebu

Republic of the Philippines  
**Department of Environment and Natural Resources**  
ENVIRONMENTAL MANAGEMENT BUREAU

DENR Compound, Visayas Avenue, Diliman, Quezon City 1116  
Telephone Nos.: 927-15-17, 928-37-42  
Email : emb@emb.gov.ph  
Visit us at <http://www.emb.gov.ph>

**Subject: Amendment of Environmental Compliance Certificate  
(ECC) Reference No. 0511-013-206**

**Dear Mr. Choi:**

This refers to your request for amendment of the Environmental Compliance Certificate (ECC) No. 0511-013-206 issued on December 06, 2006 for your 2 x 100 MW Coal Fired Thermal Power Plant Project located in the Municipality of Naga in the Province of Cebu.

Based on the review and evaluation of the submitted Environmental Performance Report and Management Plan (EPRMP), your request is hereby granted. Thus the coverage of your ECC is modified as follows:

"Construction of a pier extension and unloading facility with approximate length of 110 meters in the SSW geographical direction and will have an approximate width of 14 meters, to be located at Barangay Colon, Naga, Cebu."

Please be reminded that you need to submit a revised Environmental Management Plan (EMP) and Environmental Monitoring Plan (EMoP) to cover the construction and operation of the project. All other conditions stipulated in your ECC shall remain in force unless otherwise revoked in writing. Non-compliance to any of the condition shall cause the imposition of corresponding penalties. Any further expansion or modifications of the currently approved operations will be subject to Environmental Impact Assessment (EIA) requirements.

Very truly yours,

  
**JULIAN D. AMADOR**  
Director

cc: EMB Region VII

O.R. No. 58590020  
Amount Php 4,000.00  
Date July 3, 2009

eiaserver/Czarina/Letters/July/Amendment\_KEPCO

*Protect the environment... Protect life...*



Republic of the Philippines  
Department of Environment and Natural Resources  
**ENVIRONMENTAL MANAGEMENT BUREAU**  
DENR Compound, Visayas Avenue, Dilliman, Quezon City 1116  
Telephone Nos.: 925-47-93 to 97  
Email : emb@emb.gov.ph  
Visit us at <http://www.emb.gov.ph>

**NOV 03 2010**  
**Moon, Jong Woo**  
Vice President  
**KEPCO SPC POWER CORPORATION**  
Bgy. Colon, Naga, Cebu City

**Dear Sir:**

This refers to your letter, requesting for the establishment of two (2) instead of four (4) Ambient Air Quality Monitoring Systems (AAQMS) as required in condition no. 3.7 of the ECC (Ref. No. ECC-CO-0511-013-206) granted for your 2x100 MW Coal Fired Power Plant located in Brgy. Colon, Naga, Cebu City.

Please be informed that Section 1 of Rule XXVI of DAO 2000-81 states: "(ambient) sampling shall be conducted either at the property line or at a downwind distance of five (5) to twenty (20) times the stack height, whichever is more stringent. However, the Bureau may approve the adoption of a different procedure in the choice of the location of the monitoring equipment depending upon the physical surrounding and other relevant factors where the sampling is to be conducted"

Based on review of the data submitted, this Office grants you the installation of two (2) continuous ambient air quality monitoring station provided that the following conditions shall be met:

- 1) Installation of continuous automatic monitoring stations (CAMS) be located for Station 1 in the Barangay North Poblacion Area to consider the dispersion modeling results of the prevailing wind and Station 2 in Colon Barangay Hall, to determine the air quality within the nearby populace. The CAMS should have meteorological monitoring equipment at 10 meters distance above the ground.
- 2) Establish trending on the data collected after a year and determine performance and accuracy of the monitoring stations.
- 3) Establish manual collection for TSP, NO<sub>2</sub> and SO<sub>2</sub> at the ff. stations 1) Basketball Court, Brgy Tangke, Naga City, Cebu 2) National Road corner Aliganga St., perimeter fence of SPC Power Plant, Naga City, Cebu 3) At the back of the Ash Pond near pier (40 meter away from SPC Conveyor System, Naga City, Cebu 4) Infront of Mangkikis Chapel, Sitio Mangkikis, Brgy. Tangke, Naga City, Cebu.
- 4) Review the sampling site at the National Road and determine whether or not the results are bias to motor vehicle emissions.

Please be guided accordingly.

  
ATTY. MICHAEL T. OMBIA

ATTN: JOHN MIA I. GUNA  
OIC, EMB/ Director

ElAstaff/Czarina/letters/2010/October/KEPCO\_AAQMS

*Protect the environment...Protect life...*





Department of Environment and Natural Resources  
**ENVIRONMENTAL MANAGEMENT BUREAU**  
 DENR Compound, Visayas Avenue, Diliman, Quezon City 1118  
 Tel.Nos. (632)927-1517; 928-3725; Fax No.(632)920-2258  
 Website: [www.emb.gov.ph](http://www.emb.gov.ph) Email: [recordsco@emb.gov.ph](mailto:recordsco@emb.gov.ph)



Management System  
 ISO 9001:2015  
 ISO 14001:2015  
 www.tuv.com  
 ID 910802327



May 11, 2021

**Mr. Tae Ho Kim**  
 Vice President and Plant Manager  
**KEPCO-SALCON POWER CORP.**  
 7<sup>th</sup> Floor Citibank Center  
 8741 Paseo de Roxas, Makati City  
[e.sevilla@kepcospc.com](mailto:e.sevilla@kepcospc.com)/[n.miral@kepcospc.com](mailto:n.miral@kepcospc.com)

**SUBJECT : REFLECTING THE ACTUAL CAPACITY FROM 2 X 100 MW TO 2 X 103 MW IN THE ENVIRONMENTAL COMPLIANCE CERTIFICATE (ECC-CO-0511-013-206)**

Dear Mr. Tae Ho Kim:

This refers to your submitted Project Description Report and Environmental Management Plan as support to your request to reflect the actual power generation capacity in the ECC-CO-0511-013-206 for your Coal-Fired Power Plant located in Naga City, Cebu. Based on the evaluation of submitted document, providing i.e. the name plate of the installed generators and permit to operate, it has been determined that there have been no modifications in its project components and the additional (2x3MW) have been considered in the Environmental Management Plan of the previously approved EIS. Hence, this Office hereby reflected the aforementioned capacity in the mentioned ECC as follows:

ECC-CO-0511-013-206 issued December 05, 2005	Capacity in the ECC	Actual Capacity
	2 x 100 MW	2 x 103 MW

Nevertheless, please be reminded that the emissions generated from the said units shall not exceed the permissible limits set under Section 19 of RA 8749 otherwise known as the Philippine Clean Air Act of 1999 and that all other conditions stipulated in the above-cited ECC shall remain enforce unless otherwise revised in writing. Further, any expansion and/or modification of approved operations shall be subjected to a new Environmental Impact Assessment (EIA) requirement.

Sincerely yours,

  
**ENGR. WILLIAM P. CUÑADO**  
 Director



Amount: Php 1000.00  
 OR No.: 2397372 / 2199344  
 Date : JUN 22 2021

Cc: EMB Region VII  
 IIS CO-2021-010471

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex J*

*(KSPC Provisional Authority to Operate with Annexes)*



*Republic of the Philippines*  
**ENERGY  
REGULATORY  
COMMISSION**

---

03 February 2021

**MR. JONG RYOON YOON**

*President & CEO*

**KEPCO SPC POWER CORPORATION (KSPC)**  
7th Floor, Cebu Holdings Center, Cebu Business Park  
Cebu City

**Dear Mr. Yoon:**

This refers to the application for the renewal of Certificate of Compliance (COC) in favor of KEPCO SPC Power Corporation (KSPC) for its 221.00 MW Cebu Coal Fired Thermal Power Plant (CFTPP) and its 544.80 KW Emergency Diesel Generating Set located in Brgy. Colon, City of Naga, Cebu.

After due deliberation on 03 February 2021, the Commission deemed it proper to issue a Provisional Authority to Operate (PAO) to KSPC's 221.00 MW Cebu Coal Fired Thermal Power Plant (CFTPP) and its 544.80 KW Emergency Diesel Generating Set for a period of one (1) year from **20 February 2021 to 19 February 2022**, *contingent on the validity of permits and licenses issued by the other government agencies, and pending compliance with and submission of the following:*

- a. Final Certificate of Approval to Connect (FCATC) to be issued by the National Grid Corporation of the Philippines (NGCP);
- b. Amended WESM Registration to reflect the ramp rates based on the Generating Unit Capability Test (GUCT) Certificate issued by NGCP;
- c. Business Permit for year 2021 issued by the City of Naga;
- d. Amended Certificate of Endorsement – Power Development Plan (COE-PDP) to be issued by the Department of Energy (DOE); and

- e. Amended Environment Compliance Certificate (ECC) to be issued by the Department of Environment and Natural Resources (DENR).

Please be reminded that the issuance of this PAO is subject to the terms and conditions embodied in Annex A hereof. Annex B (Technical Specifications) is also attached for your reference.

Non-compliance with any of the above terms and conditions will be sufficient ground for the suspension or cancellation of this PAO and/or the imposition of fines and penalties under Article III of the "Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of R.A. No. 9136".

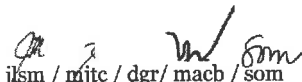
KSPC is further directed to inform and explain to the Commission in writing, no later than forty-five (45) days prior to the expiration of the PAO, of its inability to submit the aforementioned documents. Extension of the validity of the PAO shall be on a case to case basis.

For your information and strict compliance.

For and By Authority of the Commission:



  
**AGNES VST DEVANADERA**  
*Chairperson and CEO*

  
jlsn / mjtc / dgr / mach / som  
Reference No.: 2021-C2-E-119



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**Name of Generation Company** : KEPCO SPC Power Corporation (KSPC)  
**Name of Generation Facility** : 221.00 MW Cebu Coal Fired Thermal Power Plant (CFTPP) and its 544.80 KW Emergency Diesel Generating Set  
**Date of Issuance** : 03 February 2021

**TERMS AND CONDITIONS  
OF THE PROVISIONAL AUTHORITY TO OPERATE (PAO)**

1. This Provisional Authority to Operate (PAO)<sup>1</sup> is issued in favor of KEPCO SPC Power Corporation (KSPC) for its 221.00 MW Cebu Coal Fired Thermal Power Plant (CFTPP) and its 544.80 KW Emergency Diesel Generating Set, valid from 20 February 2021 to 19 February 2022, and *contingent on the validity of permits and licenses issued by other government agencies.*

This is pending KSPC's compliance with and submission of the following within the term of the PAO:

- a. Final Certificate of Approval to Connect (FCATC) to be issued by the National Grid Corporation of the Philippines (NGCP);
- b. Amended WESM Registration to reflect the ramp rates based on the Generating Unit Capability Test (GUCT) Certificate issued by NGCP;
- c. Business Permit for the year 2021 issued by the City of Naga;
- d. Amended Certificate of Endorsement – Power Development Plan (COE-PDP)<sup>2</sup> to be issued by the Department of Energy (DOE); and
- e. Amended Environment Compliance Certificate (ECC)<sup>3</sup> to be issued by the Department of Environment and Natural Resources (DENR).

The PAO shall be accompanied by all the required information disclosure and proof of conformity to the obligations set forth in the 2014 Revised Rules for the Issuance of COCs for Generation Companies, Qualified End-Users and Entities with Self-Generation Facilities<sup>4</sup>;

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<sup>1</sup> Section 3, Article V of the 2014 Revised Rules for the Issuance of Certificate of Compliance for Generation Companies, Qualified End-Users and Entities with Self-Generation Facilities (2014 Revised COC Rules);

<sup>2</sup> To reflect the actual installed capacity from 200MW to 221.00MW

<sup>3</sup> To amend the proponent's name from KEPCO-Salcon Power Corporation to KEPCO SPC Power Corporation and to reflect the actual installed capacity from 200MW to 221.00MW

<sup>4</sup> Section 4, Article V of the ERC Resolution No. 16, Series of 2014; "A Resolution Adopting the Revised Rules for the Issuance of Certificate of Compliance for Generation Companies, Qualified End-Users and Entities with Self-Generation Facilities (2014 Revised COC Rules)";

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## ANNEX - A

2. An amended PAO shall be required for any addition, replacement, expansion or conversion of unit/s, as well as any change in capacity as a result of the repowering of any of the Generation Company's facilities and any Stand-by/Back-up facilities it operates. Accordingly, the Generation Company or licensee shall apply for amendment of its PAO. The amended PAO issued pursuant to said expansion, conversion, repowering shall have a term equivalent to the remaining life of the PAO of the Generation Company<sup>5</sup>;
3. The Generation Company, or any of its subsidiaries and affiliates shall not hold any interest, directly or indirectly, in the National Grid Corporation of the Philippines (NGCP)<sup>6</sup>;
4. No Generation Company can own, operate or control more than thirty percent (30%) of the installed generating capacity of a Grid and/or twenty-five percent (25%) of the national installed generating capacity<sup>7</sup>;
5. The Generation Company shall not sell to an affiliate Distribution Utility through bilateral power supply contracts more than fifty percent (50%) of that Distribution Utility's total demand<sup>8</sup>;
6. The Generation Company shall offer and sell to the public a portion not less than fifteen percent (15%) of their common shares of stocks, except where a Generation Company or its holding company is listed in the Philippine Stock Exchange<sup>9</sup>;
7. Within thirty (30) days from public offering, the Generation Company shall submit reports on the extent of its compliance, together with proofs showing the number of shares of stock listed, registered or offered for sale, names of the shareholders/purchasers presently owning said shares of stock and other relevant information for monitoring and verification purposes<sup>10</sup>;
8. The Generation Company shall ensure that all its facilities meet the technical design and operational criteria of the Grid Code and Distribution Code promulgated by the ERC, Philippine Electrical Code, and the system requirements of the NGCP, including, among others, standards for voltage fluctuation, frequency, harmonics, security, reliability, unplanned outages and

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<sup>5</sup> Section 2 (vii), Article I of the 2014 Revised COC Rules;

<sup>6</sup> (1) Section 45 of the Republic Act (RA) 9136; "An Act Ordaining Reforms In The Electric Power Industry, Amending For The Purpose Certain Laws And For Other Purposes"; (2) Section 1 (a), Article II of the 2014 Revised COC Rules;

<sup>7</sup> Section 45 (a) of RA 9136; Section 1 (b.2), Article II of the 2014 Revised COC Rules;

<sup>8</sup> Section 45 (b) of RA 9136; Section 1 (b.3), Article II of the 2014 Revised COC Rules;

<sup>9</sup> Section 43 (t) of RA 9136; Section 1 (c), Article II of the 2014 Revised COC Rules; ERC Resolution 9, Series of 2011, "A Resolution Adopting the Rules Requiring Generation Companies and Distribution Utilities which are not Publicly Listed to Offer and Sell to the Public a Portion of Not Less than Fifteen Percent (15%) of their Common Shares of Stock Pursuant to Section 43(t) of Republic Act No. 9136 and Rule 3, Section 4 (m) of its Implementing Rules and Regulations (2011 Initial Public Offering Rules)";

<sup>10</sup> Article IV of the 2011 Initial Public Offering (IPO) Rules;

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## ANNEX - A

provision of ancillary services and shall operate in accordance with such operational criteria<sup>11</sup>;

9. The Generation Company which develops and owns or operates a dedicated point-to-point limited transmission or distribution facilities for the purpose of connecting to the transmission or distribution system, respectively, shall secure prior authorization by the ERC<sup>12</sup>;
10. The Generation Company with facilities connected to the Grid shall conform to the Guidelines for the Financial Standards of Generation Companies (Financial Guidelines).<sup>13</sup> Similar compliance shall be expected from the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.) appointed Independent Power Producer Administrator (IPPA) of Generation Facilities connected to the grid<sup>14</sup>;
11. The Generation Company/Facility shall provide financial benefits pursuant to Rule 29A of the IRR of RA 9136, unless otherwise exempted by law<sup>15</sup>;
12. The Generation Company with facilities connected to a transmission or distribution system shall comply with the membership criteria as prescribed under the Wholesale Electricity Spot Market (WESM) Rules and Manuals<sup>16</sup>;
13. The Generation Company shall ensure that its Generation Facilities comply with applicable environmental laws, rules and regulations<sup>17</sup>;
14. On or before the 30<sup>th</sup> day of January of each year, the Generation Company and IPPAs shall submit to ERC a Generation Company Management Report (GCMR)<sup>18</sup> which shall contain the following:
  - (i) Report on capacity utilization, electricity dispatch/sales volume, maintenance schedules, and unscheduled downtimes during the period;
  - (ii) Report on bilateral agreements entered into during the period, including copies thereof;
  - (iii) Report on energy revenues during the previous calendar year, detailing volumes, the identity/ies of the buyer/s and prices broken down as follows: 1) fuel costs; 2) fixed operating and maintenance expenses; 3) variable operating and maintenance expenses; and 4) capital recovery charge; and

<sup>11</sup> Section 1 (paragraph 1), Article IV of the 2014 Revised COC Rules;

<sup>12</sup> Section 9 (f) of RA 9136; Section 1 (paragraph 2), Article IV of the 2014 Revised COC Rules;

<sup>13</sup> Section 2, Article IV of the 2014 Revised COC Rules; ERC Resolution 6, Series of 2005; "Guidelines for the Financial Standards of Generation Companies (Financial Guidelines)";

<sup>14</sup> Section 2 (ii), Article I of the 2014 Revised COC Rules;

<sup>15</sup> Section 66 of RA 9136; Rule 29A of RA 9136; Section 7, Article IV of the 2014 Revised COC Rules;

<sup>16</sup> Section 8 (paragraph 1), Article IV of the 2014 Revised COC Rules;

<sup>17</sup> Section 65 of RA 9136; Section 3, Article IV of the 2014 Revised COC Rules;

<sup>18</sup> Section 10 (a), Article IV of the 2014 Revised COC Rules;

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## ANNEX - A

- (iv) Information on individual units' Rated Capacity, Maximum Stable Load (Pmax), Minimum Stable Load (Pmin), Minimum and Maximum Ramp Up Rate, Minimum and Maximum Ramp Down Rate and Heat Rate, if applicable;
15. Within thirty (30) days from the filing of its Income Tax Return with the Bureau of Internal Revenue, the Generation Company and IPPA shall submit a complete set of its audited financial statements (i.e., balance sheet, income statement, statement of cash flows, notes), including the audit opinion and the statement of management's responsibility on the financial statements. The income statement should include a detailed schedule of operating expenses for the period<sup>19</sup>;
16. Within three (3) days from the occurrence, the Generation Company shall submit a written disclosure to ERC of the fact or event which results in a material change concerning or potentially affecting the company's ownership, management, operations, financial condition and performance as well as its impact on the company<sup>20</sup>;
17. Any change in the Pmax, Pmin, Ramp-Up Rate, Ramp-Down Rate and Heat Rate, if applicable, shall be supported by the results of capacity and performance tests conducted by a third party acceptable to the ERC<sup>21</sup>;
18. The Generation Company with Generation Facilities connected to a grid or distribution system shall provide for the essential pieces of information necessary to enable the Market Operator to implement the appropriate dispatch scheduling and shall comply with the said scheduling in accordance with the WESM Rules<sup>22</sup>;
19. The Generation Company shall likewise provide information to NGCP or System Operator to facilitate its central dispatch. Subject to technical constraints, the System Operator of the NGCP shall provide central dispatch to a Generation Facility connected, directly or indirectly, to the transmission or distribution system, if applicable, in accordance with the dispatch schedule submitted by the Market Operator<sup>23</sup>;
20. The Generation Company shall submit to the DOE any information as may be required by the DOE for the preparation of the Power Development Program (PDP) and in determining the adequacy, reliability, security, and affordability of the supply of electric power, subject to appropriate measures to preserve the confidentiality of proprietary or commercially sensitive information<sup>24</sup>;
21. The Generation Company shall ensure that its Generation Facilities comply with all applicable laws, rules and regulations;

<sup>19</sup> Section 10 (e), Article IV of the 2014 Revised COC Rules;

<sup>20</sup> Section 10 (c), Article IV of the 2014 Revised COC Rules;

<sup>21</sup> Section 10 (d), Article IV of the 2014 Revised COC Rules;

<sup>22</sup> Section 8 (paragraph 2), Article IV of the 2014 Revised COC Rules;

<sup>23</sup> Section 8 (paragraph 3), Article IV of the 2014 Revised COC Rules;

<sup>24</sup> Section 37 (c) of RA 9136; Section 9, Article IV of the 2014 Revised COC Rules;

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**ANNEX - A**

22. The Generation Company shall structurally and functionally unbundle its generation business activities and rates from its supply and/or related businesses in accordance with the Business Separation Guidelines, as amended<sup>25</sup>;
23. The Generation Company shall comply with other issuances and directives that the Energy Regulatory Commission may issue from time to time pursuant to its quasi-legislative functions.

The generation of electric power is an industry affected with public interest. As such, non-compliance with any of the above terms and conditions will be sufficient ground for the suspension or cancellation of this PAO and/or fine and penalties as may be imposed by ERC under Article III of the "Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of R.A. No. 9136".

Pasig City, 03 February 2021.

CONFORME:

\_\_\_\_\_  
Duly Authorized Signatory / Date  
KEPCO SPC Power Corporation (KSPC)

<sup>25</sup> Section 36 of RA 9136; ERC Resolution No. 49, Series of 2006, "A Resolution Amending the Business Separation Guidelines (BSG)".

