

Leadership Roundtable

In 2024, One Meralco delivered impressive financial results amid global and domestic uncertainties while providing our customers the best-value energy solutions—reliably, affordably, superbly, and sustainably. In this conversation, our top leaders—**Ronnie Aperocho**, Meralco’s Chief Operating Officer; **Ferdie Geluz**, Meralco’s Chief Revenue Officer; and **Manny Rubio**, MGEN’s President & Chief Executive Officer—reflect on our Group’s resounding success, how we are helping address the country’s energy trilemma, and how innovation continues to shape better experiences for our customers. They also share their outlook for 2025 and what fuels their passion for powering the nation towards a cleaner and brighter future.

Meralco once again delivered strong financial results in 2024—a year in which global uncertainty impacted the nation’s growth projections. What were the drivers of this success?

Ferdie Geluz: Our stronger electrification program helped make 2024 another milestone year for Meralco. We hit a record high in terms of energy sales and customer connections, delivering over 54,300 GWh of power to our over 8 million customers. In fact, our energy sales growth of 6.4% outpaced the Philippines’ GDP growth of 5.6%. This is something we haven’t seen since 2016.

We saw strong growth in certain sectors like hospitality and retail, which pushed up energy demand. We also experienced the continued recovery of local tourism. The office leasing market also grew because of return-to-office mandates and the expansion of the IT-BPM³ industry amid the government’s POGO ban⁴. On top of that, higher demand for packaging and construction materials also led to increased electricity use in the food and beverage and non-metallic minerals sectors. Thanks to our strategic investments in improving Meralco’s network infrastructure, we were able

to meet these demands and fulfill our commitment to providing efficient and reliable service to our customers all year long.

It was also a big year for our retail electricity suppliers (“RES”) as they posted positive revenue results that helped Meralco set a record-high income for 2024. The strong performance of MPower and Vantage Energy was mainly driven by the recovery of our customer portfolio as well as favorable account renewals post-FCRA⁵. Their combined energy sales last year reached nearly 5,900 GWh.

Manny Rubio: On the power generation front, MGEN continued to make solid contributions to Meralco’s earnings in 2024 while reinforcing our position as a key player in the power industry. We reached a net sellable capacity of over 2,400 MW across our diversified portfolio in the Philippines and Singapore, which allowed us to generate almost 15,300 GWh of electricity—up by 7% from 2023. We achieved this impressive growth by staying focused on addressing the country’s energy security needs through innovation and sustainability.

To further maximize value, we have positioned our baseload plants to



³Information technology & business process management ⁴Philippine offshore gaming operators (“POGOs”) were banned by President Bongbong Marcos during his third State of the Nation Address in July 2024. ⁵Fuel cost recovery adjustment

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Ferdinand O. Geluz
Chief Revenue Officer
Meralco



rate increases caused by high WESM⁹ prices, procurement of replacement power during outages, and fuel price hikes among others. We do this by working closely with our regulators, the market operator, and business partners in implementing measures such as rate reductions, staggered payment schemes, and the suspension of billing charges when necessary. These measures help our customers better manage their electricity expenses during difficult periods.

From a reliability standpoint, Meralco spent over PhP 24 billion in CapEx last year mostly for network expansion and upgrade, storm hardening, digital transformation, and grid modernization.

These projects enable us to deliver reliable energy services that drive customer productivity while also reducing system losses, which ultimately translate into customer savings. In 2024, we maintained our below-the-cap system loss performance for the 17th consecutive year. We also achieved our best-ever reliability performance in terms of SAIDI and SAIFI.¹⁰

participate in the reserve market, which will optimize our generation capacity. With our participation in both the energy supply and reserve market, we will benefit from dual revenue streams as we bid to provide both energy supply and ancillary services. Flexible players, such as ourselves, with accredited capacity are now incentivized to optimize their operations, shifting between services depending on market needs.

Our MThermal plants in Cebu and Panay successfully passed their Ancillary Services Certification Tests last year, with more units expected to follow. This paved the way for our participation in the co-optimized market, which can help lower costs for consumers.

Through strategic investments and flexible market participation, we thrived amid rapidly shifting industry dynamics. Make no mistake, MGEN is not just keeping pace with change—we are leading the charge in transforming energy in the Philippines.

As One Meralco delivers power to more customers than ever before, how is the Group working to balance affordability, reliability, and sustainability?

Ronnie Apercho: To ensure that we source power in the least-cost manner, we continue to conduct CSPs⁶, in full compliance with the rules and regulations set by the DOE⁷ and the ERC⁸. We also strive to mitigate the impact of sudden

Finally, from a sustainability perspective, we continue to grow the share of lower-carbon energy in our supply mix, in support of our commitment to contract 1,500 MW of clean energy. To date, we've already exceeded that commitment, and last year, we secured new RE mid-merit PSAs¹¹ amounting to 500 MW, aligned with the DOE's Renewable Portfolio Standards.

Manny Rubio: On the MGEN front, we remain committed to a diverse and pragmatic approach to our energy transition. While we are heavily investing in RE, we also recognize the pressing need for energy security and reliability to support the country's economic growth. This requires a diversified energy mix—one that complements renewables with conventional sources.