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**Name of Generation Company :** KEPCO SPC Power Corporation (KSPC)  
**Name of Generation Facility :** 221.00 MW Cebu Coal Fired Thermal Power Plant (CFTPP) and its 544.80 kW Emergency Diesel Generating Set  
**Date of Issuance :** 03 February 2021

**TECHNICAL SPECIFICATION**

<b>PARTICULARS</b>	<b>SPECIFICATIONS</b>
Rated Capacity (MW)	221.00
Dependable Capacity (MW)	206.00
Maximum Stable Load (Pmax) (MW)	206.00
Minimum Stable Load (Pmin) (MW)	76.00
Ramp Up Rate (MW/min)	Unit 1: 0.99 Unit 2: 1.10
Ramp Down Rate (MW/min)	Unit 1: 0.98 Unit 2: 1.05

**Unit No. :** 1  
**Generator Manufacturer :** Fuji Electric Systems Co. Ltd.  
**Serial No. :** K1B16583L11  
**Turbine Manufacturer :** Fuji Electric Systems Co. Ltd  
**Serial No. :** K1B16583G1  
**Commissioning Date :** 08 October 2010

<b>GENERATOR</b>	<b>SPECIFICATIONS</b>
Rated Capacity (MW)	110.500
Dependable Capacity (MW)	103.00
Maximum Stable Load (Pmax) (MW)	103.00
Minimum Stable Load (Pmin) (MW)	38.00
Ramp Up Rate (MW/min)	0.990
Ramp Down Rate (MW/min)	0.980
<b>TURBINE</b>	<b>SPECIFICATIONS</b>
Rated Capacity (MW)	103.00
Speed (RPM)	3,600
Type	Reaction Reheat Condensing Type

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**ANNEX - B**

**Unit No.** : 2  
**Generator Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583L21  
**Turbine Manufacturer** : Fuji Electric Systems Co. Ltd  
**Serial No.** : K1B 16583G2  
**Commissioning Date** : 22 December 2010

<b>GENERATOR</b>		<b>SPECIFICATIONS</b>	
Rated Capacity (MW)		110.500	
Dependable Capacity (MW)		103.00	
Maximum Stable Load (Pmax) (MW)		103.00	
Minimum Stable Load (Pmin) (MW)		38.00	
Ramp Up Rate (MW/min)		1.100	
Ramp Down Rate (MW/min)		1.050	
<b>TURBINE</b>		<b>SPECIFICATIONS</b>	
Rated Capacity (MW)		103.00	
Speed (RPM)		3,600	
Type		Reaction Reheat Condensing Type	

**Emergency Diesel Engine Generating Set (EDEGS)**

**Generator Manufacturer** : Caterpillar  
**Serial No.** : L7A02561  
**Engine Manufacturer** : Caterpillar  
**Serial No.** : STH06579

<b>GENERATOR</b>		<b>SPECIFICATIONS</b>	
Rated Capacity (kW)		544.80	
Speed (RPM)		1,800	
<b>ENGINE</b>		<b>SPECIFICATIONS</b>	
Rated Capacity (kW)		545	
Speed (RPM)		1,800	
Type		Internal Combustion	
Fuel		Diesel	

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*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPSCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPSCO SPC POWER CORPORATION (KSPC),”*

# *Annex J-1*

*(KSPC PAO Extension Letter with Annex)*



Republic of the Philippines  
**ENERGY  
REGULATORY  
COMMISSION**

11 March 2022

**MR. DALHUN LEE**

*President*

**KEPCO SPC Power Corporation (KSPC)**

7th Floor, Cebu Holdings Center

Cebu Business Park, Cebu City

Dear **Mr. Lee**:

This refers to the application of **KEPCO SPC Power Corporation (KSPC)** for the renewal of the Certificate of Compliance (COC) for its **221.000 MW Cebu Coal-Fired Thermal Power Plant (Cebu CF TPP)** and its **0.545 MW Emergency Diesel Engine Generating Unit (EDEGU)** located at Brgy. Colon, City of Naga, Province of Cebu.

After due deliberation on **11 March 2022**, the Commission deemed it proper to issue the first (1<sup>st</sup>) extension of Provisional Authority to Operate (PAO) to the aforementioned generation facility of KSPC for a period of one (1) year from **20 February 2022 to 19 February 2023**, *contingent on the validity of permits and licenses issued by other government agencies.*

The 1<sup>st</sup> extension of PAO was granted pending KSPC's compliance with and submission of the following:

- a. Final Certificate of Approval to Connect (FCATC) from the National Grid Corporation of the Philippines (NGCP), within thirty (30) days from receipt thereof, but not later than one (1) month prior to the expiration of the PAO;
- b. Compliance with the directives to be set by the Commission once it resolves KSPC'S letter request for derogation;
- c. Renewed Business Permits (BPs) from the Cities of Naga and Cebu, within thirty (30) days from receipt thereof; and

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Pacific Center Building, San Miguel Avenue, Ortigas Center 1605, Pasig City  
Metro Manila, Philippines  
Tel. No. (02) 8689-5372

Email Address: [records@erc.ph](mailto:records@erc.ph); [records@erc.gov.ph](mailto:records@erc.gov.ph)  
ERC Website: [www.erc.gov.ph](http://www.erc.gov.ph)

Facebook: [www.facebook.com/ERCgovPH](http://www.facebook.com/ERCgovPH)  
Twitter: [www.twitter.com/ERCgovPH](http://www.twitter.com/ERCgovPH)

- d. Amended Certificate of Endorsement – Power Development Plan (COE-PDP) from the Department of Energy (DOE), not later than one (1) month prior to the expiration of the PAO.

Further, KSPC is directed to submit the following:

1. Annual Work Program (AWP) from its host beneficiaries in relation to ER 1-94 compliance, pursuant to Department Circular No. DC2018-08-0021 (Providing for the Amendment to Rule 29 Part (A) of the Implementing Rules and Regulations of Republic Act No. 9136), not later than one month prior to the expiration of the PAO; and
2. Proof of filing of application for the amendment of its COE-PDP, via the Energy Virtual One-Stop Shop (EVOSS), within sixty (60) days from receipt of the PAO.

Please be reminded that the issuance of this PAO is subject to the terms and conditions embodied in Annex A hereof. Annex B (Technical Specifications) is also attached for your reference.

Non-compliance with any of the above terms and conditions will be sufficient ground for the suspension or cancellation of this PAO and/or the imposition of fines and penalties under Article III of the “Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of R.A. No. 9136.”


KSPC is further directed to inform and explain to the Commission in writing, no later than forty-five (45) days prior to the expiration of the PAO, of its inability to submit the aforementioned documents. Extension of the validity of the PAO shall be on a case-to-case basis.

For your information and strict compliance.

For and By Authority of the Commission:



  
**AGNES VST DEVANADERA**  
Chairperson and CEO

  
cdaa / jmal / mjt / r / mach / SOM  
Reference No.: 2022-C2-E-484L

Pacific Center Building, San Miguel Avenue, Ortigas Center 1605, Pasig City  
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ERC Website: [www.erc.gov.ph](http://www.erc.gov.ph)

Facebook: [www.facebook.com/ERCgovPH](https://www.facebook.com/ERCgovPH)  
Twitter: [www.twitter.com/ERCgovPH](https://www.twitter.com/ERCgovPH)



**Name of Generation Company** : **KEPCO SPC Power Corporation (KSPC)**  
**Name of Generation Facility** : **221.000 MW Cebu Coal-Fired Thermal Power Plant (Cebu CFTPP) and its 0.545 MW Emergency Diesel Engine Generating Unit (EDEGU)**  
**Date of Issuance** : **11 March 2022**

**TERMS AND CONDITIONS  
OF THE PROVISIONAL AUTHORITY TO OPERATE (PAO)**

1. This Provisional Authority to Operate (PAO)<sup>1</sup> is issued in favor of **KEPCO SPC Power Corporation (KSPC)** for its **221.000 MW Cebu Coal-Fired Thermal Power Plant (Cebu CFTPP) and its 0.545 MW Emergency Diesel Engine Generating Unit (EDEGU)**, valid from **20 February 2022 to 19 February 2023**, *contingent on the validity of permits and licenses issued by other government agencies.*  
  
This is pending KSPC's compliance with and submission of the following:
  - a. Final Certificate of Approval to Connect (FCATC) from the National Grid Corporation of the Philippines (NGCP), within thirty (30) days from receipt thereof, but not later than one (1) month prior to the expiration of the PAO;
  - b. Compliance with the directives to be set by the Commission once it resolves KSPC's letter request for derogation;
  - c. Renewed Business Permits (BPs) from the Cities of Naga and Cebu, within thirty (30) days from receipt thereof; and
  - d. Amended Certificate of Endorsement – Power Development Plan (COE-PDP) from the Department of Energy (DOE), not later than one (1) month prior to the expiration of the PAO.
  
2. An amended PAO shall be required for any addition, replacement, expansion, or conversion of unit/s, as well as any change in capacity as a result of the repowering of any of the Generation Company's facilities and any Stand-by/Back-up facilities it operates. Accordingly, the Generation Company or licensee shall apply for amendment of its PAO. The amended PAO issued pursuant to said expansion, conversion or repowering shall have a term equivalent to the remaining life of the PAO of the Generation Company<sup>2</sup>;

<sup>1</sup> Section 3, Article V of the *2014 Revised Rules for the Issuance of Certificate of Compliance for Generation Companies, Qualified End-Users, and Entities with Self-Generation Facilities (2014 Revised COC Rules)*;

<sup>2</sup> Section 2 (vii), Article I of the 2014 Revised COC Rules;

## ANNEX - A

3. The Generation Company, or any of its subsidiaries and affiliates shall not hold any interest, directly or indirectly, in the National Grid Corporation of the Philippines (NGCP)<sup>3</sup>;
4. No Generation Company can own, operate or control more than thirty percent (30%) of the installed generating capacity of a Grid and/or twenty-five percent (25%) of the national installed generating capacity<sup>4</sup>;
5. The Generation Company shall not sell to an affiliate Distribution Utility through bilateral power supply contracts more than fifty percent (50%) of that Distribution Utility's total demand<sup>5</sup>;
6. The Generation Company shall offer and sell to the public a portion not less than fifteen percent (15%) of their common shares of stocks, except where a Generation Company or its holding company is listed in the Philippine Stock Exchange<sup>6</sup>;
7. Within thirty (30) days from public offering, the Generation Company shall submit reports on the extent of its compliance, together with proofs showing the number of shares of stock listed, registered, or offered for sale, names of the shareholders/purchasers presently owning said shares of stock and other relevant information for monitoring and verification purposes<sup>7</sup>;
8. The Generation Company shall ensure that all its facilities meet the technical design and operational criteria of the Grid Code and Distribution Code promulgated by the ERC, Philippine Electrical Code, and the system requirements of the NGCP, including, among others, standards for voltage fluctuation, frequency, harmonics, security, reliability, unplanned outages, and provision of ancillary services and shall operate in accordance with such operational criteria<sup>8</sup>;
9. The Generation Company which develops and owns or operates a dedicated point-to-point limited transmission or distribution facilities for the purpose of connecting to the transmission or distribution system, respectively, shall secure prior authorization by the ERC<sup>9</sup>;

<sup>3</sup> (1) Section 45 of the Republic Act (RA) 9136: "*An Act Ordaining Reforms in The Electric Power Industry, Amending for The Purpose Certain Laws and for Other Purposes*"; (2) Section 1 (a). Article II of the 2014 Revised COC Rules;

<sup>4</sup> Section 45 (a) of RA 9136: Section 1 (b.2). Article II of the 2014 Revised COC Rules;

<sup>5</sup> Section 45 (b) of RA 9136: Section 1 (b.3). Article II of the 2014 Revised COC Rules;

<sup>6</sup> Section 43 (t) of RA 9136: Section 1 (c). Article II of the 2014 Revised COC Rules; ERC Resolution 9, Series of 2011. "*A Resolution Adopting the Rules Requiring Generation Companies and Distribution Utilities which are not Publicly Listed to Offer and Sell to the Public a Portion of Not Less than Fifteen Percent (15%) of their Common Shares of Stock Pursuant to Section 43(t) of Republic Act No. 9136 and Rule 3, Section 4 (m) of its Implementing Rules and Regulations (2011 Initial Public Offering Rules)*";

<sup>7</sup> Article IV of the 2011 Initial Public Offering (IPO) Rules;

<sup>8</sup> Section 1 (paragraph 1). Article IV of the 2014 Revised COC Rules;

<sup>9</sup> Section 9 (f) of RA 9136; Section 1 (paragraph 2). Article IV of the 2014 Revised COC Rules;

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## ANNEX - A

10. The Generation Company with facilities connected to the Grid shall conform to the Revised Guidelines for the Financial Capability Standards of Generation Companies (Revised Financial Guidelines)<sup>10</sup>. Similar compliance shall be expected from the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.) appointed Independent Power Producer Administrator (IPPA) of Generation Facilities connected to the grid<sup>11</sup>;
11. The Generation Company/Facility shall provide financial benefits pursuant to Rule 29A of the IRR of RA 9136, unless otherwise exempted by law<sup>12</sup>;
12. The Generation Company with facilities connected to a transmission or distribution system shall comply with the membership criteria as prescribed under the Wholesale Electricity Spot Market (WESM) Rules and Manuals<sup>13</sup>;
13. The Generation Company shall ensure that its Generation Facilities comply with applicable environmental laws, rules, and regulations<sup>14</sup>;
14. On or before the 30<sup>th</sup> day of January of each year, the Generation Company and IPPAs shall submit to ERC a Generation Company Management Report (GCMR)<sup>15</sup> which shall contain the following:
  - (i) Report on capacity utilization, electricity dispatch/sales volume, maintenance schedules, and unscheduled downtimes during the period;
  - (ii) Report on bilateral agreements entered into during the period, including copies thereof;
  - (iii) Report on energy revenues during the previous calendar year, detailing volumes, the identity/ies of the buyer/s and prices broken down as follows: 1) fuel costs; 2) fixed operating and maintenance expenses; 3) variable operating and maintenance expenses; and 4) capital recovery charge; and,
  - (iv) Information on individual units' Rated Capacity, Maximum Stable Load (Pmax), Minimum Stable Load (Pmin), Minimum and Maximum Ramp Up Rate, Minimum and Maximum Ramp Down Rate and Heat Rate, if applicable;
15. Within thirty (30) days from the filing of its Income Tax Return with the Bureau of Internal Revenue, the Generation Company and IPPA shall submit a complete set of its audited financial statements (i.e., balance sheet, income statement, statement of cash flows, notes), including the audit opinion and the statement of management's responsibility on the financial statements. The

<sup>10</sup> Section 2, Article IV of the 2014 Revised COC Rules; ERC Resolution No. 03, Series of 2021, "*A Resolution Adopting the Revised Guidelines for the Financial Capability Standards of Generation Companies*";

<sup>11</sup> Section 2 (ii), Article I of the 2014 Revised COC Rules;

<sup>12</sup> Section 66 of RA 9136; Rule 29A of RA 9136; Section 7, Article IV of the 2014 Revised COC Rules;

<sup>13</sup> Section 8 (paragraph 1), Article IV of the 2014 Revised COC Rules;

<sup>14</sup> Section 65 of RA 9136; Section 3, Article IV of the 2014 Revised COC Rules;

<sup>15</sup> Section 10 (a), Article IV of the 2014 Revised COC Rules;

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## ANNEX - A

income statement should include a detailed schedule of operating expenses for the period<sup>16</sup>;

16. Within three (3) days from the occurrence, the Generation Company shall submit a written disclosure to ERC of the fact or event which results in a material change concerning or potentially affecting the company's ownership, management, operations, financial condition, and performance as well as its impact on the company<sup>17</sup>;
17. Any change in the Pmax, Pmin, Ramp-Up Rate, Ramp-Down Rate and Heat Rate, if applicable, shall be supported by the results of capacity and performance tests conducted by a third party acceptable to the ERC<sup>18</sup>;
18. The Generation Company with Generation Facilities connected to a grid or distribution system shall provide for the essential pieces of information necessary to enable the Market Operator to implement the appropriate dispatch scheduling and shall comply with the said scheduling in accordance with the WESM Rules<sup>19</sup>;
19. The Generation Company shall likewise provide information to NGCP or System Operator to facilitate its central dispatch. Subject to technical constraints, the System Operator of the NGCP shall provide central dispatch to a Generation Facility connected, directly or indirectly, to the transmission or distribution system, if applicable, in accordance with the dispatch schedule submitted by the Market Operator<sup>20</sup>;
20. The Generation Company shall submit to the DOE any information as may be required by the DOE for the preparation of the Power Development Program (PDP) and in determining the adequacy, reliability, security, and affordability of the supply of electric power, subject to appropriate measures to preserve the confidentiality of proprietary or commercially sensitive information<sup>21</sup>;
21. The Generation Company shall ensure that its Generation Facilities comply with all applicable laws, rules, and regulations;
22. The Generation Company shall structurally and functionally unbundle its generation business activities and rates from its supply and/or related businesses in accordance with the Business Separation Guidelines, as amended<sup>22</sup>; and,

---

<sup>16</sup> Section 10 (e). Article IV of the 2014 Revised COC Rules;

<sup>17</sup> Section 10 (c). Article IV of the 2014 Revised COC Rules;

<sup>18</sup> Section 10 (d). Article IV of the 2014 Revised COC Rules;

<sup>19</sup> Section 8 (paragraph 2). Article IV of the 2014 Revised COC Rules;

<sup>20</sup> Section 8 (paragraph 3). Article IV of the 2014 Revised COC Rules;

<sup>21</sup> Section 37 (c) of RA 9136; Section 9, Article IV of the 2014 Revised COC Rules;

<sup>22</sup> Section 36 of RA 9136; ERC Resolution No. 49, Series of 2006. "*A Resolution Amending the Business Separation Guidelines (BSG)*".

**ANNEX - A**

23. The Generation Company shall comply with other issuances and directives that the Energy Regulatory Commission may issue from time to time pursuant to its quasi-legislative functions.

The generation of electric power is an industry affected with public interest. As such, non-compliance with any of the above terms and conditions will be sufficient ground for the suspension or cancellation of this PAO and/or fine and penalties as may be imposed by ERC under Article III of the "Guidelines to Govern the Imposition of Administrative Sanctions in the Form of Fines and Penalties Pursuant to Section 46 of R.A. No. 9136".

Pasig City, 11 March 2022.

CONFORME:

\_\_\_\_\_  
Duly Authorized Signatory / Date  
KEPCO SPC Power Corporation (KSPC)

*Sm*



**Name of Generation Company** : **KEPCO SPC Power Corporation (KSPC)**  
**Name of Generation Facility** : **221.000 MW Cebu Coal-Fired Thermal Power Plant (Cebu CFTPP) and its 0.545 MW Emergency Diesel Engine Generating Unit (EDEGU)**  
**Date of Issuance** : **11 March 2022**

**TECHNICAL SPECIFICATIONS**

<b>PARTICULARS</b>	<b>DESCRIPTION</b>
<b>Nameplate Capacity (MW)</b>	Unit 1: 110.500 Unit 2: 110.500 <b>Total: 221.000</b>
<b>Dependable Capacity (MW)<sup>1</sup></b>	Unit 1: 103.000 Unit 2: 103.000 <b>Total: 206.000</b>
<b>Maximum Stable Load (Pmax)<sup>2</sup></b>	Unit 1: 103.0 Unit 2: 103.0 <b>Total: 206.0</b>
<b>Minimum Stable Load (Pmin)<sup>3</sup></b>	Unit 1: 38.0 Unit 2: 38.0 <b>Total: 76.0</b>
<b>Ramp-up rate (MW/min)<sup>4</sup></b>	Unit 1: 0.99 Unit 2: 1.10
<b>Ramp-down rate (MW/min)<sup>5</sup></b>	Unit 1: 0.98 Unit 2: 1.05

<sup>1</sup> Based on the submitted COC Application Form No. 1.

<sup>2</sup> Based on GUCT Certificate issued by the National Grid Corporation of the Philippines (NGCP) on 13 June 2019.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

*Sam*

**ANNEX - B**

**Unit No.** : 1  
**Generator Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583L11  
**Turbine Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583G1  
**Commissioning Date** : 08 October 2010

<b>GENERATOR</b>		<b>SPECIFICATIONS</b>
<b>Rated Capacity (MW)</b>		110.500
<b>Speed (RPM)</b>		3,600
<b>Voltage (kV)</b>		13.800
<b>Frequency (Hz)</b>		60
<b>Power Factor</b>		0.85
<b>TURBINE</b>		<b>SPECIFICATIONS</b>
<b>Rated Capacity (MW)</b>		103.000
<b>Speed (RPM)</b>		3,600
<b>Type</b>		Reaction Reheat Condensing Type Two Casing Single Flow Exhaust

**Unit No.** : 2  
**Generator Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583L21  
**Turbine Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583G2  
**Commissioning Date** : 22 December 2010

<b>GENERATOR</b>		<b>SPECIFICATIONS</b>
<b>Rated Capacity (MW)</b>		110.500
<b>Speed (RPM)</b>		3,600
<b>Voltage (kV)</b>		13.800
<b>Frequency (Hz)</b>		60
<b>Power Factor</b>		0.85
<b>TURBINE</b>		<b>SPECIFICATIONS</b>
<b>Rated Capacity (MW)</b>		103.000
<b>Speed (RPM)</b>		3,600
<b>Type</b>		Reaction Reheat Condensing Type Two Casing Single Flow Exhaust

**ANNEX - B**

**Emergency Diesel Engine Generating Unit (EDEGU)**

**Generator Manufacturer** : Caterpillar  
**Serial No.** : L7A02561  
**Engine Manufacturer** : Caterpillar  
**Serial No.** : CAT00000CG4C04315

<b>Generator</b>	
<b>Rated Capacity (MW)</b>	0.545
<b>Speed (RPM)</b>	1,800
<b>Voltage (kV)</b>	0.480
<b>Frequency (Hz)</b>	60
<b>Power Factor</b>	0.80
<b>Engine</b>	
<b>Rated Capacity (MW)</b>	0.545
<b>Speed (RPM)</b>	1,800
<b>Type</b>	Internal Combustion



## CERTIFICATION

This is to certify that, based on the records of the Energy Regulatory Commission (Commission), the Commission issued the first (1<sup>st</sup>) extension of Provisional Authority to Operate (PAO) in favor of **KEPCO SPC Power Corporation's (KSPC's) 221.000 MW Cebu Coal-Fired Thermal Power Plant (Cebu CFTPP)** located at Brgy. Colon, City of Naga, Province of Cebu for a period of one (1) year from **20 February 2022** to **19 February 2023**, pending compliance with and submission of certain requirements as stipulated in the PAO.

On **21 April 2022**, KSPC received the 1<sup>st</sup> extension of the PAO and its corresponding Annexes A and B. On **26 April 2022**, KSPC requested for the correction of the Dependable Capacity of its Generating Units indicated in the Annex B<sup>1</sup> of the PAO, to reflect the capacities in KSPC's submitted Certificate of Compliance (COC) Application Form No. 1 and 2022 Generation Company Management Report (GCMR).

Relative thereto, KSPC's 221.000 MW Cebu CFTPP's Annex B is hereby modified to adopt the Dependable Capacities as reflected in KSPC's submitted COC Form No. 1 and 2022 GCMR.

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<sup>1</sup> Technical Specifications



Republic of the Philippines  
**ENERGY  
REGULATORY  
COMMISSION**

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This Certification is being issued to **KSPC** for any legal purpose it may serve.

Pasig City, 26 April 2022.

**SHARON O. MONTAÑER**  
*Director III, Market Operations Service*

Reference No.: 2022-C2-E-552L

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Pacific Center Building, San Miguel Avenue, Ortigas Center 1605, Pasig City  
Metro Manila, Philippines  
Tel. No. (02) 8689-5372

Email Address: [records@erc.ph](mailto:records@erc.ph); [records@erc.gov.ph](mailto:records@erc.gov.ph)  
ERC Website: [www.erc.gov.ph](http://www.erc.gov.ph)

Facebook: [www.facebook.com/ERCgovPH](https://www.facebook.com/ERCgovPH)  
Twitter: [www.twitter.com/ERCgovPH](https://www.twitter.com/ERCgovPH)





**Name of Generation Company** : **KEPCO SPC Power Corporation (KSPC)**  
**Name of Generation Facility** : **221.000 MW Cebu Coal-Fired Thermal Power Plant (Cebu CFTPP) and its 0.545 MW Emergency Diesel Engine Generating Unit (EDEGU)**  
**Date of Issuance** : **11 March 2022**  
**Date of Issuance of Amended Annex B** : **26 April 2022**

**TECHNICAL SPECIFICATIONS**

<b>PARTICULARS</b>	<b>DESCRIPTION</b>
<b>Nameplate Capacity (MW)</b>	Unit 1: 110.500 Unit 2: 110.500 <b>Total: 221.000</b>
<b>Dependable Capacity (MW)<sup>1</sup></b>	Unit 1: 93.331 Unit 2: 93.331 <b>Total: 186.662</b>
<b>Maximum Stable Load (Pmax)<sup>2</sup></b>	Unit 1: 103.0 Unit 2: 103.0 <b>Total: 206.0</b>
<b>Minimum Stable Load (Pmin)<sup>3</sup></b>	Unit 1: 38.0 Unit 2: 38.0 <b>Total: 76.0</b>
<b>Ramp-up rate (MW/min)<sup>4</sup></b>	Unit 1: 0.99 Unit 2: 1.10
<b>Ramp-down rate (MW/min)<sup>5</sup></b>	Unit 1: 0.98 Unit 2: 1.05

<sup>1</sup> Based on the submitted COC Application Form No. 1.

<sup>2</sup> Based on GUCT Certificate issued by the National Grid Corporation of the Philippines (NGCP) on 13 June 2019.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

**AMENDED ANNEX - B**

**Unit No.** : 1  
**Generator Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583L11  
**Turbine Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583G1  
**Commissioning Date** : 08 October 2010

GENERATOR	SPECIFICATIONS
Rated Capacity (MW)	110.500
Speed (RPM)	3,600
Voltage (kV)	13.800
Frequency (Hz)	60
Power Factor	0.85
TURBINE	SPECIFICATIONS
Rated Capacity (MW)	103.000
Speed (RPM)	3,600
Type	Reaction Reheat Condensing Type Two Casing Single Flow Exhaust

**Unit No.** : 2  
**Generator Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583L21  
**Turbine Manufacturer** : Fuji Electric Systems Co. Ltd.  
**Serial No.** : K1B16583G2  
**Commissioning Date** : 22 December 2010

GENERATOR	SPECIFICATIONS
Rated Capacity (MW)	110.500
Speed (RPM)	3,600
Voltage (kV)	13.800
Frequency (Hz)	60
Power Factor	0.85
TURBINE	SPECIFICATIONS
Rated Capacity (MW)	103.000
Speed (RPM)	3,600
Type	Reaction Reheat Condensing Type Two Casing Single Flow Exhaust

**AMENDED ANNEX - B**

**Emergency Diesel Engine Generating Unit (EDEGU)**

**Generator Manufacturer** : Caterpillar  
**Serial No.** : L7A02561  
**Engine Manufacturer** : Caterpillar  
**Serial No.** : CAT00000CG4C04315

<b>Generator</b>	
<b>Rated Capacity (MW)</b>	0.545
<b>Speed (RPM)</b>	1,800
<b>Voltage (kV)</b>	0.480
<b>Frequency (Hz)</b>	60
<b>Power Factor</b>	0.80
<b>Engine</b>	
<b>Rated Capacity (MW)</b>	0.545
<b>Speed (RPM)</b>	1,800
<b>Type</b>	Internal Combustion

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex J-2*

*(KSPC Certification from ERC regarding PAO)*



### CERTIFICATION

This is to certify that, based on the records of the Energy Regulatory Commission (Commission), first (1<sup>st</sup>) extension of Provisional Authority to Operate (PAO) was issued in favor of **KEPCO SPC Power Corporation (KSPC)** for its **221.000 MW Cebu Coal Fired Thermal Power Plant** located at Brgy. Colon, City of Naga, Province of Cebu on **11 March 2022**, pending KSPC's compliance with PAO conditions and submission of documents, among others. The said PAO is valid for a period of one (1) year from **20 February 2022** to **19 February 2023** and is currently being evaluated for extension of PAO or the issuance of a Certificate of Compliance (COC), as may be applicable.

This Certification is being issued upon the request of **KSPC** in aid of their participation for Competitive Selection Process (CSP) bidding.

Pasig City, 09 February 2023.

**SHARON O. MONTAÑER**  
*Director III, Market Operations Service*

*hrg*

*paol / cmrb / asp*

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex K*

*(KPSC Amended Certificate of Endorsement  
from DOE)*



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

**AMENDED**  
**CERTIFICATE OF ENDORSEMENT**  
DOE-EPIMB-ERC No. 2022-04-160  
(For the renewal of Certificate of Compliance)

This is to certify that the 221.000 MW (2 x 110.500 MW) Cebu Coal Fired Thermal Power Plant, owned and operated by **KEPCO SPC POWER CORPORATION (KSPC)** located at Barangay Colon, Naga City, Cebu is consistent with the Power Development Plan (PDP) of the government pursuant to the provisions of the Republic Act No. 9136 or the Electric Power Industry Reform Act of 2001.

**KSPC** shall be entitled to all the rights and privileges consistent with the existing laws and the PDP, subject to the compliance of the requirements of the Energy Regulatory Commission (ERC).

Furthermore, in the exercise of its supervisory power, the Department of Energy has the right to amend, alter or revoke this Certificate of Endorsement for the ERC issuance of Certificate of Compliance, subject to the existing rules and regulations.

This Certification supersedes the Certificate of Endorsement No. 2008-01-03 issued on 17 April 2008 and is valid for five (5) years from the date of its issuance.

Given this APR 19 2022 at Bonifacio Global City, City of Taguig, Metro Manila.

  
**MARIO C. MARASTIGAN, CESO III**  
Director IV  
Officer-in-Charge  
Electric Power Industry Management Bureau



Republic of the Philippines  
DEPARTMENT OF ENERGY

Amended

CERTIFICATE OF ENDORSEMENT

No. 2008-01-03

This is to certify that the Cebu Power Plant with a capacity of 200 MW (Formerly: 2x100 MW Circulating Fluidized Bed Combustion Boiler Coal-Fired Power Plant) described below is consistent with the Power Development Plan (PDP) of the government, pursuant to the Implementing Rules and Regulations of RA 9136:

*The Cebu Power Plant owned and will be operated by KEPCO SPC Power Corporation (Formerly: Kepco-Salcon Power Corp.) is located in Barangay Colon Municipality of Naga, Cebu City. The power plant will start commercial operation in 2010.*

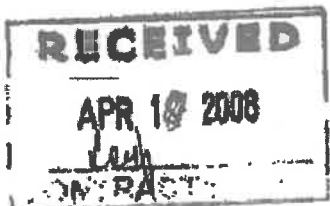
In pursuance hereof, KEPCO SPC POWER CORPORATION shall be entitled to all rights and privileges consistent with the laws, rules and regulations pertinent thereto subject to compliance to the requirements of Energy Regulatory Commission, Philippine Grid Code, Wholesale Electricity Spot Market and the DOE's PDP preparation.

Likewise, KEPCO SPC POWER CORPORATION has entered into a Memorandum of Agreement (MOA) with the DOE for the establishment of trust accounts for the one-centavo financial benefits accruing to the host communities of the FACILITY in compliance with Section 66 of R.A. No. 9136, Rule 29, Part A of the Implementing Rules and Regulations (IRR) of the said Act.

Be it known, that the DOE reserves the right to recommend to ERC for appropriate action and ~~reasonable measure in accordance with its rules and regulations,~~ in the unlikely event that the KEPCO SPC POWER CORPORATION fails to remit, within thirty (30) working days from the date of deposit specified in the said MOA, the corresponding one-centavo financial benefits to the aforesaid trust accounts.

Further, this Certificate is non-transferable and is subject to amendment, alteration or revocation by the DOE through rules and regulations to be issued by the DOE in the exercise of its rule-making power, when the common good so requires.

Given this 17<sup>th</sup> day of April, 2008 at Bonifacio Global City, Taguig City, Metro Manila.



*Angelo T. Reyes*  
ANGELO T. REYES  
Secretary



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex L*

*(LEYECO V Certification of Non-Applicability  
of DSM)*



## LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 561-4075 to 4078  
Cellular Phone Nos. Calls Only: Smart: 0998-964-3804; Globe: 0917-836-3895  
Website: [www.leyeco-v.com.ph](http://www.leyeco-v.com.ph) eMail Address: [info@leyeco-v.com.ph](mailto:info@leyeco-v.com.ph)



# CERTIFICATION

### TO WHOM IT MAY CONCERN:

This is to certify that Leyte V Electric Cooperative; Inc. has no alternative Demand Side Management (DSM) program that could be implemented by LEYECO V as of this time. But LEYECO V continuously disseminates information on Demand Side Management (DSM) during pre-membership seminars and radio programs. LEYECO V is also planning and preparing on the DSM Program Implementation within the coverage area and also to the big loads and industrial type of customers.

This certification is being issued to support the Joint Application of LEYECO V and KEPCO SPC Power Corporation (KSPC) filed with the Energy Regulatory Commission (ERC).

Issued this 12th day of January 2023 at Brgy. San Pablo, Ormoc City.

**ATTY. JANNIE ANN J. DAYANDAYAN, CPA**  
General Manager

*Not valid without seal*

f

Executive Secretary: 206 InfoTech & Comm. Services: 216-218, 509  
Institutional Services Dept.: 401 Public Relations: 214 Clinic: 209  
Membership Division Chief: 403 Membership: 404 Housewiring: 407  
Customer Welfare Desk: 200-205 Motorpool: 406 ODM: 409  
Human Resources: 402, 210 GSD Chief: 408 Warehouse: 405  
Corporate Planning & Energy Trading Dept.: 219, 221, 223

Technical Services Dept.: 801,802 Engineering: 803  
Line Construction: 804  
Internal Audit Dept.: 701 Auditors: 702  
Finance Services Dept.: 501 Cashiering: 502  
Collection: 503-504 Accounting: 505 Consumer Accts: 506  
Meter Reading & Billing: 507, 508 & 510

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex M*

*( LEYECO V Demand Supply Scenario*

*LEYECO V Annex A)*



## LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
 Telephone Nos.: (053) 561-4075 to 4078  
 Cellular Phone Nos. Calls Only: Smart: 0998-984-3804; Globe: 0917-936-3896  
 Website: www.leyeco-v.com.ph Email Address: info@leyeco-v.com.ph



### Annex A

#### Supply - Demand Scenario

**Table 1: Historical and Forecasted Supply-Demand Scenario from the year 2013 to 2030**

	ERC Case No.	Historical Year										Current Year	Forecasted Year							
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<b>Peak Demand (MW)</b>		30.26	31.33	33.29	37.12	36.19	38.47	43.01	41.75	45.04	46.52	46.62	47.76	48.88	49.98	51.04	52.09	53.11	54.11	
<b>Suppliers:</b>																				
PSALM		14.00	14.00																	
GCGI		6.00	6.00	6.00																
GMCP	2013-034 RC	5.00	5.00	5.00	5.00	5.00	5.00													
TRANS-ASIA	2015-058 RC			8.00	5.00															
FDCUI	2015-026RC			4.00	2.00															
SMEC	2017-001RC					22.00	23.00													
PSALM	2018-055RC						11.00	42.00	45.00	17.00	8.00									
GNPower Dinginin LTD. CO. (GNPD)	2016-057RC									31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	
<b>Total Supply</b>		25.00	11.00	23.00	12.00	27.00	39.00	42.00	45.00	48.00	39.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	
<b>(Deficit)/Surplus</b>		Deficit	Deficit	Deficit	Deficit	Deficit	Surplus	Deficit	Surplus	Surplus	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit	Deficit	

**Table 2: DU's Existing Supplier/s**

Name of Supplier with Existing Contract	ERC Case No.	Plant Technology	Mode of Operation (Baseload, Intermediate, Peaking)	Contracted Capacity/Energy	Date of Effectivity mm/dd/yy	Approved Rates	Date of PA Order/ Decision
GNPower Dinginin LTD. CO. (GNPD)	2016-057RC	COAL	Baseload, Intermediate, Peaking	31 MW	12/26/2020 - 12/25/2038	Capacity Fee (\$ 0.0456) + Initial Energy Fee (\$ 0.0328) x Forex Rate (\$=Php)	09/04/2017

**Table 3: Power Supply Contract Utilization from January 2018 to 2022**

**YEAR 2018**

GCMF	As Contracted				As Utilized	
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW
January 2018	5			2,040,350	5.00	2,891,500
February 2018	5			2,040,350	5.00	2,688,114
March 2018	5			2,040,350	5.00	1,499,323
April 2018	5			2,040,350	5.00	2,853,000
May 2018	5			2,040,350	5.00	2,775,000
June 2018	5			2,040,350	5.00	2,856,500
July 2018	5			2,040,350	5.00	2,762,000
August 2018	5			2,040,350	5.00	2,860,500
September 2018	5			2,040,350	5.00	2,854,500
October 2018	5			2,040,350	5.00	2,762,000
November 2018	5			2,040,350	5.00	2,860,500
December 2018	5			2,040,350	5.00	2,606,951

PSALM	As Contracted				As Utilized	
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW
January 2018	11			2,976,000		3,074,000
February 2018	11			2,880,000		3,142,000
March 2018	11			2,688,000		2,839,000
April 2018	11			2,976,000		2,976,000
May 2018	11			2,880,000		2,880,000
June 2018	11			2,976,000		2,976,000
July 2018	11			2,880,000		2,880,000
August 2018	11			2,976,000		2,976,000
September 2018	11			2,976,000		2,976,000
October 2018	11			2,880,000		2,880,000
November 2018	11			2,976,000		2,976,000
December 2018	11			2,880,000		2,880,000

GCMF	As Contracted				As Utilized		
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW	Energy (kWh)
January 2018	23						13,343,500
February 2018	23						13,434,000
March 2018	23						12,308,000
April 2018	23						13,638,500
May 2018	23						13,083,000
June 2018	23						13,419,000
July 2018	23						13,083,000
August 2018	23						13,581,500
September 2018	23						13,135,500
October 2018	23						13,195,000
November 2018	23						13,441,500
December 2018	23						13,044,000

**YEAR 2019**

GCMP	As Contracted				As Utilized		
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW	Energy (kWh)
	January 2019	5			24,484,20		2,487,834
	February 2019	5			24,484,20		2,349,604

PSALM	As Contracted				As Utilized		
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW	Energy (kWh)
	January 2019	45			2,976,000		13,330,000
	February 2019	45			2,880,000		13,234,000
	March 2019	45			2,688,000		12,040,000
	April 2019	45			2,976,000		13,330,000
	May 2019	45			2,880,000		12,900,000
	June 2019	45			2,976,000		13,499,000
	July 2019	45			2,880,000		13,077,000
	August 2019	45			2,976,000		13,417,000
	September 2019	45			2,976,000		21,925,000
	October 2019	45			2,880,000		21,219,000
	November 2019	45			2,976,000		21,992,000
	December 2019	45			2,880,000		21,578,000

**YEAR 2020**

PSALM	As Contracted				As Utilized		
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW	Energy (kWh)
	January 2020	45			2,976,000	22.26	13,330,000
	February 2020	45			2,880,000	20.48	13,234,000
	March 2020	45			2,688,000	20.95	12,040,000
	April 2020	45			2,976,000	20.61	13,330,000
	May 2020	45			2,880,000	20.70	12,900,000
	June 2020	45			2,976,000	20.63	13,499,000
	July 2020	45			2,880,000	20.70	13,077,000
	August 2020	45			2,976,000	20.61	13,417,000
	September 2020	45			2,976,000	20.61	21,925,000
	October 2020	45			2,880,000	20.19	21,219,000
	November 2020	45			2,976,000	20.61	21,992,000
	December 2020	45			2,880,000	20.13	21,578,000

**YEAR 2021**

PSALM Month Year	As Contracted				As Utilized	
	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW	Energy (kWh)
January 2021	17			2,976,000	7.00	5,240,500
February 2021	17			2,880,000	7.00	5,264,000
March 2021	17			2,888,000	9.00	4,752,600
April 2021	17			2,976,000	10.00	5,264,000
May 2021	17			2,880,000	11.00	5,102,000
June 2021	17			2,976,000	12.00	5,453,000
July 2021	17			2,880,000	13.00	5,491,000
August 2021	17			2,976,000	14.00	5,264,000
September 2021	17			2,976,000	15.00	5,269,000
October 2021	17			2,880,000	16.00	5,295,000
November 2021	17			2,976,000	17.00	5,266,000
December 2021	17			2,880,000	18.00	4,546,718

GNPD Month Year	As Contracted				As Utilized	
	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW	Energy (kWh)
January 2021	31			2,040,350	31.00	23,064,000
February 2021	31			2,040,350	29.30	21,797,500
March 2021	31			2,040,350	23.52	15,803,500
April 2021	31			2,040,350	23.88	17,764,000
May 2021	31			2,040,350	24.28	17,484,500
June 2021	31			2,040,350	19.86	14,779,483
July 2021	31			2,040,350	12.50	9,003,415
August 2021	31			2,040,350	23.46	17,451,373
September 2021	31			2,040,350	24.81	18,460,500
October 2021	31			2,040,350	24.42	17,580,367
November 2021	31			2,040,350	25.32	18,837,500
December 2021	31			2,040,350	23.79	17,125,526

**YEAR 2022**

PSALM	As Contracted				As Utilized	
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW
January 2022	19.00			5,848,065	8.15	6,062,000
February 2022	19.00			5,848,065	8.12	6,043,533
March 2022	19.00			5,848,065	9.03	6,070,000
April 2022	19.00			5,848,065	8.13	6,052,000
May 2022	19.00			5,848,065	8.13	5,850,000
June 2022	19.00			5,848,065	8.17	6,075,000
July 2022	19.00			5,848,065	8.19	5,899,000

GNPD	As Contracted				As Utilized	
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW
January 2022	31.00			2,040,350	21.44	15,948,233
February 2022	31.00			2,040,350	27.48	20,444,500
March 2022	31.00			2,040,350	26.68	17,931,375
April 2022	31.00			2,040,350	26.06	19,392,214
May 2022	31.00			2,040,350	27.45	19,762,500
June 2022	31.00			2,040,350	26.31	19,573,917
July 2022	31.00			2,040,350	27.53	19,824,500
August 2022	31.00			2,040,350	27.52	20,475,500
September 2022	31.00			2,040,350	27.44	20,413,500
October 2022	31.00			2,040,350	27.64	19,902,000
November 2022	31.00			2,040,350	27.44	20,413,500
December 2022	31.00			2,040,350	27.31	19,662,298

KEPCO SPC	As Contracted				As Utilized	
	Month Year	Capacity, MW	Minimum Capacity	Energy	Minimum Energy kWh	Capacity, MW
September 2022	7.00			2,040,350	7.00	2,352,000
October 2022	7.00			2,040,350	7.00	5,040,000
November 2022	7.00			2,040,350	7.00	4,620,000
December 2022	7.00			2,040,350	7.00	2,866,500



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex M-1*

*(LEYECOV Demand Supply Scenario*

*LEYECOV Annex B)*



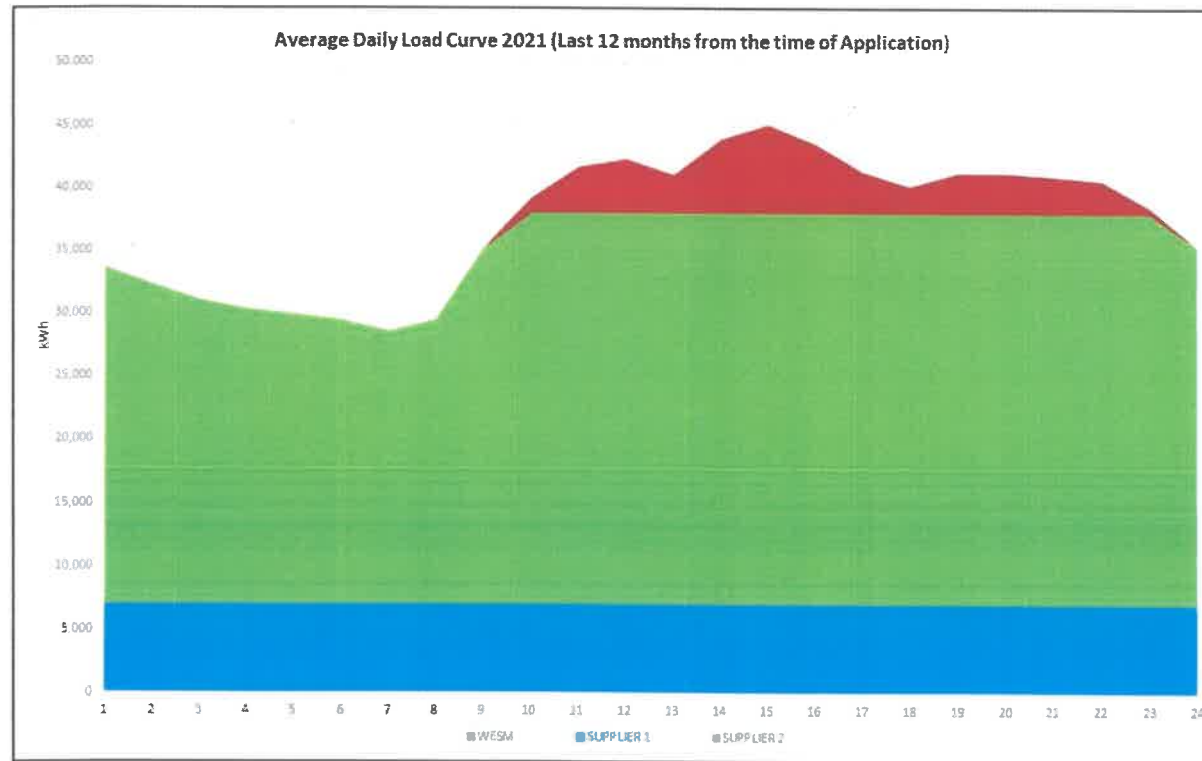
# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 561-4075 to 4078  
Cellular Phone Nos. Calls Only: Smart: 0998-964-3804; Globe: 0917-836-3895  
Website: [www.leyeco-v.com.ph](http://www.leyeco-v.com.ph) eMail Address: [info@leyeco-v.com.ph](mailto:info@leyeco-v.com.ph)

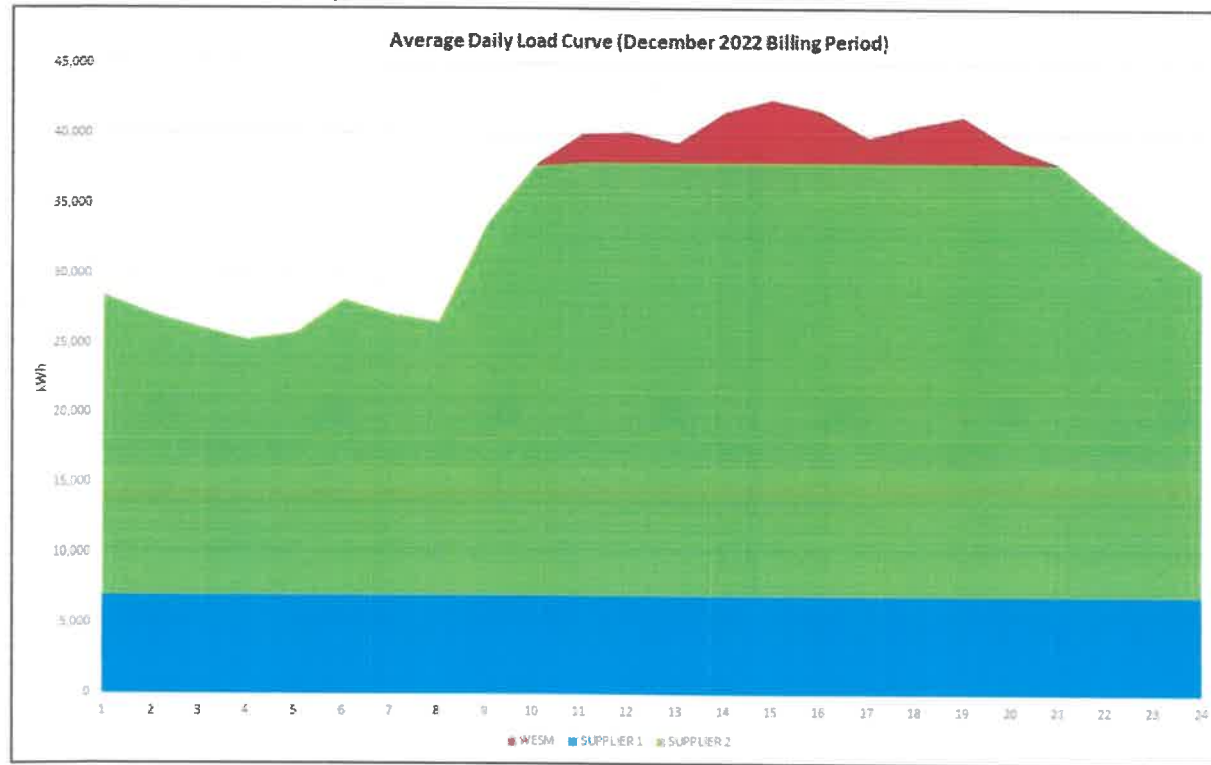


## Annex B

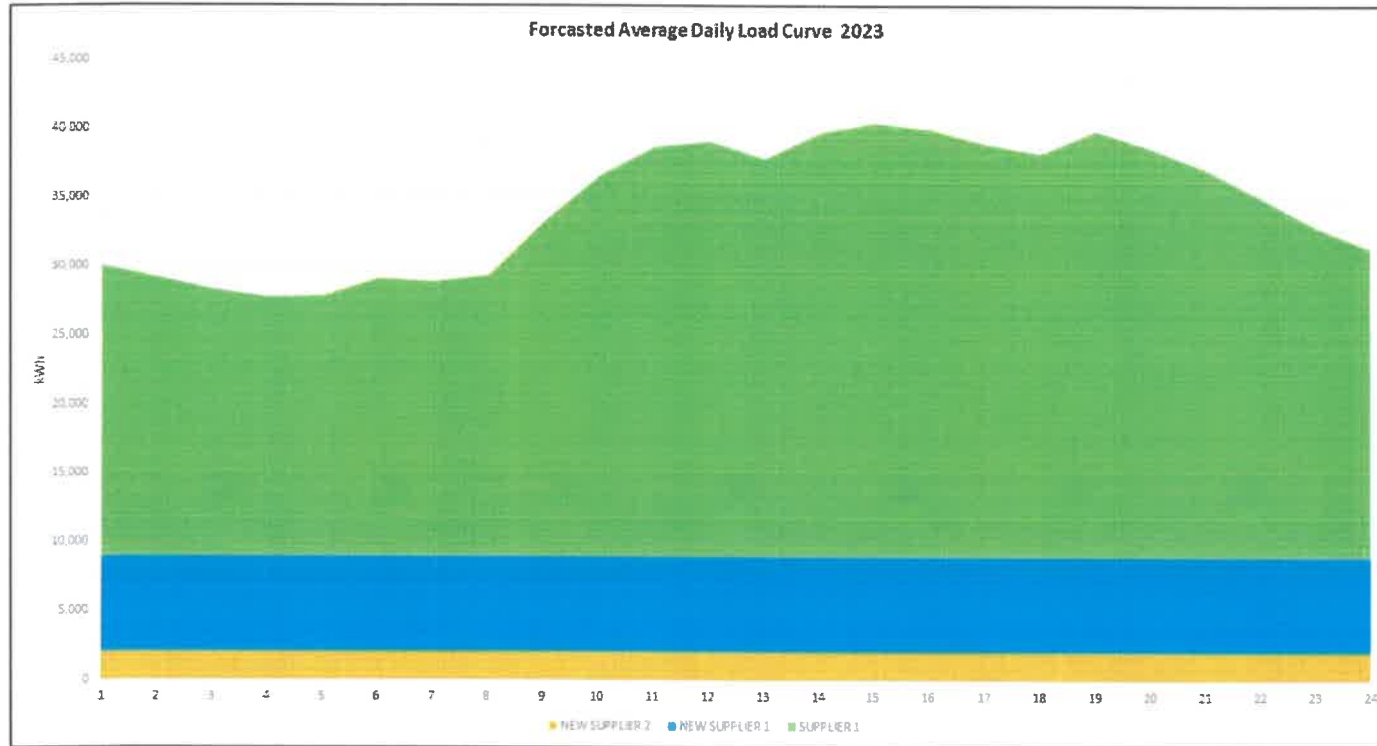
### 1. Average Daily Load Curve Year 2022 (Last 12 months from the time of Application)



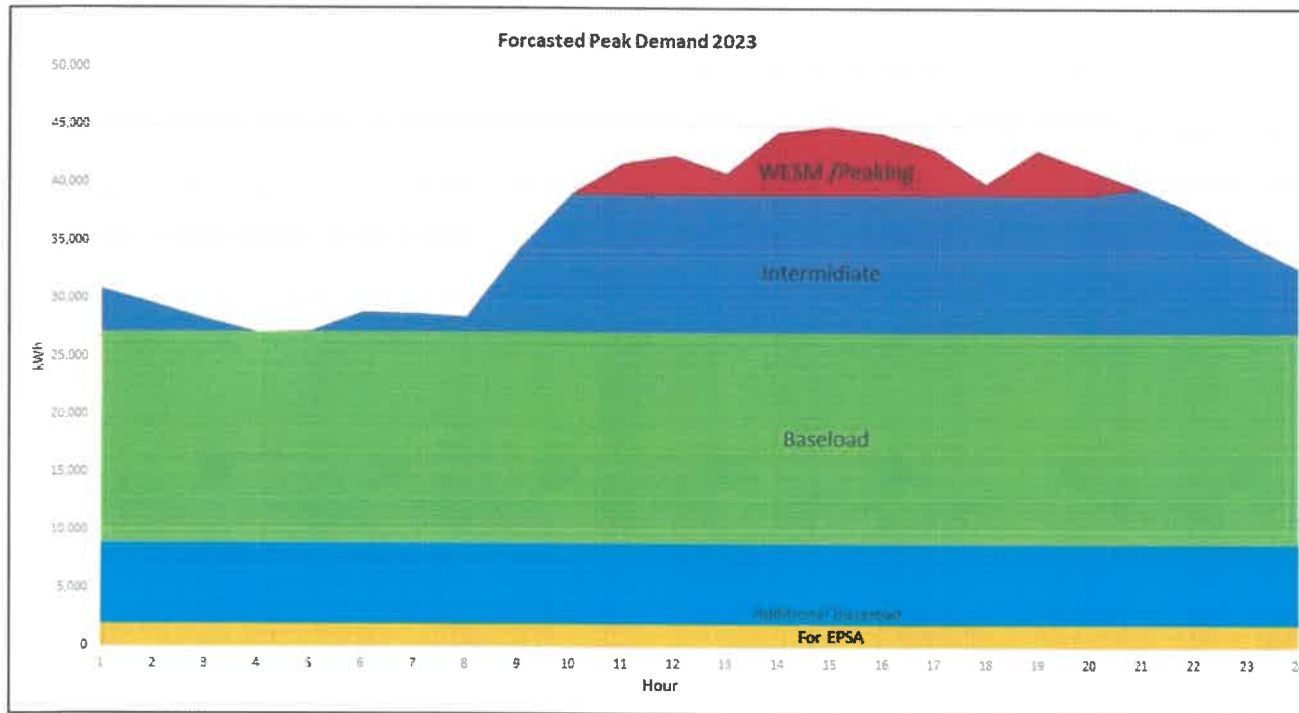
## 2. Average Daily Load Curve (December 2022 Billing Period)



### 3. Forecasted Daily Load Curve



#### 4. Forcasted Peak Demand 2023



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex N*

*(LEYECOV Data for Performance Assessment  
of the System 2023)*

## COINCIDENT PEAK DEMAND HISTORY, kW

YEAR	2017	2018	2019	2020	2021	2022	2023
JANUARY	32,742	32,164	36,248	38,537	39,342	40,883	39,855
FEBRUARY	28,253	31,564	34,588	40,351	38,102	40,506	40,687
MARCH	30,937	33,986	36,730	39,024	42,021	43,922	43,698
APRIL	33,341	34,248	39,701	37,033	43,263	43,363	46,331
MAY	34,884	37,440	42,879	40,817	42,998	46,520	
JUNE	36,194	38,467	43,015	41,392	42,745	44,588	
JULY	32,699	36,226	39,710	39,436	42,200	43,958	
AUGUST	32,187	37,403	41,335	41,435	45,043	44,402	
SEPTEMBER	32,498	35,991	40,991	41,752	40,730	45,424	
OCTOBER	34,702	37,310	42,352	41,668	44,077	43,571	
NOVEMBER	33,990	36,515	41,514	41,454	43,065	41,985	
DECEMBER	34,037	36,903	40,552	40,506	40,786	42,272	
<b>AVERAGE</b>	<b>33,039</b>	<b>35684.85</b>	<b>39967.88</b>	<b>40283.82</b>	<b>42030.87</b>	<b>43449.45</b>	<b>29011.81</b>
<b>SUM</b>	<b>396,464</b>	<b>428218.24</b>	<b>479614.52</b>	<b>483405.86</b>	<b>504370.44</b>	<b>521393.37</b>	<b>348141.70</b>
<b>PEAK</b>	<b>36,194</b>	<b>38,467</b>	<b>43,015</b>	<b>41,752</b>	<b>45,043</b>	<b>46,520</b>	<b>46,520</b>
<b>Peak Month</b>	<b>JUNE</b>	<b>JUNE</b>	<b>JUNE</b>	<b>SEPTEMBER</b>	<b>DECEMBER</b>	<b>DECEMBER</b>	<b>DECEMBER</b>

## COINCIDENT PEAK DEMAND HISTORY, MW

YEAR	2017	2018	2019	2020	2021	2022	2023
JANUARY	32.74	32.16	36.25	38.54	39.34	40.88	39.85
FEBRUARY	28.25	31.56	34.59	40.35	38.10	40.51	40.69
MARCH	30.94	33.99	36.73	39.02	42.02	43.92	43.69
APRIL	33.34	34.25	39.70	37.03	43.26	43.36	46.33
MAY	34.88	37.44	42.88	40.82	43.00	46.52	
JUNE	36.19	38.47	43.01	41.39	42.74	44.59	
JULY	32.70	36.23	39.71	39.44	42.20	43.96	
AUGUST	32.19	37.40	41.34	41.44	45.04	44.40	
SEPTEMBER	32.50	35.99	40.99	41.75	40.73	45.42	
OCTOBER	34.70	37.31	42.35	41.67	44.08	43.57	
NOVEMBER	33.99	36.51	41.51	41.45	43.06	41.98	
DECEMBER	34.04	36.90	40.55	40.51	40.79	42.27	
<b>AVERAGE</b>	<b>33</b>	<b>35.68</b>	<b>39.97</b>	<b>40.28</b>	<b>42.03</b>	<b>43.45</b>	<b>29.01</b>
<b>SUM</b>	<b>396</b>	<b>428.22</b>	<b>479.61</b>	<b>483.41</b>	<b>504.37</b>	<b>521.39</b>	<b>348.14</b>
<b>PEAK</b>	<b>36</b>	<b>38</b>	<b>43</b>	<b>42</b>	<b>45</b>	<b>47</b>	<b>47</b>
<b>Peak Month</b>	<b>JUNE</b>	<b>JUNE</b>	<b>JUNE</b>	<b>SEPTEMBER</b>	<b>DECEMBER</b>	<b>DECEMBER</b>	<b>DECEMBER</b>



### SAIFI

YEAR	2017	2018	2019	2020	2021	2022	2023
JANUARY	1.08	1.39	1.16	1.32	1.02	1.51	1.97
FEBRUARY	1.36	0.89	1.01	0.42	0.93	1.01	0.94
MARCH	1.30	0.94	0.66	0.71	0.79	1.10	0.56
APRIL	0.78	0.96	0.88	0.33	1.52	1.32	0.46
MAY	1.56	1.20	0.81	0.56	1.60	1.24	
JUNE	0.99	0.86	1.86	0.81	2.00	0.95	
JULY	1.49	1.63	1.42	1.13	1.53	1.22	
AUGUST	1.74	1.59	0.64	1.50	1.05	0.90	
SEPTEMBER	1.80	0.95	0.53	0.52	1.75	0.83	
OCTOBER	1.61	0.68	0.74	0.65	1.20	1.09	
NOVEMBER	0.85	1.05	0.55	0.73	0.44	0.44	
DECEMBER	1.33	0.66	3.34	0.71	1.02	1.04	

<b>Sum</b>	<b>15.89</b>	<b>12.81</b>	<b>13.59</b>	<b>9.41</b>	<b>14.84</b>	<b>12.66</b>	<b>3.92</b>
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### SAIDI

YEAR	2017	2018	2019	2020	2021	2022	2023
JANUARY	99.91	68.15	79.99	91.78	40.92	91.28	129.12
FEBRUARY	118.22	65.23	60.05	16.22	52.54	57.01	30.93
MARCH	37.50	39.91	51.36	41.68	44.46	65.66	32.16
APRIL	41.32	260.94	60.70	19.97	74.13	52.10	23.97
MAY	117.58	109.18	70.31	36.67	73.99	50.28	
JUNE	59.03	75.52	92.69	44.55	186.80	42.70	
JULY	149.18	119.43	90.80	50.80	70.92	41.40	
AUGUST	78.40	84.61	87.32	95.57	74.59	64.73	
SEPTEMBER	142.07	143.33	57.18	34.09	64.96	53.40	
OCTOBER	84.68	37.59	37.37	65.13	42.34	83.62	
NOVEMBER	50.80	88.40	31.34	67.17	51.14	35.26	
DECEMBER	70.22	52.35	2,973.34	46.84	77.09	37.40	

<b>Sum</b>	<b>1,048.92</b>	<b>1,144.64</b>	<b>3,692.48</b>	<b>610.46</b>	<b>853.88</b>	<b>674.83</b>	<b>216.18</b>
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### CAIDI

YEAR	2017	2018	2019	2020	2021	2022	2023
JANUARY	92.09	48.86	69.12	69.77	39.99	60.30	65.67
FEBRUARY	86.91	73.33	59.65	38.30	56.36	56.64	32.90
MARCH	28.86	42.26	78.14	58.39	56.50	59.72	57.43
APRIL	52.66	272.59	69.37	59.86	48.71	39.46	52.53
MAY	75.18	91.28	86.73	65.06	46.26	40.48	
JUNE	59.92	87.44	49.87	54.77	93.35	44.81	
JULY	100.25	73.32	63.87	44.76	46.43	33.94	
AUGUST	45.02	53.05	135.66	63.53	71.26	71.79	
SEPTEMBER	79.11	151.11	106.95	65.69	37.17	64.51	
OCTOBER	52.67	54.92	50.63	100.95	35.42	76.55	
NOVEMBER	60.00	84.45	57.33	91.83	114.92	80.50	
DECEMBER	52.76	79.80	889.88	66.20	75.77	35.86	

<b>Sum</b>	<b>785.43</b>	<b>1112.41</b>	<b>1717.23</b>	<b>779.11</b>	<b>722.14</b>	<b>664.55</b>	<b>208.53</b>
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**MAIFI**

<b>YEAR</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
JANUARY	0.00	0.40	0.08	0.37	0.50	0.96	0.25
FEBRUARY	0.00	0.23	0.17	0.21	0.46	0.53	0.32
MARCH	0.19	0.62	0.24	0.33	0.63	0.08	0.10
APRIL	0.19	0.74	0.37	0.27	0.99	0.27	0.11
MAY	0.24	0.79	0.70	0.37	0.97	0.07	
JUNE	0.38	0.40	0.50	0.76	0.70	0.60	
JULY	2.43	0.10	0.92	0.65	0.60	0.57	
AUGUST	2.43	0.55	0.35	0.44	0.38	0.19	
SEPTEMBER	2.43	0.11	0.20	0.16	0.66	0.24	
OCTOBER	2.48	0.17	0.68	0.23	0.60	0.21	
NOVEMBER	2.52	0.14	0.27	0.34	0.79	0.26	
DECEMBER	2.52	0.12	0.41	0.66	0.76	0.32	
<b>Sum</b>	<b>15.83</b>	<b>4.37</b>	<b>4.89</b>	<b>4.79</b>	<b>8.05</b>	<b>3.08</b>	<b>0.00</b>

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPKO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPKO SPC POWER CORPORATION (KSPC),”*

# *Annex O*

*(LEYECO V NGCP Certificate  
of Adequate Capacity)*



Power Center, Quezon Avenue cor. BIR Road, Diliman, Quezon City 1100  
+632 8863 7100  
TIPNGCP@ngcp.ph  
www.ngcp.ph

GAP-CAD-RRA-2022-08-205  
15 August 2022

**ATTY. JANNIE ANN J. DAYANDAYAN**  
General Manager  
Leyte V Electric Cooperative, Inc. (LEYECO V)  
Brgy. San Pablo, Ormoc City

Subject: **REQUEST FOR CERTIFICATE OF ADEQUATE CAPACITY**

**Dear Ms. Dayandayan:**

This refers to your request for a certification that NGCP is capable of accommodating contracted capacity of Leyte V Electric Cooperative, Inc. (LEYECO V) from KEPCO SPC Power Corporation (KSPC) for 5MW and Energy Development Corporation (EDC) for 2MW.

Based on our review and evaluation, NGCP transmission facilities can accommodate the contracted capacity of LEYECO V from KSPC and EDC.

The said request is in support of LEYECO V's application with the DOE for the Certificate of Exemption for Competitive Selection Process for its Emergency Power Supply Agreement with KSPC and EDC.

Should you need further information or clarification, please get in touch with Mr. Fritz Julian C. Cabrera of our Customer Affairs Department / Revenue and Regulatory Affairs at mobile number 0917-8367290 or email at [fccabrera@ngcp.ph](mailto:fccabrera@ngcp.ph)

Thank you.

Sincerely,

**MA. CYNTHIA Y. MANRIQUE**  
Vice President and Head, Revenue & Regulatory Affairs

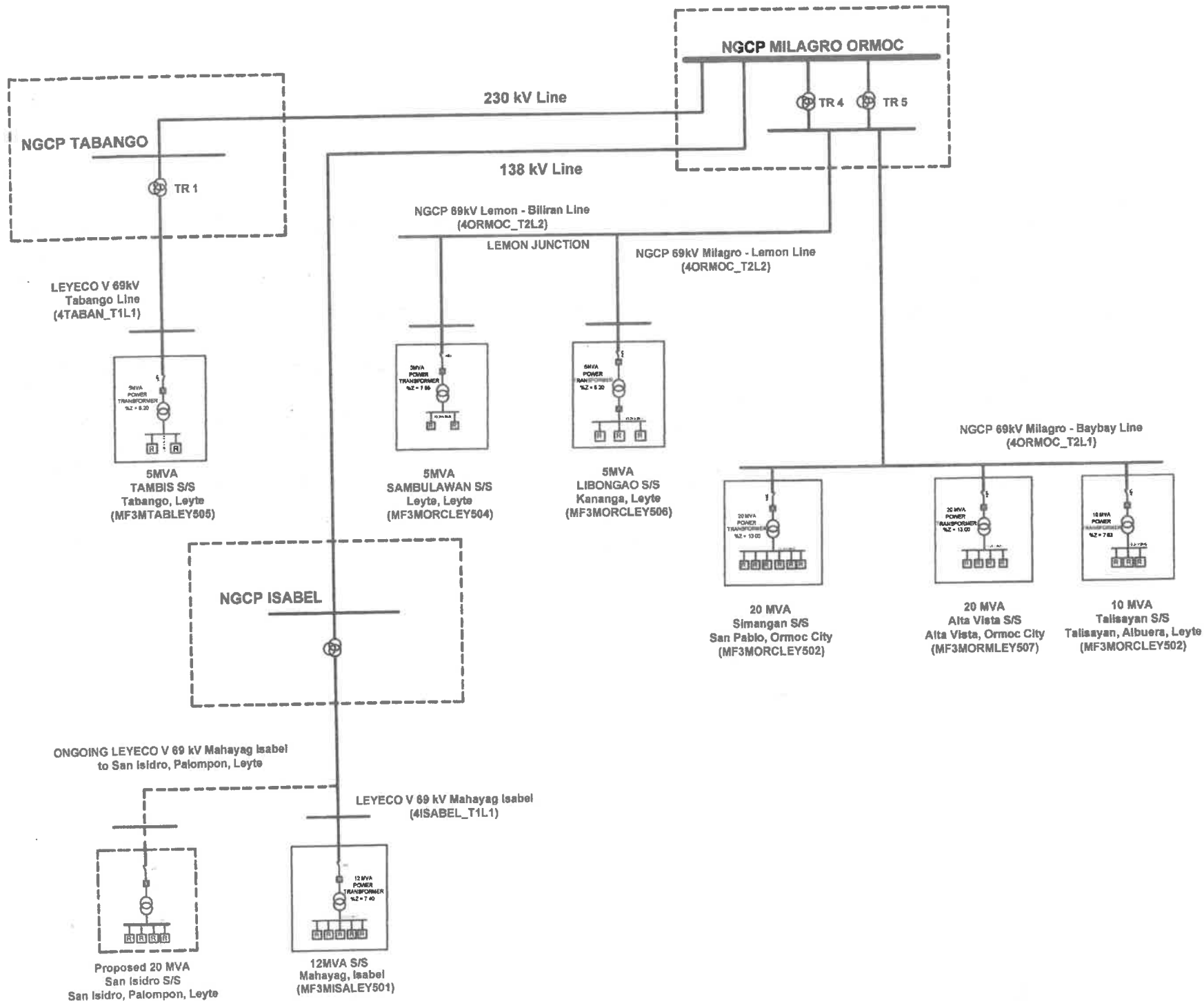
**LEYECO V**  
**CERTIFIED TRUE COPY**  
**FROM THE ORIGINAL**

Certified by: MA. ORMA V. CABRERA  
Date: 10-27-22

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex P*

*(LEYECO V Single-line diagram)*



Leyte V Electric Cooperative, Inc.  
(LEYECO V)

Brgy. San Pablo, Ormoc City  
Tel. No.: (053) 561-4075 to 78  
Telefax: (053) 561-4668

Title:

**LEYECO-V  
Substation  
Single Line Diagram**

Location:

**LEYECO-V Coverage  
Area**

Drawn/Drafted by:

*Nilio C. Caparosa*  
Design Officer

Checked by:

*Roel C. Cabillo*  
PSE Section Head

Recommended by:

*Engr. Michael R. Guilan*  
CRM Manager

Approved by:

*Athy. Jannie Ann J. Dayandayan, CPA*  
General Manager

REMARKS:

Sheet Number:

**1/1**

Drawn Date: October 7, 2022  
Division: Power Supply & Energy Trading  
Corporate Planning and Energy Trading Department

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex Q*

*(LEYECOV Board Resolution No. 83 series  
of 2022)*



# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 561-4075 to 4078  
Cellular Phone Nos. (Calls Only): Smart: 0998-964-3804; Globe: 0917-836-3895  
Website: [www.leyeco-v.com.ph](http://www.leyeco-v.com.ph) eMail Address: [info@leyeco-v.com.ph](mailto:info@leyeco-v.com.ph)

## EXCERPTS OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) HELD AT THE LEYECO V MAIN OFFICE, BRGY. SAN PABLO, ORMOC CITY, LEYTE ON JUNE 14, 2022

\*\*\*\*\*

**PRESENT:**

Dir. Joselito P. Yap	-	Board President
Dir. Anthony P. Herrera	-	Vice President
Dir. Ronamary R. Lequin	-	Board Secretary
Dir. Danilo A. Hermoso	-	Treasurer
Dir. Marcos S. Cuizon	-	Member
Dir. Emmanuel S. Arpon	-	Member
Dir. Claire R. Diaz	-	Member
Dir. Daniel E. Capuy, Jr.	-	Member
Atty. Jannie Ann J. Dayandayan, CPA	-	General Manager/ Ex-Officio Director

**ALSO PRESENT:**

Ms. Maria Rosa Y. Cormaness, MBM	-	FSD Manager
Ms. Ana Maria Lourdes M. Pastor, MBM	-	OIC for ISD
Engr. Michael R. Guinarez, REE, RME	-	CETD Manager
Ms. Frances Paula M. Lumacang, CPA	-	IAD Manager
Mr. Delson T. Barcelo	-	LEU-ALU President
Mr. Edsel Jude C. Ybanez	-	LSA President
Ms. Ghanda R. Bernardino, DPA	-	Board Recorder

\*\*\*\*\*

### RESOLUTION NO. 83 Series of 2022

#### "A RESOLUTION REQUESTING FOR A CERTIFICATE OF EXEMPTION FROM THE CONDUCT OF COMPETITIVE SELECTION PROCESS WITH THE DEPARTMENT OF ENERGY."

**WHEREAS**, LEYECO V has an existing Power Supply Agreement which will expire on July 26, 2022;

**WHEREAS**, LEYECO V has been preparing Competitive Selection Process Activities (CSP) to address its power supply requirement for this year, yet despite its best efforts, there were unanticipated challenges that are causing delays in the schedule;

**WHEREAS**, LEYECO V supply-demand profile indicates power shortage in the imminent months, exposing its consumers to the failure of adequate power supply as well as passing on the financial burden due to the extraordinary inflation in the global fuel prices without an immediate procurement of appropriate power supply contract where reliable electricity can be sourced;

**WHEREAS**, LEYECO V deems that this emergency require a prompt procurement of sufficient capacity of baseload energy from a reliable generator to ensure stability of power supply at a reasonable minimum cost for the paramount interest of its member-consumers in the coming months.

**WHEREAS**, LEYECO V avails of 2.2.1.2 under the Department of Energy (DOE) Circular No. 2021-09-0030 otherwise known as; "Amending Certain Provisions of and Supplementing Department Circular No. DC2018-02-0003 on the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market" allowing the Distribution Utility to resort to a negotiated procurement of emergency power supply;

**WHEREAS**, the cooperation period of the corresponding Emergency Power Supply Agreement (EPSA) shall not exceed one (1) year to start on July 26, 2022 up to July 25, 2023 at 7 MW maximum capacity to be procured.

**WHEREAS**, LEYECO V has performed all the necessary and required due diligence and has solicited proposal from at least 3 power suppliers for EPSA to address the emergency situation and to avert and/or mitigate its consequences;

**WHEREAS**, KEPCO SPC Power Corporation (KEPCO SPC) has been consistently a reliable source of electricity and it has the available capacity of 7 MW in need of LEYECO V while its offer stands lower than the latest ERC-Approved Generation Tariff for the same or similar technology in comparable area and such capacity will not result to an over-load on the distribution facilities;





# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 561-4075 to 4078  
Cellular Phone Nos. (Calls Only): Smart: 0998-964-3804; Globe: 0917-836-3895  
Website: [www.leyeco-v.com.ph](http://www.leyeco-v.com.ph) eMail Address: [info@leyeco-v.com.ph](mailto:info@leyeco-v.com.ph)

**WHEREAS**, the exigencies under the prevailing circumstances deem it appropriate and urgent for LEYECO V to pursue with an Emergency Power Supply Agreement (EPSA) with KEPCO SPC for not more than 12 months.

**WHEREAS**, this Honorable Board finds this request before the Department of Energy to be reasonable, necessary, and beneficial to the Cooperative and its Member-Consumer-Owners (MCOs).

**RESOLVED, AS IT IS HEREBY RESOLVED**, to request for a Certificate of Exemption from the Conduct of the Competitive Selection Process with the Department of Energy and to approve and adopt the management's recommendation to enter into a one (1) year Emergency Power Supply Agreement with KEPCO SPC Power Corporation.

**FUTHER RESOLVED**, that the Cooperative authorizes, with full power and authority the Board President, **DIR. JOSELITO P. YAP** and General Manager, **ATTY. JANNIE ANN J. DAYANDAYAN, CPA** to sign, execute, and deliver any and all documents related thereto and to do any and all acts and deeds as may be deemed necessary or desirable in order to accomplish the above-mentioned.


**FURTHER RESOLVED**, that the Cooperative approves and ratifies any and all acts done by the foregoing authorized representatives of the Cooperative in connection with the above transaction.

**FURTHER RESOLVED**, that this Resolution is valid, binding and subsisting and shall continue to be the valid, binding and subsisting instruction to all concerned offices until and unless a subsequent Board Resolution expressly superseding/invalidating this Resolution will be issued.

**FINALLY RESOLVED**, to furnish a copy of this Resolution to concerned offices for their information and appropriate action.

\*\*\*\*\*

I HEREBY CERTIFY to the correctness of the foregoing Resolution.

  
**RONAMARY R. LEQUIN**  
Board Secretary

Attested by:  
  
**JOSELITO P. YAP**  
Board President  


*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWERCORPORATION (KSPC),”*

# *Annex R*

*(LEYECOV Letter to the DOE)*



# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 561-4075 to 4078  
Cellular Phone Nos. (Calls Only): Smart: 0998-964-3804; Globe: 0917-836-3895  
Website: [www.leyeco-v.com.ph](http://www.leyeco-v.com.ph) eMail Address: [info@leyeco-v.com.ph](mailto:info@leyeco-v.com.ph)

Reference No. 2022-06-259

23 June 2022

**ALFONSO G. CUSI**  
Secretary  
Department of Energy (DOE)  
Energy Center, Rizal Drive  
Fort Bonifacio Global, Taguig City  
Metro Manila

**Thru: FELIX WILLIAM B. FUENTEBELLA**  
Senior Undersecretary  
Office the Secretary

**MARIO C. MARASIGAN, CESO III**  
Director  
Electric Power Industry Management Bureau (EPIMB)

**Dear Secretary Cusi:**

Greetings from LEYECO VI

The Leyte V Electric Cooperative, Inc. (LEYECO V) humbly requests for a Certificate of Exemption (COE) from the conduct of Competitive Selection Process for its procurement of emergency power supply for twelve (12) months effective July 26, 2022 to July 25, 2023.

Our justification for our exemption lies with Section 2.2.1.2 of Department of Energy (DOE) Circular No. 2021-03-0030 entitled "Amending Certain Provisions of and Supplementing Department Circular No. DC2018-02-0003 on the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market".

We have been preparing Competitive Selection Process Activities (CSP) to address our power supply requirement for this year, yet despite our best efforts, there were unanticipated challenges that caused delays in the schedule.

We have also performed all the necessary and required due diligence and have solicited proposals from at least three (3) power suppliers to address the emergency situation and to avert and/or mitigate its consequences.

We have included herewith a copy of the following files as reference for this request:

1. Board Resolution requesting COE-CSP
2. One-year projection of supply-demand profile
3. System Impact Study (NGCP Transmission Service Agreement)
4. Rate Impact Simulation
5. Terms of Reference

We look forward to your favourable response. Thank you very much.

Very truly yours,

  
**ATTY. JANNIE ANN J. DAYANDAYAN, CPA**  
General Manager

  
JREN / ALB / MRG

Executive Secretary: 206 InfoTech & Comm. Services: 216-218, 509  
Institutional Services Dept.: 401 Public Relations: 214 Clinic: 209  
Membership Division Chief: 403 Membership: 404 Housewiring: 407  
Customer Welfare Desk: 200-205 Motorpool: 406  
Human Resources: 402, 210 GSD Chief: 408 Warehouse: 405  
Corporate Planning & Energy Trading Dept.: 219, 221, 223

Technical Services Dept.: 801,802 Engineering: 803  
Line Construction: 804  
Internal Audit Dept.: 701 Auditors: 702  
Finance Services Dept.: 501 Cashiering: 502  
Collection: 503-504 Accounting: 505 Consumer Accts: 506  
Meter Reading & Billing: 507, 508 & 510

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex S*

*(LEYECO V Certificate of Exemption)*



Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

## CERTIFICATION

COE-CSP-2022-08-032

This is to certify that **LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V)** is exempted from the conduct of **COMPETITIVE SELECTION PROCESS (CSP)** for the negotiated procurement of Emergency Power Supply Agreement (EPSA) with **KEPCO SPC POWER CORPORATION** with contract capacity of 7 MW for the period 26 August 2022 to 25 August 2023.

This exemption is pursuant to Section 2.2.1.2. of the Department Circular No. DC2021-09-0030 which provides to wit:

*"The following instances shall warrant a Certificate of Exemption from the conduct of Competitive Selection Process (COE-CSP) from the DOE:*

xxx

***Negotiated procurement of emergency power supply wherein the cooperation period of the corresponding Emergency Power Supply Agreement (EPSA) shall not exceed one (1) year, and such EPSA shall be filed immediately before the Energy Regulatory Commission (ERC) upon the issuance and within the effectivity the COE-CSP; Provided, that the DU shall prove and certify that it has performed all the necessary and required due diligence, and solicited proposal from at least one (1) power supplier for EPSA to address the emergency situation and to avert and/or mitigate its consequences, and the offer/s from the available Power Supplier/s shall be attached in the request for COE-CSP; Provided also, that the procurement of emergency power supply shall be not entitled to any form of subsidy. Provided finally, that the rate shall be equivalent to or lower than the latest ERC-approved generation tariff for same or similar technology in comparable areas.***

xxx

This Certification shall be valid only for the above-stated purpose and nothing herein shall be construed as approval of the EPSA.

Issued on \_\_\_\_\_ at Department of Energy, Energy Center, Rizal Drive, Bonifacio Global City, Taguig City.

  
RAPHAEL P. M. LOTILLA  
Secretary

**AUG 31 2022**

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex T*

*(LEYECO V Board Resolution No. 161*

*Series of 2022)*



# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 581-4075 to 4078  
Cellular Phone Nos. (Calls Only): Smart: 0998-964-3604; Globe: 0917-836-3895  
Website: [www.leyeco-v.com.ph](http://www.leyeco-v.com.ph) eMail Address: [info@leyeco-v.com.ph](mailto:info@leyeco-v.com.ph)

## EXCERPTS OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) HELD AT THE PHILRECA OFFICE, QUEZON CITY ON OCTOBER 14, 2022

- \*\*\*\*\*
- PRESENT:**
- |                                     |   |                                      |
|-------------------------------------|---|--------------------------------------|
| Dir. Joselito P. Yap                | - | Board President                      |
| Dir. Anthony P. Herrera             | - | Vice President (Via Zoom)            |
| Dir. Ronamary R. Lequin             | - | Board Secretary                      |
| Dir. Marcos S. Cuizon               | - | Member                               |
| Dir. Emmanuel S. Arpon              | - | Member                               |
| Dir. Claire R. Diaz                 | - | Member                               |
| Dir. Daniel E. Capuy, Jr.           | - | Member                               |
| Atty. Jannie Ann J. Dayandayan, CPA | - | General Manager/ Ex-Officio Director |
- ALSO PRESENT:**
- |                               |   |                                    |
|-------------------------------|---|------------------------------------|
| Atty. Janeene Depay-Colingan  | - | PHILRECA General Manager/ Observer |
| Ms. Ghanda R. Bernardino, DPA | - | Board Recorder                     |
- \*\*\*\*\*

### RESOLUTION NO. 161 Series of 2022

**“A RESOLUTION AUTHORIZING BOARD PRESIDENT JOSELITO P. YAP TO SIGN THE EMERGENCY POWER SUPPLY AGREEMENT (EPSA) WITH KEPSCO SPC POWER CORPORATION (KEPCO SPC) and ENERGY DEVELOPMENT CORPORATION (EDC).”**

**WHEREAS**, LEYECO V was able to secure a Certificate of Exemption (COE) from the Department of Energy (DOE) pursuant to the provisions of the DOE *Department Circular No. 2018-02-0003*, as amended by *Circular No. 2021-09-0030*.

**WHEREAS**, the approval of the EPSA is imperative to address the emergency power supply requirement of the cooperative, which EPSA will be filed with the ERC for approval;

**WHEREAS**, there is a need to authorize a signatory who will represent the electric cooperative in the execution of the EPSA.

**WHEREFORE**, the Board, on motion of Dir. Diaz seconded by Dir. Capuy, be it:

**RESOLVED, AS IT IS HEREBY RESOLVED**, to authorize Board President Joselito P. Yap to sign the Emergency Power Supply Agreement (EPSA) with KEPSCO SPC Power Corporation (KEPCO SPC) for 7MW and with Energy Development Corporation (EDC) for 2MW.



**FURTHER RESOLVED**, that a copy of this Resolution be furnished to the National Electrification Administration for reference and information.

**FINALLY RESOLVED**, to furnish a copy of this Resolution to the concerned offices for information and appropriate action.

**UNANIMOUSLY APPROVED.**

**I HEREBY CERTIFY** to the correctness of the foregoing Resolution.

  
**RONAMARY R. LEQUIN**  
Board Secretary

Attested by:  
  
**JOSE LITO P. YAP**  
Board President  




*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex U*

*(KSPC Transmission Service Agreement  
with NGCP)*





**TRANSMISSION SERVICE AGREEMENT  
Between NGCP and KSPC**

KEPCO SPC POWER CORPORATION

By: 

JONG RYOON YOON  
President and Chief Executive Officer



This **TRANSMISSION SERVICE AGREEMENT** (hereinafter referred to as the "Agreement") is entered into by and between:

The **NATIONAL GRID CORPORATION OF THE PHILIPPINES** ("NGCP"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at the NGCP Building, Quezon Avenue corner BIR Road, Diliman, Quezon City, represented by its President and Chief Executive Officer, **ANTHONY L. ALMEDA**, who is duly authorized to represent NGCP in this Agreement;

- and -

**KEPCO SPC POWER CORPORATION** ("KSPC" or "CUSTOMER") a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 7/F Cebu Holdings Center, Cebu Business Park, Cebu City, represented by its President and Chief Executive Officer, **JONG RYOON YOON**, who is duly authorized to represent CUSTOMER in this Agreement;

Signed in the Presence of:

NGCP and the CUSTOMER shall be referred to individually as "Party" and collectively as "Parties."

**WITNESSETH:**

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By: 

ANTHONY L. ALMEDA  
President and Chief Executive Officer

**WHEREAS**, on December 13, 2006, the Energy Regulatory Commission ("ERC") in ERC Case No. 2006-015RC approved the Revised Rules, Terms, and Conditions for the Provision of Open Access Transmission Service ("OATS Rules") which govern the provision of transmission services to qualified grid users;

**WHEREAS**, NGCP is the concessionaire that operates and maintains the nationwide transmission system pursuant to Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001" or EPIRA;

**WHEREAS**, NGCP is authorized to act as the Transmission Service Provider ("TSP") by virtue of the Certificate of Public Convenience and Necessity under ERC Certificate No. CPCN-09-03 issued by ERC;

**WHEREAS**, the CUSTOMER is engaged in the business of power generation and requires transmission service from NGCP;

**NOW, THEREFORE**, in view of the foregoing premises and in consideration of the terms and conditions set forth below, the Parties hereby agree that NGCP shall be the TSP of the CUSTOMER, subject to the following terms and conditions:







KEPCO SPC POWER CORPORATION

By:   
JONG RYOON YOON  
President and Chief Executive Officer

**I. SCOPE OF AGREEMENT**

- 1. **Scope of Agreement.** This Agreement shall govern the provision of transmission service by NGCP to the CUSTOMER.

**II. GENERAL PROVISIONS**

- 2. **Application and Incorporation of the OATS Rules, PGC and Issuances.** The obligations of the Parties under this Agreement shall be governed by the OATS Rules, Philippine Grid Code ("PGC"), and other relevant issuances, orders, rules and regulations as promulgated by the proper government agencies and authorities as if they are originally written herein. This shall be understood to include all amendments and modifications thereof, as may be issued from time to time as long as vested rights under this Agreement are not impaired.
- 3. **Definition of Terms.** For purposes of this Agreement, and unless the express provisions or the context otherwise requires, the capitalized terms used herein shall have the same meaning as defined in the OATS Rules and the PGC, as may be amended from time to time.


**III. EFFECTIVITY AND TERM**

- 4. **Effectivity and Term.** This Agreement shall be for a period of ten (10) years and shall take effect on the 26th day of January 2020 until the 25<sup>th</sup> day of January 2030, unless earlier terminated in accordance with this Agreement.

**IV. OBLIGATIONS OF THE PARTIES**

- 5. **Obligations of the Parties.** During effectivity of this Agreement, NGCP shall provide the necessary and relevant transmission service to the CUSTOMER, and the CUSTOMER shall pay the applicable charges for such service, in accordance with the OATS Rules, provided that the CUSTOMER shall remain liable for any unpaid applicable charges despite the termination of this Agreement.
- 6. **Execution of Related Agreements.** The Parties shall also enter into a Metering Service Agreement to govern NGCP's provision of metering services to the CUSTOMER, and Connection Agreement (if applicable) to govern CUSTOMER's actual physical connection to the Grid.
- 7. **Schedules.** Consistent with the requirements of the OATS Rules and PGC, all Schedules shall be submitted prior to the energization of the Transmission Customer's facility.
  - 7.1. Within ten (10) business days after the signing of this Agreement, NGCP shall notify the CUSTOMER in writing of the applicable Schedules for submission under this Agreement. The CUSTOMER shall submit to NGCP the applicable Schedules within thirty (30) days from receipt of such notice.

Signed in the Presence of:

  
ANTHONY L. ALMEDA  
President and Chief Executive Officer

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By:   
ANTHONY L. ALMEDA  
President and Chief Executive Officer





KEPCO SPC POWER CORPORATION

By:

JONG RYOON YOON

President and Chief Executive Officer

Signed in the Presence of:

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By:

ANTHONY L. ALMEDA

President and Chief Executive Officer

7.2. For new connection points or modifications of existing connection points, the CUSTOMER shall apply and secure approval from NGCP, subject to the submission by the CUSTOMER of relevant documents as may be required by NGCP, the submission thereof shall be within 30 days from receipt of notice from NGCP. In case the application for new or modified connection point is approved, the approval will constitute an amendment to relevant Schedules of this Agreement and NGCP shall issue to the CUSTOMER a Certificate of Approval to Connect. The CUSTOMER hereby agrees to fully comply with the conditions indicated in the Certificate of Approval to Connect, if any, within the period prescribed therein. Failure of CUSTOMER to comply with said conditions will give rise for NGCP to exercise its rights to suspend or terminate this Agreement.

#### V. BILLING, PAYMENT AND CREDIT SUPPORT

8. **Billing and Payment.** The Rates, Methodology, Billing and Settlement Module of the OATS Rules shall govern billings by NGCP and the payment of such billings by the CUSTOMER.
9. **Mode of Payment.** Payment shall be made by way of:
- a) BDO Bills Payment Slip (BPS);
  - b) Checks to be paid Over-the-Counter (OTC) through NGCP Cashier;
  - c) On-line funds transfer to NGCP's account; or
  - d) Other forms as may be approved by NGCP.
10. **Check Payments.** In case a check issued is dishonored, the applicable penalty under the OATS Rules shall accrue from the time the obligation became due. NGCP shall have the right to refuse subsequent payments made by check. NGCP also reserves the right to pursue other available actions against the CUSTOMER.
11. **Application of Payments.** In case the CUSTOMER is liable for any amounts due under this Agreement, including penalties, NGCP shall first apply any payments to past due amounts before applying the same to the current billing. In case of partial payments, NGCP shall apply the hierarchy of payments in the following order: (a) regulated charges, and (b) charges for excluded services.
12. **Penalty Interest.** Interest over any unpaid account shall be governed by Module F of the OATS Rules.
13. **Credit Support.** CUSTOMER shall, if requested by NGCP, provide credit support or additional credit support in a form and on terms acceptable to NGCP which includes:
- a) cash;
  - b) guarantee;
  - c) standby letter of credit; or
  - d) surety bond,





KEPCO SPC POWER CORPORATION

By:

JONG RYOON YOON

President and Chief Executive Officer

Signed in the Presence of:

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By:

ANTHONY L. ALMIDA

President and Chief Executive Officer

Credit Support, in the form of b, c, and d above, shall be issued by entities acceptable to NGCP.

- 14. **Designated Commercial Banks.** In accordance with Module F5 of the OATS Rules and for purposes of determining interest on amounts unpaid after Due Date, including amounts placed in escrow or in any other form placed by reason of a dispute, NGCP shall inform the CUSTOMER in writing of its designated commercial banks. NGCP shall have the right to change its list of designated commercial banks and shall notify the CUSTOMER within a reasonable time in writing of the said change, which shall be effective commencing the billing month following the receipt of the notice.

**VI. SUSPENSION AND TERMINATION OF SERVICE**

- 15. **Suspension of Service.** NGCP may suspend the provision of transmission service to the CUSTOMER for causes in accordance with the OATS Rules as an interim measure until such time that the CUSTOMER has remedied the cause of suspension and subject to payment of reconnection fee.

If applicable, NGCP shall likewise impose suspension of transmission service to CUSTOMER for failure to secure a supply agreement with a generator or energy supplier, unless the CUSTOMER is a direct WESM member.

- 16. **Termination.** In the event that the CUSTOMER fails to remedy the cause of suspension within ninety (90) days from the imposition thereof, NGCP may terminate this Agreement without need of further notice. Services shall resume only if the cause of termination has been remedied by the CUSTOMER, and subject to payment of reconnection fee.

The Parties may also terminate this Agreement in accordance with the Default and Termination provisions in the OATS Rules. Termination shall be without prejudice to the fulfilment of the Parties' remaining obligations under this Agreement, if any.

- 17. **No Liability for Termination or Suspension of Service.** NGCP shall not be liable for damages of any form arising from or related to, directly or indirectly, the lawful and proper exercise of its rights under this Agreement and in accordance with the grounds and procedures provided under the OATS Rules, and other issuances from government entities to suspend service or terminate this Agreement.

- 18. **Termination of Related Agreements.** The Related Agreements may also be terminated upon the termination of this Agreement, at the option of NGCP.

**VII. ASSIGNMENT**

- 19. **Assignment.** This Agreement may be assigned in accordance with Module A11 of the OATS Rules.

**VIII. DISPUTE RESOLUTION**

- 20. **Resolution of Dispute.** The Parties shall endeavor to amicably resolve any





KEPCO SPC POWER CORPORATION

By:

JONG RYOON YOON  
President and Chief Executive Officer

dispute in relation to this Agreement. Otherwise, the Dispute Resolution Procedures of the OATS Rules, the PGC, the WESM Rules, and the WESM Metering Manual, as may be applicable, shall apply.

**IX. NOTICES**

21. **Notices.** For communications to be given in relation to this Agreement, the Notices provisions of the OATS Rules shall apply.

Communications may likewise be sent by email from an email address designated by the sending Party below to an email address designated by the recipient Party below, provided that proof of receipt shall be the email "read receipt" in accordance with the Notices provisions of the OATS Rules.

**NGCP** NGCP Building, Quezon Avenue cor. BIR Road, Diliman, Quezon City  
Fax No.: (02) 928-1861 / 981-4862  
Attention: **MS. MA. CYNTHIA Y. MANRIQUE**  
Email Address: [mymanrique@ngcp.ph](mailto:mymanrique@ngcp.ph)  
Backup Email Address: [resantos@ngcp.ph](mailto:resantos@ngcp.ph)

**KSPC** 7/F Cebu Holdings Center, Cebu Business Park, Cebu City  
Fax No.:  
Attention: **MR. RYAN GETUABAN**  
Email Address: [ryan.getuaban@kepcophilippines.com](mailto:ryan.getuaban@kepcophilippines.com)

**X. ACCESS**

22. The CUSTOMER shall allow employees and representatives of NGCP access to its premises and facilities to install, construct, test, commission, repair, and maintain NGCP's assets located therein in accordance with this Agreement. NGCP undertakes to comply with the safety and security measures and policies of the CUSTOMER. For this purpose, NGCP shall not hold the CUSTOMER liable for, and NGCP releases CUSTOMER from, any liability arising from any damage, loss, or injury to the equipment, materials, or for the death or bodily injury to its officers, workers, and representatives. Furthermore, NGCP shall indemnify CUSTOMER for any damage, loss, injury, or other expenses incurred or suffered by CUSTOMER resulting from any injury to any person or any loss or damage to any property which may be attributed to an act or omission of NGCP, or any breach by NGCP of its undertaking under this provision.

**XI. MISCELLANEOUS**

23. **Warranty of Corporate Existence and Authority.** Each Party hereby represents and warrants that: (a) it is duly incorporated, validly existing and in good standing under the laws of the Republic of the Philippines; (b) it possesses full power and authority to enter into this Agreement, and has taken all the necessary action to authorize the entry into and delivery of this Agreement, and the transactions contemplated hereby, and the performance of its obligations hereunder; (c) it has the power, licenses and permits required to carry on its

Signed in the Presence of:

*[Signature]*

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By:

ANTHONY L. ALMEDA  
President and Chief Executive Officer



*[Handwritten signature]*



KEPCO SPC POWER CORPORATION

By:

JONG RYOAN YOON  
President and Chief Executive Officer

Signed in the Presence of:

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By:

ANTHONY L. ALMEDA  
President and Chief Executive Officer

business as it is being conducted and as proposed to be conducted; (d) this Agreement and the consummation of the transactions contemplated herein are its legal, valid, binding and enforceable obligations; and (e) it shall, in good faith, comply with all its obligations under this Agreement.

- 24. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Republic of the Philippines. This Agreement shall be subject to existing laws, policies, rules and regulations, administrative orders and any amendments and modifications thereof, emanating from the Department of Energy, the ERC, other government agencies or authorized bodies, and shall be deemed incorporated herein.
- 25. **Non-waiver of Rights.** Failure or delay by any Party in the exercise of any right, power or remedy under this Agreement shall not operate as a waiver thereof.
- 26. **Entire Agreement and Amendments.** This Agreement, its schedules, attachments and annexes supersede any previous agreement, arrangements or representation between the Parties, whether oral or written, in respect of the subject matter of this Agreement and shall constitute the entire agreement between the Parties in relation thereto.
- 27. **Severability.** If at any time, one or more provisions in this Agreement shall be determined to be illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby, provided that the remaining provisions are sufficient to render to each Party the benefits contemplated hereby.
- 28. **Actions.** The Parties expressly recognize that the ERC has original and exclusive jurisdiction over all cases involving disputes between the Parties, and shall not bring such disputes before any other forum. Any other actions, suits or claims arising out of or related to this Agreement that are not within the jurisdiction of the ERC shall be filed exclusively in the proper courts of Quezon City, Philippines.
- 29. **Counterparts.** This Agreement may be executed by the Parties in counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.





IN WITNESS WHEREOF, the Parties have executed this Agreement this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_.

**NATIONAL GRID CORPORATION  
OF THE PHILIPPINES**

**KEPCO SPC  
CORPORATION POWER**

By: *[Signature]*  
**ANTHONY L. ALMEDA**  
President and Chief Executive  
Officer *[Initials]*

By: *[Signature]*  
**JONG RYOON YOON**  
President and Chief Executive  
Officer

Signed in the Presence of:

*[Signature]* \_\_\_\_\_



*[Handwritten signature]*









**SCHEDULE "A"**

**OATS SERVICES**

KEPCO SPC POWER CORPORATION

By: 

JONG YOON YOON  
President and Chief Executive Officer

**1. CUSTOMER's Interconnection Details**

1.1 **Name of CUSTOMER:** KEPCO SPC Power Corporation

1.2 **Type of Customer:** Generator

1.3 **Connection Point/s:**

No.	Name
1.3.1	Bay 1 of Colon SS through PCB 7-01CB24COL & 7-01CB08COL along 7LI1COL-KSP
1.3.2	Bay 2 of Colon SS through PCB 7-02CB24COL & 7-02CB08COL along 7LI2COL-KSP

1.4 **Generation Facility Details:**

Technology	Coal-Fired
Number and Size of Generating Units	2X100MW
Net Capacity	
Contracted Capacity	12kW

Signed in the Presence of:



**2. Applicable Charges**

Type of Charge	Regulatory Basis
Regulated Services (PDS, SO, MSP)	OATS Rules, RTWR and/or applicable ERC orders and issuances
Excluded Services (CC, RSTC, and AS)	OATS Rules, RTWR, ASCRM, other applicable ERC orders and issuances and NGCP Open Access Policy

**3. Credit Support**

As determined by NGCP based on the approved OATS Rules.


**4. Contract Period**

Commencement Date : As provided in this Agreement

Termination Date : As provided in this Agreement

NATIONAL GRID CORPORATION OF THE PHILIPPINES

By:

  
ANTHONY L. ALMEDA  
President and Chief Executive Officer



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex V*

*(Executive Summary LEYECO V and KSPC)*

**21.a Executive Summary.** KEPCO SPC Power Corporation manages and maintains a coal-fired baseload power plant in the City of Naga, Cebu to supply power under the Emergency Power Supply Agreement (EPSA) executed with the customers (DUs/ECs). Under the EPSA, KEPCO SPC Power Corporation (KEPCO SPC) shall supply Leyte V Electric Cooperative, Inc. (LEYECO V) a total annual Contract Quantity in kWh. Of such quantity, KEPCO SPC shall supply the buyer's baseload Contract Quantity in kWh through electricity generated by the power plant or cause the delivery of electricity to the buyer. KEPCO SPC will supply the contracted capacity, at the agreed contract price.

**21.b Source of Funds and Financial Plan;**

KEPCO SPC obtained a debt facility from international lending institutions and/or commercial banks. The equity invested was sourced from KEPCO Philippines Holdings, Inc. (KPHI) equivalent to 60%, and SPC Power Corporation (SPC) equivalent to 40%. KPHI is one hundred percent (100%) owned by Korea Electric Power Corp. (KEPCO).

**Debt/Equity Ratio.** Seventy percent (70%) of the total project cost is sourced from lenders. The balance of thirty percent (30%) is sourced through capital from KPHI and SPC, and each contributed 60% and 40% of the equity, respectively.

**Project Cost.** The ERC Approved KEPCO SPC Project Cost was US\$513.466M, the components of which are as follows:

<b>Cost Component</b>	<b>Commission Approved (US\$ '000)</b>
<b>EPC Cost</b>	<b>312,304</b>
<b>IDC</b>	<b>120,057</b>
<b>Site Cost</b>	<b>4,886</b>
<b>Advisory Fee</b>	<b>8,643</b>
<b>Other Project Cost</b>	<b>56,683</b>
<b>Contingency Fee</b>	<b>10,893</b>
<b>Total Capital Cost</b>	<b>513,466</b>

**EPC Cost** - The original capacity fee was determined using the Engineering, Procurement and Construction (EPC) Contract Price of US272,314Million procured by KSPC thru international public bidding. After the bid validity period on April 20, 2007, KSPC has agreed to enter into an EPC Contract amendment and accepted the final quotations of the bid price at an EPC Price of US312.304Million due to the sharp increase of EPC Cost.

**Interest During Construction (IDC)** - The IDC is tied with the EPC Cost. The IDC is the cost of the capital incurred during the construction of the power plant and usually capitalized as part of the power plant cost.

**Site Cost** - The land lease (site cost) is the same with the original project cost.

**Advisory Fee** stands for the financing advisory fees and other related expenses since the project requires an Advisory and Consulting Service due to more complicated negotiations. Moreover, in order for KSPC to be able to encourage Export Credit Agencies (ECAs) to accept its proposal for

funding, higher level of representations and documentation by qualified financial advisors should be made which translates to higher advisory fees, also includes advisory fees of the lenders.

Project Cost includes soft costs such as insurance during construction, cash related cost, financing fee and working capital. The working capital represents O & M cost and fuel cost which are used for operating the plant until the first collection of power sales from the customers.

**Computation of Return on Investment/ Weighted Average Cost of Capital (WACC).** The ERC Approved Weighted Average Cost of Capital for KSPC is 13.27%, as computed below:

<b>WACC</b>	
<b>Debt Component</b>	
Pre-tax Cost of Debt	8.17%
Post-tax Cost of Debt	5.72%
Weight of Debt	70%
	4.00%
<b>Equity Component</b>	
Cost of Equity	17.62%
Weight of Equity	30%
	5.29%
<b>Post-tax WACC</b>	<b>9.29%</b>
<b>Pre-tax WACC</b>	<b>13.27%</b>

#### 21.c Generation Rate and Derivation

##### Financial Model

The offered price consists of Non-Fuel and Fuel price components. The pricing was formulated accounting for the individual cost components. The Non-fuel portion is further composed of CRF and O/M Fee. The Operations and Maintenance (O&M) Fee in this instant application is classified into two: Fixed and Variable O&M, which includes maintenance and labor cost, general and administrative expenses and taxes. The Fuel Fee is pass-through based, as per indexation of the coal supply contract for the entire duration of the contract. The CRF stands for Capital Recovery Fee computed using the Internal Rate of Return (IRR) method subject to management decision.

**Breakdown of the Base Prices.** The KEPCO SPC Base price for this joint application with Leyte V Electric Cooperative, Inc. (LEYECO V) is broken down as follows:

<b>Price Components</b>	<b>Base Price (Php/kWh)</b>
Non Fuel	2.5664
CRF	1.4944
O&M	1.0720
Fuel	1.9385
<b>Total (Base Price)</b>	<b>4.5049</b>

Within the contract period, LEYECO V shall pay KEPCO SPC a generation charge calculated by applying the Base Price of Php4.5049/kWh to the Associated Energy for the given billing month, subject to adjustments, exclusive of VAT, other applicable taxes, fees, and other charges.

**Operations and Maintenance (O/M) Fee.** The O/M fee was derived from the actual Operations and Maintenance Cost of 2021 divided by the corresponding energy output. The total Operations and Maintenance Fee is Php1.0720/kWh, which is composed of Fixed O/M fee at Php0.9526/kWh and Variable O/M fee Php0.1194/kWh. The Fixed O/M is further divided into two components, the local portion amounting to Php0.5490/kWh and the foreign portion at Php0.4036/kWh.

**Fuel Fee.** The fuel cost utilized in generating electricity is passed on to the customers. The Base Fuel fee of Php1.9385/kWh was determined using a coal price of US\$44.09/metric ton and a transportation price of US\$19.93/metric ton with a calorific value of 4,250kcal/kg, while applying the latest plant heat rate of 2,635kcal/kWh at Php48.838/kWh exchange rate, as shown in the table below:

Coal, US\$/MT	44.09
Transportation, US\$/MT	19.93
Total Fuel Cost, US\$/MT	64.02
Plant Heat Rate, kcal/kWh	2,635
Calorific Value, kcal/kg	4,250
ForEx, Php/US\$	48.838
Fuel Fee, Php/kWh	1.9385

**Capacity Recovery Fee.** The CRF accounts for the capital recovery over the life of the asset and return on capital investment. The recovery of the capital cost and the return was calculated with the consideration of the time value of money. The CRF which is the difference between the offered price less the O/M Fees and the Fuel fee is simulated using the Internal Rate of Return (IRR) method.

A range of offered prices with their corresponding CRFs is then used in simulating a set of new WACC/IRR. These ranges of Offered prices, CRFs, and WACCs are then presented to the management for the final decision and approval of the most competitive price to be offered in the emergency power sales agreement.

The CRF (Php1.4944/kWh) is lower compared to the previously ERC Approved CRF (Php2.2958), as a result of negotiation between LEYECO V and KEPCO SPC, in response to the latter's invitation to submit a power supply offer for the Interim power supply requirement of its captive market, thru DOE Circular No. DC2021-09-0030.

Consequently, the decrease in CRF also implies a decrease in WACC, from the ERC approved rate of 13.27% to 11.77%. Decreasing the WACC is a management decision in order for KEPCO SPC to have the most competitive price in its bid to provide LEYECO V and other DUs/ECs with the cheapest electricity rate.

**Purchased Power Rate.** The computation of the Generation charge and the corresponding adjustments on the contract price can be found in "Annex D" of the Power Supply Agreement.

**Basis/Rationale of the Indexation.** The Non-fuel component of the contract price, which comprises the CRF and the O/M Fees are not subject to indexation, hence, fixed for the duration of the contract. While the indexation for the adjustment of the Fuel Fee is based on the KSPC Coal Supply Contract (with Harga Batubara Acuan and Platts Bunkerwire MGO as indices used

for the Coal and Transportation, respectively) and the Foreign Exchange Rate shall be the Ph Peso vs US Dollar exchange rate published by Bangko Sentral ng Pilipinas.

#### 21.d Cash Flow

**Initial Costs.** KSPC adopted the initial costs from the previously ERC approved applications, where the initial cost for the first four years, prior to operation of the KSPC Cebu power plant are as follows:

	2008 (in US\$ '000)	2009 (in US\$ '000)	2010 (in US\$ '000)	2011 (in US\$ '000)
Equity	28,315	53,526	46,505	18,870
Debt	102,385	161,956	48,460	30,655
<b>Total</b>	<b>130,700</b>	<b>215,482</b>	<b>94,965</b>	<b>49,525</b>

#### Breakdown of Operation and Maintenance Expenses.

CY2021		
Fixed O&M (US\$ Portion)	Php	Php/kWh
Labor Cost (expats)	42,637,601	
Offshore Service Costs	45,433,210	
Maintenance Cost (expensed)	553,985,388	
Maintenance CAPEX (capitalized)	44,043,378	
Insurance	63,103,309	
Sub-total	749,202,886	0.5490
Fixed O&M (Php Portion)	Php	Php/kWh
G&A Expence	196,819,476	
Labor Cost (Local)	155,993,358	
Local taxes	197,991,452	
Sub-total	550,804,286	0.4036
Variable O&M	Php	Php/kWh
Cost of Oil	28,044,371	
Annual Cost of Limestone	2,475,446	
Excise Tax Imported Coal	132,419,850	
Sub-total	162,939,667	0.1194
<b>Total O&amp;M Fee</b>	<b>1,462,946,839</b>	<b>1.0720</b>
Energy Output, kWh	1,364,710,944	

Prepared by:

Revel Tangkay  
AM, Market Analysis

Confirmed by:

Jeon, Sungham  
Marketing Senior Manager

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# *Annex W*

*(LEYECO V Estimated Rate Impact)*



# LEYTE V ELECTRIC COOPERATIVE, INC.

LEYECO-V

Brgy. San Pablo, Ormoc City

## RATE IMPACT ANALYSIS

### With EPSA

	Forecasted 2022-2023 Average Quantity (kWh)	Amount (Php.)	Weighted Average Rate (kWh)
KSPC	61,320,000	276,240,468.00	<b>10.0874</b>
GENERATOR 1	217,248,000	2,561,114,428.59	
WESM	31,932,319	294,799,172.69	
<b>TOTAL</b>	<b>310,500,319</b>	<b>3,132,154,069.27</b>	

### Without EPSA

	Forecasted 2022-2023 Average Quantity (kWh)	Amount (Php.)	Weighted Average Rate (kWh)
KSPC	0	0.00	<b>11.0210</b>
GENERATOR 1	217,248,000	2,561,114,428.59	
WESM	93,252,319	860,905,412.69	
<b>TOTAL</b>	<b>310,500,319</b>	<b>3,422,019,841.27</b>	

<b>GENERATION RATE IMPACT</b>	<b>(0.9335)</b>
-------------------------------	-----------------

#### Notes:

Analysis and simulations is based on LEYECO-V forecasted 2022-2023 hourly load profile  
GEN 1 rate is based on (i) Capacity Fee at Resulting Capacity Factor; (ii) FOREX = 57.02 from October 2022 Bill

Prepared by:

**NIÑO C. V. CAPAROSO**  
Trading Officer

Checked by:

**ROEL C. CABILLO**  
PSET Sec. Head/WCO

Recommending Approval by:

**ENGR. MICHAEL R. GUIÑAREZ**  
CETD Manager

Approved by:

**ATTY. JANNIE ANN J. DAYANDAYAN, CPA**  
General Manager



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWERCORPORATION (KSPC),”*

# *Annex BB*

*(KSPC WESM Registration)*

**CERTIFICATION**

The Philippine Electricity Market Corporation, the autonomous group market operator of the Philippine Wholesale Electricity Market ("WESM") hereby certifies that the **KEPCO SPC Power Corporation (KSPC)** is a Trading Participant - Generator Category. **KSPC** has registered the following plants

- KSPC Coal Fired Thermal Power Plant Unit 1
- KSPC Coal Fired Thermal Power Plant Unit 2

The company's membership started on 28 February 2011.

This Certification is being issued on request of **KSPC** for whatever purpose it may serve.

17 June 2011, Pasig City.

**PHILIPPINE ELECTRICITY MARKET CORPORATION**

By:

**ROBINSON P. DESCANZO**  
Vice President  
Corporate Planning and Communications



KÉPHILCO		MAKATI OFC.	
GROUP	ORIG	COPY	CTRL
PRES			
VP			
AGMT			
PLN	✓		
CMD			
FINANCE			
BDG			
L & EA			
GA			
KSPC			
MALAYA			
ILMAN			
RECEIVED	DATE	LOG NO.	
	June 6/2011	259	
STAFF	WCH	ONE	VPRES
REMARKS	Karen		

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex CC*

*(LEYECO V Non- Applicability of Documents)*

In Compliance of Pre-Filing Checklist for the purpose of filing the Joint Application for Approval of the Emergency Power Supply Agreement (EPSA) between Leyte V Electric Cooperative (LEYECO V) and KEPCO SPC Power Corporation (KSPC), we offer a brief explanation for the non-applicability of the following documents:

1. Competitive Selection Process Documents
  - The documents do not apply since this is an Emergency Power Supply Agreement that did not go through the Competitive Selection Process.
  
2. Inconsistencies/Differences from documents presented shall be supported by relevant analysis.
  - The document does not apply because there are no inconsistencies/differences from documents presented.

*"IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPSCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPSCO SPC POWER CORPORATION (KSPC),"*

# *Annex DD*

*(KSPC Non- Applicability of Documents)*

In Compliance of Pre-Filing Checklist for the purpose of filing the Joint Application for Approval of the Emergency Power Supply Agreement (EPSA) between Leyte V Electric Cooperative (LEYECO V) and KEPCO SPC Power Corporation (KSPC), KSPC offer a brief explanation for the non-applicability of the following documents:

1. Renewable Energy Service Contract and Certificate of Registration or Certification of Commerciality by an RE Developer
  - These documents are not applicable because KSPC does not use Renewable Energy as their source for generating electricity.
2. Water Permit from NWRB
  - This Document is not applicable because KSPC does not use Hydro Technology.
3. Details Regarding transmission projects or grid connection projects necessary to complement the proposed generation capacity
  - This document is not applicable since the plant is already existing and operating and it is already connected to the grid.
4. BIR Receipts, Seller's Receipts, Purchase Orders with Annotation of Acceptance or Transfers, Deeds of Sale and other Forms of Conveyance of Ownership, Cost Analysis Related to the generation in support of the Proposed Pricing
  - These documents are not applicable
5. Potential Cost (absolute amounts and PhP/kWh) of Ancillary Services as and when the IPP or the DU is connected to the main grid.
  - Not applicable. The plant is connected to the grid
6. Distribution Wheeling Service Agreement
  - This document is not applicable because KSPC is not an embedded generator.
7. Basis/rationale/derivation of Other Charges such as replacement, start-up, pre-commercial, and ancillary costs.
  - This document is not applicable because KSPC does not impose those charges.

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# *Annex EE*

*(Write-up on Non Availability of  
Certification by NPC)*



# LEYTE V ELECTRIC COOPERATIVE, INC.

Brgy. San Pablo, Ormoc City, Leyte  
Telephone Nos.: (053) 581-4075 to 4078  
Cellular Phone Nos. Calls Only: Smart: 0998-964-3804; Globe: 0917-836-3895  
Website: www.leyeco-v.com.ph eMail Address: info@leyeco-v.com.ph



## WRITE-UP ON NON-AVAILABILITY OF CERTIFICATION BY NPC OF TRANSITION SUPPLY CONTRACT AND ENERGY AVAILABILITY

The Energy Regulatory Commission (ERC) requires that power supply agreements (PSAs) meet certain criteria to ensure the stability and reliability of the electricity supply in the Philippines. One such requirement is the submission of a certification from the National Power Corporation (NPC) stating whether Transition Supply Contract (TSC) capacity and energy are expected to be available during the contractual period.

However, it should be noted that the NPC no longer exists as a government entity. The Electric Power Industry Reform Act (EPIRA) of 2001 abolished the NPC and restructured the electricity industry in the Philippines. The EPIRA created a competitive market for electricity, with private sector entities being allowed to participate in power generation, transmission, and distribution.

As a result, TSC is no longer allowed in the Philippine electricity market. The EPIRA mandates the transition to a competitive market structure, which means that any supply deficiency shall be withdrawn directly from the spot market.

Electric Cooperatives (EC) are directly connected to the grid and can source their electricity from various suppliers. As such, the NPC is not considered a supplier of Leyte V Electric Cooperative, Inc.,

Furthermore, the Power Supply Procurement Process (PSPP) ensures that forecasted demand will be covered by PSAs. The PSPP is a transparent and competitive process that encourages market participants to offer their best prices and terms to supply electricity to the grid.

In summary, the NPC no longer exists as a government entity, TSC is no longer allowed in the Philippine electricity market, and the PSPP ensures that forecasted demand will be covered by PSAs. Therefore, the certification requirement from the NPC regarding TSC is no longer applicable. Instead, PSAs must demonstrate that they can reliably supply electricity to the grid through the PSPP process.

  
**ATTY. JANNIE ANN J. DAYANDAYAN, CPA**  
General Manager

  
NGVC/RGC/MRG/JRBN

Executive Secretary: 206 InfoTech & Comm. Services: 216-218, 509  
Institutional Services Dept.: 401 Public Relations: 214 Clinic: 209  
Membership Division Chief: 403 Membership: 404 Housewiring: 407  
Customer Welfare Desk: 200-205 Motorpool: 406 ODM: 409  
Human Resources: 402, 210 GSD Chief: 408 Warehouse: 405  
Corporate Planning & Energy Trading Dept.: 219, 221, 223

Technical Services Dept.: 801,802 Engineering: 803  
Line Construction: 804  
Internal Audit Dept.: 701 Auditors: 702  
Finance Services Dept.: 501 Cashiering: 502  
Collection: 503-504 Accounting: 505 Consumer Accts: 506  
Meter Reading & Billing: 507, 508 & 510



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# *Annex FF*

*(LEYECO V DDP)*



Planned CAPEX Program Details

Type	Category	Name	Description	Target Completion Date	Project Cost, PhP	Quantity (ckm, MVA, MVAR, MW)
Capacity	Substation: Additional	Installation of New 10MVA Power Substation at San Isidro, Palompon, Leyte	Additional Power Substation	September 2022	41,900,303	10
Capacity	Substation: Uprating	Uprating of Existing 5MVA Libongao Substation to 10MVA Substation (Utilization of 10MVA Talisayan Substation)	Uprating of Libongao Substation	March 2023	25,000,000	10
Capacity	Substation: Additional	Relocation of Existing 5MVA Libongao Power Transformer to Tambis Tabango Substation	For Reliability Improvement	June 2023	2,000,000	5
Safety	Non-network Assets	Sambulawan substation Ground graveling and labeling	For Safety and Reliability performance improvement	March 2022	150,000	
Safety	Non-network Assets	Sambulawan substation concrete fencing	For Safety and Reliability performance improvement	March 2022	485,000	
Capacity	Subtransmission Facilities: Acquisition and Expansion	Construction of 25kms 69kV Line from Isabel to Brgy. San Isidro, Palompon	69kV Line construction for 10MVA substation supply	September 2022	18,900,000	25
Safety	Other Network Assets	Replacement of 250 Units Dilapidated Poles	For Safety and Reliability performance improvement	December 2022	5,006,401	250
Safety	Distribution Facilities: Replacement and Rehabilitation	Rehabilitation and/or Revamping of Unsafe and Delapidated Distribution Lines (9.4 kms)	For Safety and Reliability performance improvement	December 2022	4,386,949	9.4
Safety	Other Network Assets	Installation of 108 Service Poles for Service Drop Wires and Conductor Support	For Safety and Reliability performance improvement	December 2022	1,952,644	108
Safety	Distribution Facilities: Replacement and Rehabilitation	Correction of 8.1 km Long and Scattered Service Drop Wires to Open Secondary Lines and Replacement of 50 Old and Delapidated Structures	For Safety and Reliability performance improvement	December 2022	3,567,430	8.1
Safety	Other Network Assets	Mid-Pole Installation of Sub-standard Height/Vertical Clearance Violation for PDC Compliance (86 units) and Pole Relocation for Right Of Way Affected Structures (84 units)	For Safety and Reliability performance improvement	December 2022	5,962,147	86
Reliability	Other Network Assets	Implementation and Deployment of SCADA System (Phase 1)	To improve reliability performance of the feeder	December 2023	6,000,000	
Reliability	Other Network Assets	Deployment and Installation of Coop-Owned FIBER OPTICS Infrastructure and System and Complete Set of Tools (Phase 1)	To improve reliability performance of the feeder	December 2023	10,000,000	
Reliability	Other Network Assets	Installation of 2 units Automatic Circuit Reclosing Device/Equipment	To improve reliability performance of the feeder	August 2022	1,640,000	2
Reliability	Other Network Assets	Installation of 16 units Disconnect Switching (DS) Device/Equipment	To improve reliability performance of the feeder	December 2022	206,000	16
Reliability	Other Network Assets	Installation of 2 units Load Break Switching Device/Equipment	To improve reliability performance of the feeder	June 2022	400,000	2
Reliability	Resiliency: System Reliability / Flexibility	Transformer Load Management (TLM) Activities - Replacement/Uprating of 160 Distribution Transformers Units	For Resiliency of distribution lines	December 2022	15,291,856	160
Reliability	Resiliency: System Reliability / Flexibility	Preventive Maintenance Services of 7 Substations and THERMAL SCANNING for Power Substation Equipment and Facilities	For Resiliency of distribution lines	December 2022	775,200	7
Reliability	Distribution Facilities: Replacement and Rehabilitation	LINE CLEARING of 159036 km Distribution Lines due to Vegetation Problem and Replacement of 2172 Defective Distribution Line Insulators	To improve reliability performance of the distribution lines	December 2022	10,509,276	159,036

Reliability	Distribution Facilities: Replacement and Rehabilitation	Looping of 20 km Distribution System	To improve reliability performance of the distribution lines	December 2022	21,538,000	20
Reliability	Resiliency: System Response and Recovery	Buffer Stock for Contingency / Emergency / Calamities	To have a quick response to the system failure or damages due to calamities	December 2022	57,851,366	
Power Quality	Reactive Power Compensation: Distribution	Installation and/or Replacement of 15 - 50kVAR Power Capacitors along Distribution Lines	To lower System Loss along feeder lines	December 2022	242,250	0.75
Power Quality	Distribution Facilities: Acquisition and Expansion	5.6 km Distribution Line Conductor Reconductoring / Uprating (Primary and/or Secondary)	Line reconductoring of undersized conductors	December 2022	416,969	5.60
Power Quality	Distribution Facilities: Replacement and Rehabilitation	Reconfiguration of 20.9 km Distribution Lines (From OS to Primary Line or from 1Phase to 3Phase Line or 13.2kV to 24kV Conversion)	Line reconfiguration from single phase line to three phase line	December 2022	1,862,913	20.9
System Loss	Distribution Facilities: Replacement and Rehabilitation	Conductor uprating of 1.56 Km from No. 4/0 ACSR to 336.4 ACSR along Feeder 1 - 1	For System Loss reduction program.	December 2022	212,371	1.56
System Loss	Other Network Assets	Clustering, Reclustering & Relocation of 2486 kWh-Meters	For System Loss reduction program.	December 2022	1,769,445	2,486
System Loss	Other Network Assets	Replacement of Defective Meters, Metering Equipment & Accessories (Residential - 1184 units, Industrial - 32 units)	For System Loss reduction program.	December 2022	489,069	1,216
Other CAPEX	Other Network Assets	5000 pcs. Add-ons (KWH Meters for New Connection)	Procurement of kWh Meters for new applicants	December 2022	9,004,400	5,000
Other CAPEX	Other Network Assets	Distribution Transformer for New Connection	Procurement of new distribution transformers for line operation	December 2022	24,869,000	
Other CAPEX	Other Network Assets	Service Drop	Procurement of service drop wires as per Magna Carta for Residential consumers	December 2022	10,363,995	
Other CAPEX	Other Network Assets	Expansion of Secondary Lines	Procurement of secondary line materials	December 2022	15,500,000	
Non-network Projects	Non-network Assets	Procurement of Substation Lot	Procurement of lot for additional power substation	June 2022	5,000,000	
Non-network Projects	Non-network Assets	Construction of talisayan, Simangan, Tambis control house and Calubian Service center Guard House; Improvement of Lineman Quarters in Sambulawan and Tabango Substation	Building Structure and Improvement	December 2022	3,225,000	
Non-network Projects	Non-network Assets	Construction of storage facility, meter laboratory	Building Structure and Improvement	December 2022	1,950,000	
Non-network Projects	Non-network Assets	Construction of Main Office Covered Court and Data Center in Palompon New Office (server)	Building Structure and Improvement	December 2022	13,887,627	
Non-network Projects	Non-network Assets	Road Concreting inside Coop Premise and renovation of the isolation facility	Building Structure and Improvement	December 2022	5,455,000	
Non-network Projects	Non-network Assets	WESM Requirements	Logistic Support	December 2022	274,000	
Non-network Projects	Non-network Assets	Office & Furniture Equipment	Logistic Support	December 2022	4,020,100	
Non-network Projects	Non-network Assets	Transportation	Logistic Support	December 2022	54,746,100	
Non-network Projects	Non-network Assets	Store Equipment	Logistic Support	December 2022	1,932,940	
Non-network Projects	Non-network Assets	Laboratory Equipment	Logistic Support	December 2022	5,618,000	
Non-network Projects	Non-network Assets	Tools, Shop, Safety Gadgets and Garage Equipment	Logistic Support	December 2022	26,991,625	
Non-network Projects	Non-network Assets	Power Operated Equipment	Logistic Support	December 2022	28,750,700	
Non-network Projects	Non-network Assets	I.T. Equipment	Logistic Support	December 2022	19,816,360	
Capacity	DU's Self-Generation	Constuction of 2 MW Mini Hydro Plant at Bao River (Phase 2)	Micro/Mini Hydro Power Plant	December 2024	303,021,974	2
Capacity	DU's Self-Generation	Approval of 2MW Modular Diesel GENSET at Alta Vista S/S	GenSet	December 2022	1,000,000	2





## Historical Infrastructure Quantities

	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Subtransmission Facilities: Acquisition and Expansion (ckm)</b>									
* 230 kV									
* [138 kV, 230 kV]									
* [115 kV, 138 kV]									
* < 115 kV				2.0		8.0	5.0	18.0	27.8
<b>Subtransmission Facilities: Replacement and Rehabilitation (ckm)</b>									
* 230 kV									
* [138 kV, 230 kV]									
* [115 kV, 138 kV]									
* < 115 kV		11.1							
<b>Distribution Facilities: Acquisition and Expansion (ckm)</b>									
* [34.5 kV, 69 kV]									
* [13.8 kV, 34.5 kV]									
* < 13.8 kV, Three-phase		12.0	23.0	3.3	4.5	10.2	0.6	25.2	26.2
* < 13.8 kV, Vee-phase		7.6				34.7		2.3	3.2
* < 13.8 kV, Single-phase		93.0	35.9	38.3	8.9	7.3	17.7	8.2	2.9
<b>Distribution Facilities: Replacement and Rehabilitation (ckm)</b>									
* [34.5 kV, 69 kV]									
* [13.8 kV, 34.5 kV]									
* < 13.8 kV, Three-phase		719.5	42.0	15.9	10.2	16.0	7.4	5.5	6.7
* < 13.8 kV, Vee-phase		36.2		3.0		9.1			
* < 13.8 kV, Single-phase		697.9	43.9	26.6	7.3	9.0	26.4	12.4	9.2
* Substation: Additional (MVA)				5.0		20.0			
* Substation: Upgrading (MVA)									
* Substation: Retirement (MVA)									
* Substation: Stand-by (MVA)									
* Reactive Power Compensation: Substation (MVA)								0.0	
* Reactive Power Compensation: Distribution (MVA)				0.5	0.5	0.3	0.6		







Forecasted Loads per Substation Transformer

		2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/STransformer	25.00	12.75	12.16	14.70	14.99	17.33	16.01	14.64	15.18	15.44	15.56	15.05	14.37
Talisayan S/STransformer	12.00	6.24	6.88	6.90	7.71	7.31	6.73	6.83	7.24	6.98	7.53	7.27	7.32
Mahayag S/STransformer	15.00	7.35	6.89	7.38	7.46	7.97	7.42	8.09	8.47	7.40	7.71	7.55	7.28
Sambulawan S/STransformer	6.25	2.67	2.36	2.41	2.52	2.58	2.66	2.55	2.70	2.48	2.69	2.50	3.83
Tambis S/STransformer	6.25	3.95	4.05	4.10	3.13	3.24	3.36	3.82	3.56	4.83	4.06	4.04	3.88
Libongao S/STransformer	6.25	4.57	4.49	4.02	4.01	4.05	3.93	4.72	4.37	3.97	3.73	4.55	4.56
Alta Vista S/STransformer	25.00	7.30	8.43	8.13	8.55	8.39	8.94	9.08	9.16	8.29	8.91	8.75	8.53
		2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/STransformer	25.00	13.20	12.59	15.22	15.53	17.95	16.58	15.16	15.73	15.99	16.12	15.59	14.88
Talisayan S/STransformer	12.00	6.40	7.06	7.09	7.91	7.50	6.90	7.01	7.43	7.16	7.73	7.47	7.52
Mahayag S/STransformer	15.00	7.52	7.05	7.55	7.64	8.16	7.60	8.28	8.67	7.58	7.90	7.73	7.46
Sambulawan S/STransformer	6.25	2.90	2.56	2.62	2.73	2.80	2.88	2.76	2.93	2.68	2.92	2.71	4.15
Tambis S/STransformer	6.25	4.22	4.32	4.38	3.34	3.46	3.59	4.08	3.79	5.15	4.33	4.31	4.14
Libongao S/STransformer	6.25	4.81	4.73	4.24	4.22	4.27	4.14	4.97	4.60	4.18	3.93	4.79	4.80
Alta Vista S/STransformer	25.00	7.53	8.69	8.37	8.81	8.64	9.21	9.35	9.44	8.55	9.18	9.02	8.79
		2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/STransformer	25.00	13.63	13.00	15.72	16.04	18.54	17.12	15.65	16.24	16.51	16.64	16.10	15.37
Talisayan S/STransformer	12.00	6.55	7.22	7.25	8.10	7.67	7.07	7.18	7.60	7.33	7.91	7.64	7.69
Mahayag S/STransformer	15.00	7.69	7.21	7.72	7.80	8.34	7.77	8.47	8.86	7.74	8.07	7.90	7.62
Sambulawan S/STransformer	6.25	3.12	2.76	2.82	2.95	3.01	3.11	2.97	3.16	2.89	3.15	2.92	4.47
Tambis S/STransformer	6.25	4.48	4.59	4.65	3.55	3.68	3.81	4.33	4.03	5.47	4.60	4.58	4.40
Libongao S/STransformer	6.25	5.05	4.96	4.45	4.43	4.49	4.35	5.22	4.83	4.39	4.13	5.03	5.04
Alta Vista S/STransformer	25.00	7.74	8.93	8.61	9.05	8.88	9.46	9.61	9.70	8.78	9.44	9.27	9.03
		2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/STransformer	25.00	14.04	13.39	16.19	16.51	19.09	17.63	16.12	16.72	17.01	17.14	16.58	15.82
Talisayan S/STransformer	12.00	6.69	7.37	7.40	8.27	7.83	7.21	7.33	7.76	7.48	8.08	7.80	7.85
Mahayag S/STransformer	15.00	7.84	7.35	7.88	7.96	8.51	7.92	8.64	9.04	7.90	8.23	8.06	7.77
Sambulawan S/STransformer	6.25	3.35	2.96	3.02	3.16	3.23	3.33	3.19	3.38	3.10	3.37	3.13	4.79
Tambis S/STransformer	6.25	4.74	4.86	4.92	3.75	3.89	4.03	4.58	4.26	5.79	4.86	4.84	4.66
Libongao S/STransformer	6.25	5.29	5.20	4.66	4.64	4.70	4.55	5.46	5.06	4.60	4.32	5.27	5.28
Alta Vista S/STransformer	25.00	7.93	9.15	8.83	9.28	9.11	9.70	9.86	9.95	9.01	9.68	9.50	9.26

		2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/S Transformer	25.00	14.42	13.76	16.63	16.97	19.61	18.11	16.56	17.18	17.47	17.61	17.03	16.26
Talisayan S/S Transformer	12.00	6.82	7.51	7.54	8.42	7.98	7.35	7.46	7.90	7.62	8.23	7.94	8.00
Mahayag S/S Transformer	15.00	7.99	7.49	8.02	8.11	8.67	8.07	8.80	9.21	8.05	8.39	8.21	7.92
Sambulawan S/S Transformer	6.25	3.57	3.15	3.22	3.37	3.44	3.55	3.40	3.61	3.31	3.60	3.33	5.11
Tambis S/S Transformer	6.25	4.99	5.12	5.19	3.96	4.10	4.25	4.83	4.49	6.10	5.13	5.10	4.91
Libongao S/S Transformer	6.25	5.53	5.43	4.87	4.85	4.90	4.75	5.70	5.29	4.80	4.51	5.50	5.51
Alta Vista S/S Transformer	25.00	8.12	9.37	9.04	9.50	9.32	9.93	10.09	10.18	9.22	9.91	9.73	9.48
		2027	2027	2027	2027	2027	2027	2027	2027	2027	2027	2027	2027
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/S Transformer	25.00	14.79	14.11	17.05	17.40	20.11	18.57	16.98	17.62	17.92	18.05	17.46	16.67
Talisayan S/S Transformer	12.00	6.93	7.64	7.67	8.57	8.12	7.47	7.59	8.04	7.75	8.37	8.08	8.14
Mahayag S/S Transformer	15.00	8.13	7.62	8.16	8.26	8.82	8.21	8.95	9.37	8.19	8.53	8.36	8.06
Sambulawan S/S Transformer	6.25	3.79	3.35	3.42	3.57	3.65	3.77	3.61	3.83	3.51	3.82	3.54	5.42
Tambis S/S Transformer	6.25	5.25	5.38	5.45	4.15	4.31	4.46	5.07	4.72	6.41	5.38	5.36	5.16
Libongao S/S Transformer	6.25	5.75	5.65	5.07	5.05	5.11	4.95	5.94	5.50	5.00	4.70	5.73	5.74
Alta Vista S/S Transformer	25.00	8.30	9.58	9.23	9.71	9.53	10.15	10.31	10.41	9.42	10.13	9.94	9.69
		2028	2028	2028	2028	2028	2028	2028	2028	2028	2028	2028	2028
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/S Transformer	25.00	15.14	14.44	17.46	17.81	20.58	19.01	17.39	18.03	18.34	18.48	17.88	17.06
Talisayan S/S Transformer	12.00	7.04	7.76	7.79	8.70	8.24	7.59	7.71	8.17	7.87	8.50	8.21	8.26
Mahayag S/S Transformer	15.00	8.26	7.75	8.30	8.39	8.97	8.35	9.10	9.53	8.33	8.67	8.49	8.19
Sambulawan S/S Transformer	6.25	4.00	3.54	3.61	3.78	3.86	3.99	3.82	4.05	3.71	4.04	3.74	5.73
Tambis S/S Transformer	6.25	5.49	5.63	5.70	4.35	4.51	4.67	5.31	4.94	6.71	5.64	5.61	5.40
Libongao S/S Transformer	6.25	5.98	5.87	5.27	5.25	5.31	5.14	6.17	5.72	5.20	4.89	5.96	5.97
Alta Vista S/S Transformer	25.00	8.47	9.77	9.42	9.91	9.72	10.36	10.52	10.62	9.62	10.33	10.14	9.88
		2029	2029	2029	2029	2029	2029	2029	2029	2029	2029	2029	2029
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/S Transformer	25.00	15.47	14.76	17.84	18.20	21.04	19.43	17.77	18.43	18.75	18.89	18.27	17.44
Talisayan S/S Transformer	12.00	7.14	7.87	7.90	8.83	8.36	7.70	7.82	8.28	7.99	8.62	8.33	8.38
Mahayag S/S Transformer	15.00	8.39	7.87	8.43	8.52	9.11	8.48	9.24	9.68	8.46	8.81	8.62	8.32
Sambulawan S/S Transformer	6.25	4.22	3.73	3.81	3.98	4.07	4.20	4.02	4.27	3.91	4.25	3.94	6.04
Tambis S/S Transformer	6.25	5.73	5.88	5.96	4.54	4.71	4.88	5.54	5.16	7.01	5.89	5.86	5.64
Libongao S/S Transformer	6.25	6.20	6.09	5.46	5.44	5.50	5.33	6.40	5.93	5.39	5.07	6.18	6.19
Alta Vista S/S Transformer	25.00	8.63	9.96	9.60	10.10	9.91	10.56	10.72	10.82	9.80	10.53	10.34	10.07



		2030	2030	2030	2030	2030	2030	2030	2030	2030	2030	2030	2030
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/STransformer	25.00	15.79	15.07	18.21	18.58	21.48	19.84	18.14	18.81	19.13	19.28	18.65	17.80
Talisayan S/STransformer	12.00	7.24	7.98	8.01	8.94	8.48	7.80	7.93	8.39	8.09	8.74	8.44	8.50
Mahayag S/STransformer	15.00	8.51	7.99	8.55	8.65	9.24	8.60	9.38	9.82	8.58	8.94	8.75	8.44
Sambulawan S/STransformer	6.25	4.43	3.91	4.00	4.18	4.27	4.41	4.22	4.48	4.10	4.46	4.14	6.34
Tambis S/STransformer	6.25	5.97	6.13	6.20	4.73	4.90	5.08	5.77	5.37	7.30	6.13	6.11	5.87
Libongao S/STransformer	6.25	6.42	6.30	5.65	5.63	5.70	5.52	6.63	6.14	5.58	5.24	6.39	6.40
Alta Vista S/STransformer	25.00	8.79	10.14	9.78	10.28	10.09	10.75	10.92	11.02	9.98	10.72	10.53	10.26

		2031	2031	2031	2031	2031	2031	2031	2031	2031	2031	2031	2031
Transformer	Max MVA	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Simangan S/STransformer	25.00	16.10	15.36	18.57	18.94	21.89	20.22	18.49	19.18	19.51	19.66	19.01	18.15
Talisayan S/STransformer	12.00	7.33	8.08	8.11	9.05	8.58	7.90	8.03	8.50	8.20	8.85	8.54	8.60
Mahayag S/STransformer	15.00	8.63	8.10	8.67	8.77	9.37	8.72	9.51	9.95	8.70	9.06	8.87	8.56
Sambulawan S/STransformer	6.25	4.63	4.09	4.18	4.37	4.47	4.61	4.41	4.69	4.29	4.67	4.33	6.63
Tambis S/STransformer	6.25	6.21	6.37	6.45	4.92	5.10	5.28	6.00	5.58	7.59	6.37	6.35	6.10
Libongao S/STransformer	6.25	6.63	6.51	5.84	5.82	5.89	5.70	6.85	6.34	5.76	5.42	6.60	6.62
Alta Vista S/STransformer	25.00	8.94	10.31	9.94	10.46	10.26	10.93	11.10	11.21	10.15	10.90	10.70	10.43





*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex GG*

*(LEYECO V PSPP)*







































### Power Supply Agreements - Contracted

Case No.	Type	GenCo	Minimum MW	Minimum MWh/yr	PSA Start	PSA End
2016-057RC	Coal	GN Power Dinginin	31.00	271,560	12/26/2018	12/25/2038
2018-055RC	GEOHERMAL	Power Sector Assets and Liabilities Management Corporation	8.00	70,080	12/26/2021	7/25/2022

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex HH*

*(LEYECO V Estimation of Potential for a reduction in load supplied by the DU due to retail competition)*





# LEYTE V ELECTRIC COOPERATIVE, INC.

LEYECO-V

Brgy. San Pablo, Ormoc City

## Estimated Load of Qualified Contestable Customers under RCOA

No.	Customer NO.	1 Year Average Demand (kW)
1	Industrial Customer 1	908.40
2	Industrial Customer 2	841.99
3	Industrial Customer 3	648.64
4	Industrial Customer 4	695.75
5	Industrial Customer 5	569.84
6	Industrial Customer 6	535.81
<b>TOTAL (kW)</b>		<b>4,200.43</b>

Note: One Year Average Demand as of September 2022

Prepared by:

  
NIÑO CRIS V. CAPAROSO  
Trading Officer

Checked by:

  
ROEL C. CABILLO  
PSET Sec. Head/WCO

Recommending Approval by:

  
ENGR. MICHAEL R. GUIÑAREZ  
CETD Manager

Approved by:

  
ATTY. JANNIE ANN J. DAYANDAYAN, CPA  
General Manager  
NOV 09 2022

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWERCORPORATION (KSPC),”*

# *Annex II*

*(KSPC Verified-Certification)*



Republic of the Philippines  
City of Naga, Cebu) S.S

### VERIFICATION

I, Jude Francis Alphaeus M. Rendon, of legal age, Filipino, Marketing Assistant Manager of KEPCO SPC POWER CORPORATION with principal office at Brgy. Colon, City of Naga, Cebu, Philippines, after having duly sworn to in accordance with law, do hereby depose and states THAT;

1. The KSPC 221MW Power Plant has been in commercial operations since February 28, 2011 and May 31, 2011 for Unit 1 and 2 and continues to be in operation to this day.
2. The power plants are ready to deliver power to address the emergency and that the rates being charged are no more than the latest rate approved by the Commission for the same or relevant technology in the area.


IN WITNESS WHEREOF, I hereby affixed my signature this 18<sup>th</sup> day of May 2023 in City of Naga, Cebu, Philippines.



Jude Francis Alphaeus M. Rendon  
Marketing Assistant Manager  
Passport No. P8221336B

SUBSCRIBED AND SWORN TO before me this 18th day of May 2023 in City of Naga, Cebu, Philippines, affiant exhibiting his Philippine Passport with passport no. P8221336B with expiration date November 21, 2031 issued by the Department of Foreign Affairs, as his competent evidence of identity.

Doc. No. 91  
Page 10  
Book 5  
Series of 2023.



**ATTY. JANDY P. CODERA**  
NOTARY PUBLIC  
NOTARIAL COMMISSION NO. 2022-15  
UNTIL DECEMBER 31, 2023  
ATTORNEY'S ROLL NO. 59099  
IBP NO. 292485 - 1/22/2023 CEBU CITY  
PTR NO. 9795089 - 1/6/2023 SAN FERNANDO, CEBU  
MCLE COMPLIANCE NO. VII-0009189  
11TH ST., SOUTH POBLACION, SAN FERNANDO, CEBU



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex JJ*

*(KSPC Certification of the net heat rate)*

KEPCO SPC POWER CORPORATION  
 (032) 505-4065  
 Commissioning Date: Unit 1: 10/8/2010; Unit 2: 12/22/2010

**MONTHLY OPERATIONS REPORT**  
 EPIMB\_PPDD Form 04-002  
 FOR THE YEAR 2022

PLANT OPERATIONAL DATA		3											
	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1.0 Rated Capacity, MW	221.00	221.00	221.00	221.00	221.00	221.00	221.00	221.00	221.00	221.00	221.00	221.00	2,652.00
2.0 Station Use, MW	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34	19.34	232.06
3.0 Average Dependable Capacity MW	186.66	186.66	186.66	186.66	186.66	186.66	186.66	186.66	186.66	186.66	186.66	186.66	2,239.92
4.0 Gross Generation, KWH	71,578,352	114,983,035	89,535,383	147,331,461	144,857,617	151,705,366	124,645,256	139,683,237	143,864,228	135,137,487	120,007,972	65,460,624	1,448,790,018
5.0 Total Station Used, KWH	8,821,823	11,128,278	8,805,873	13,675,720	13,409,827	13,850,738	11,964,696	13,212,536	13,392,940	12,749,062	11,719,587	7,097,956	139,829,038
6.0 Net Generation, KWH	62,756,530	103,854,757	80,729,509	133,655,742	131,447,789	137,854,628	112,680,560	126,470,701	130,471,288	122,388,425	108,288,384	58,362,668	1,308,960,980
7.0 Heat Rate													
6.1 Gross Heat Rate, BTU/KWH	9,709.55	9,409.95	9,401.35	9,401.24	9,408.13	9,400.15	9,401.44	9,404.86	9,393.76	9,394.00	9,406.73	9,395.94	9,416.97
6.2 Net Heat Rate, BTU/KWH	11,037.96	10,405.45	10,410.00	10,347.98	10,352.74	10,328.97	10,447.98	10,370.24	10,341.19	10,355.50	10,405.27	10,418.21	10,406.57
8.0 Operating Hours	976.40	1,152.00	880.80	1,460.10	1,440.00	1,488.00	1,224.08	1,388.17	1,411.85	1,321.03	1,200.35	653.58	14,596.37
9.0 Forced Outage Hours	511.60	-	-	-	-	-	215.92	99.83	76.15	118.97	119.65	-	1,142.12
10.0 Planned Outage Hours	-	336.00	463.20	27.90	-	-	-	-	-	-	168.00	786.42	1,781.52
11.0 Maintenance Outage Hours	-	-	-	-	-	-	-	-	-	-	-	-	-
12.0 Deactivated Shutdown Hours	-	-	-	-	-	-	-	-	-	-	-	-	-
13.0 Forced Outage Rate, %	34.38	-	-	-	-	-	14.99	6.71	5.12	8.26	9.06	-	7.26
14.0 Capacity Factor, %	46.70	75.02	64.68	96.13	97.67	98.98	84.04	91.14	93.87	91.11	78.30	44.13	80.28
15.0 Period Hours for Capacity Factor	1,488.00	1,488.00	1,344.00	1,488.00	1,440.00	1,488.00	1,440.00	1,488.00	1,488.00	1,440.00	1,488.00	1,440.00	17,520.00
16.0 Availability, hrs	976.40	1,152.00	880.80	1,460.10	1,440.00	1,488.00	1,224.08	1,388.17	1,411.85	1,321.03	1,200.35	653.58	14,596.37
17.0 Fuel consumption, ltrs													
17.1 Bunker Fuel Oil													
17.1.1 Bunker consumed, liters													
17.1.2 HHV, BTU/lb													
17.1.3 Cost, P/ltr													
17.2 Diesel Fuel Oil													
17.2.1 Diesel consumed, ltrs													
17.2.2 HHV, BTU/lb													
17.2.3 Cost, P/ltrs													
17.3 Coal													
17.3.1 Coal consumed, ton	42,563	68,610	54,166	85,315	85,231	87,900	73,989	83,636	87,199	79,731	73,040	37,618	858,996.65
17.3.2 HHV, kcal/kg	4,131.81	3,976.67	3,928.45	4,097.49	4,032.09	4,090.99	3,990.70	3,966.84	3,913.34	4,019.47	3,905.51	4,138.29	4,009.66
17.3.3 Cost, P/ton	5,253.32	5,698.77	4,906.51	6,223.65	6,755.94	7,467.99	6,817.26	6,859.33	9,335.62	8,092.38	8,176.91	6,991.59	6,881.61
18.0 Total Fuel Expenses, Pesos	223,595,834	390,990,095	265,764,599	530,972,789	575,815,169	656,439,243	504,398,605	573,689,325	814,053,215	645,210,393	597,243,914	263,006,345	6,041,179,525

Prepared by: Reynaldo Paraguya Jr.  
 Position: Operations Engineer

Checked by: Richard Jucom  
 Position: Operations Supervisor

Reviewed by: Kenneth Paul Real  
 Position: Operations Asst. Manager

Approved by: Mr. Kim Byungho  
 Position: Operations Senior Manager

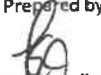
*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex KK*

*(KSPC MEOT allocation to the generating units)*

MEOT Allocation to KSPC Generating Units													
Period	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Total
Unit 1	6,480,000	6,696,000	6,480,000	6,696,000	6,696,000	6,048,000	6,696,000	6,480,000	6,696,000	6,480,000	6,696,000	6,696,000	78,840,000
Unit 2	6,480,000	6,696,000	6,480,000	6,696,000	6,696,000	6,048,000	6,696,000	6,480,000	6,696,000	6,480,000	6,696,000	6,696,000	78,840,000
Total	12,960,000	13,392,000	12,960,000	13,392,000	13,392,000	12,096,000	13,392,000	12,960,000	13,392,000	12,960,000	13,392,000	13,392,000	157,680,000

Prepared by:

  
 KZ Lesnieña  
 B/S Officer

Confirmed by:

  
 Ravel Sangkay  
 AM-Market Analysis



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPSCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPSCO SPC POWER CORPORATION (KSPC),”*

# *Annex LL*

*(KSPC Excel for ERC App O&M)*



**CY 2021**

<b>FIXED O&amp;M (US\$ Portion)</b>	<b>PHP</b>	<b>PHP/kWh</b>
Labor Cost (expats)	42,637,601	0.5490
Offshore Service Costs	45,433,210	
Maintenance Cost (expensed)	553,985,388	
Maintenance CAPEX (capitalized)	44,043,378	
Insurance	63,103,309	
Sub-total	749,202,886.00	

<b>FIXED O&amp;M (PHP Portion)</b>	<b>PHP</b>	<b>PHP/kWh</b>
G&A Expense	196,819,476	0.4036
Labor Cost (local)	155,993,358	
Local Taxes	197,991,452	
Sub-total	550,804,286	

<b>VARIABLE O&amp;M</b>	<b>PHP</b>	<b>PHP/kWh</b>
Cost of Oil	28,044,371	0.1194
Annual Cost of Limestone	2,475,446	
Excise Tax Imported Coal	132,419,850	
Sub-total	162,939,667	

<b>TOTAL O&amp;M Fee</b>	<b>1,462,946,839</b>	<b>1.0720</b>
--------------------------	----------------------	---------------

Energy Ouput, kWh	1,364,710,944
-------------------	---------------

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex LL*

*(KSPC Excel for ERC App O&M)*

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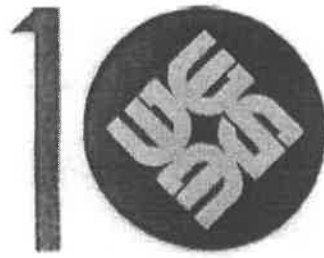
<b>TOTAL O&amp;M Fee</b>	<b>1,462,946,839</b>	<b>1.0720</b>
--------------------------	----------------------	---------------

Energy Ouput, kWh	1,364,710,944
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# *Annex MM*

*(LEYECOV WESM Membership Certificate)*

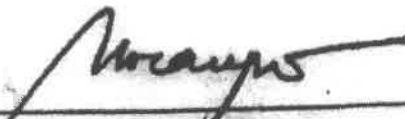


WHOLESALE ELECTRICITY SPOT MARKET  
POWERING  
PROGRESS  
2006 - 2016

# WESM MEMBER

**Leyte V Electric Cooperative, Inc.**  
PROUD MEMBER SINCE 2010

LEYECO V  
CERTIFIED TRUE COPY  
FROM THE ORIGINAL

  
\_\_\_\_\_  
**Melinda L. Ocampo**  
President

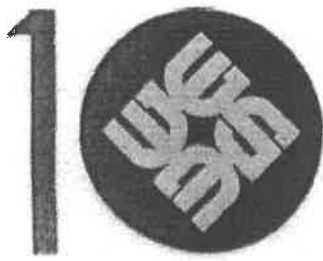
INC.

Certified by: Nino Ocasio  
Date: 5-8-23

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

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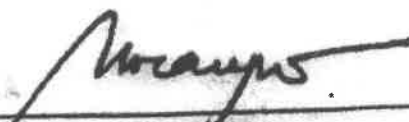


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\_\_\_\_\_  
Melinda L. Ocampo  
President

Certified by: Nino Ocasio  
Date: 5-8-23

INC.



*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

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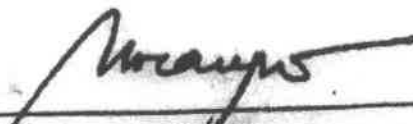
WHOLESALE ELECTRICITY SPOT MARKET

POWERING  
PROGRESS  
2006 - 2016

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PROUD MEMBER SINCE 2010

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CERTIFIED TRUE COPY  
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**Melinda L. Ocampo**  
President

Certified by: Nino Ocasio  
Date: 5-8-23

INC.

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

# *Annex NN*

*(KSPC Explanation of no. 39)*

## **MORE INTERIM PSA PRE-FILING CHECKLIST EXPLANATION**

**#37. Copy of Related Agreements (i.e., Transmission Wheeling Contract, IPPA Agreement, EPC Contract, O & M Contract, Wholesale Aggregator Agreement, Project Feasibility Study, etc).**

**#39 Sources of Funds/Financial Plans:**

**For submission of the Certification from the Bank/ending Institution specifying the principal amortization, term, and interest during the cooperation period of the loan agreement, Life Assess versus Term of Loan (Computation of Levelized Cost), Bank Certification of Long Term Loans, including schedule of Original Loan (Principal Amount, interest payable, term of loan) and updated balances (Principal Amount), interest payable, and term of the loan).**

Explanation:

KSPC's price was derived from the previously approved ERC rate of KEPCO SPC in Case No. 2013-167 RC, IN THE MATTER OF THE APPLICATION FOR APPROVAL OF THE AMENDMENT TO THE POWER SALES CONTRACT (APSC) BETWEEN NEGROS OCCIDENTAL ELECTRIC COOPERATIVE, INCORPORATED (NOCECO) AND KEPCO SPC POWER CORPORATION (KSPC) WITH MOTION FOR THE ISSUANCE OF PROVISIONAL AUTHORITY.<sup>1</sup>

The EPC contract is one of the documentary evidence submitted in the above case and since the EPC Contract has been previously reviewed and approved by the Commission, we shall submit instead a copy of the decision duly approved by the ERC.

Moreover, the certification from the banks regarding loans is not applicable and irrelevant since as explained above, KSPC's price components were previously approved by the Commission but its O & M and fuel prices were escalated as of September 2018 in order to come up with a responsive price for MORE Power.

**#40 Generation Rate and Derivation:**

**Indicate in the Financial Model the computation of the proposed rates (Sheet and Cell number)**

Explanation:

**Financial Model Pricing**

The financial model tariff formula is based to the previous contracts; hence, the total adjusted price is hard coded in the model under "Income" tab Row 378 Columns Z and AA as these are computed separately as per the write up under 21.c Generation Rate and Derivation. This is then multiplied to the projected nomination under "Income" tab Row 126 Columns Z and AA, respectively.

<sup>1</sup> Decision in ERC Case No. 2013-167 RC

*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWER CORPORATION (KSPC),”*

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*“IN THE MATTER OF THE JOINT APPLICATION FOR APPROVAL OF THE EMERGENCY POWER SUPPLY AGREEMENT BETWEEN LEYTE V ELECTRIC COOPERATIVE, INC. AND KEPCO SPC POWER CORPORATION, WITH PRAYER FOR CONFIDENTIAL TREATMENT OF INFORMATION, LEYTE V ELECTRIC COOPERATIVE, INC. (LEYECO V) AND KEPCO SPC POWERCORPORATION (KSPC),”*

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