We acknowledge the complex challenges and trade-offs involved in this journey. Intermittency, land constraints, rising costs, and the need for dependable baseload power are all key considerations that we are trying to address. We are thus implementing a multi-faceted strategy to rise above these hurdles. This includes optimizing our existing thermal assets using advanced technologies as well as investing in transition fuels like LNG¹² to meet the country's growing energy demands.

Last year, we moved closer to our goal of building 1,500 MW of attributable RE capacity by 2030 through MGreen.



⁶ Competitive selection process ⁷ Department of Energy ⁸ Energy Regulatory Commission ⁹ Wholesale Electricity Spot Market ¹⁰ SAIDI – System Average Interruption Duration Index; SAIFI – System Average Interruption Frequency Index ¹¹ Power supply agreement ¹² Liquefied natural gas

The most groundbreaking development in our RE push is MTerra Solar—a massive 3,500-MW solar farm with a 4,500-MWh battery energy storage system. This project will reshape the Philippine energy landscape once it becomes operational in 2026.

Aside from MTerra Solar, we have partnered with Vena Energy to develop a 450-MW solar project in Pangasinan, which will be one of the largest RE facilities in the country. It is also expected to commence operations in 2026. This year, we are set to add at least 85 MW of RE capacity to our portfolio through other new solar projects across Luzon.



How does One Meralco's commitment to innovation translate into better experiences for its growing customer base?

Ferdie Geluz: I want to emphasize that our customers are at the heart of everything we do. We continue to adapt and innovate to ensure that the solutions we offer meet our customers' needs and address their pain points—after all, customer centricity and innovation are part of our DNA.

Our goal is straightforward: **deliver a simple, fast, and convenient customer experience.** Since 2015, our Customer Journey Improvement Program has streamlined key customer journeys—from service applications and payment transactions to feedback processing and outage management.

Last year, we upgraded the Meralco App as we launched My Meralco, which simplifies bill payments, service monitoring, and outage reporting. We also continued transforming the customer experience through our CCTP+D¹³ transformation projects, including DORI for digital official receipt issuance, MobSol¹⁴ for real-time field service management, and the DSA for hassle-free digital service applications.

Ronnie Aperoch: Building on what Ferdie has already said, while much of what we do is on the front end, we require innovation in the back end to enable that customer experience. One of our major priorities is making our grid smarter—starting from our substations down to the edge of the grid, where we connect with customers, with our control center acting as the central nervous system. Some of our key smart grid initiatives include substation and distribution automation and our AMI program, as well as cutting-edge grid management systems like SCADA¹⁵ and ADMS¹⁶. These systems help us deliver services with higher efficiency, reliability, and quality.

Ferdie Geluz: On top of what Ronnie has mentioned about our AMI program, our customers will soon be able to track their electricity consumption on an hourly basis through this initiative. They will also be able to set budgets for electricity and manage their consumption more effectively through Meralco Online and My Meralco. We try to better understand the evolving needs of our customers and address them through innovative solutions.

Our efforts to better serve our customers resulted in a strong Customer Satisfaction Index of 8.11 in 2024 despite rising generation charges. We even received letters from individuals outside our franchise area who expressed interest in experiencing the quality of service we provide. Our commitment to excellence was further affirmed by the 49 franchise renewal endorsements we received from commercial and industrial groups.

Beyond the Distribution Utility, we are also advancing innovation through our various subsidiaries. For example, we are enabling the growth of hyperscalers here in the Philippines through MSERV's energy efficiency solutions and Radius' high-speed connectivity services. Meanwhile, we are transforming the Philippine transport sector by offering end-to-end EV¹⁷ and charging solutions through Movem. By staying ahead of the curve, we ensure we provide the best energy solutions while enhancing our market competitiveness.

Time and again, we've proven that sustainable investments make good business sense.

Emmanuel V. Rubio
President and CEO
MGEN



¹³ Customer Centricity Transformation Program + Digitalization ¹⁴ Mobility Solutions on Field Services ¹⁵ Supervisory Control and Data Acquisition ¹⁶ Advanced Distribution Management System ¹⁷ Electric vehicle

We've always been passionate about serving the people, and this passion translates into excellence in everything we do.

Ronnie L. Aperoch
Chief Operating Officer
Meralco



Looking ahead, what is in store for One Meralco in 2025? How will the Group navigate a rapidly evolving global energy landscape?

Ronnie Aperocho: We're gearing up for another big year for Meralco. There are many exciting things to look forward to: AMI, DER¹⁸, EVs, and nuclear.

On the AMI front, we're going all in on smart metering. This year, we will start deploying smart meters at an unprecedented scale, with the goal of covering 100% of our customer base in the next 10 years. This would translate to at least 11 million customers in our franchise area.

From a DER standpoint, we're helping the country achieve its decarbonization goals by embracing rooftop solar. We will invest in building the necessary infrastructure to accommodate the growing share of intermittent renewables. We will also broaden our reach beyond our franchise area through MSpectrum, which aims to install over 600 MW of rooftop solar capacity by 2030 through power purchase agreements.

Another game-changer for One Meralco is our investments in the EV space. **We aim to become a major EV player in the Philippines** through a three-pronged approach. First, Meralco will build a reliable grid infrastructure to energize the growing number of EV charging stations in our franchise area. Second, we will walk the talk through our Green Mobility Program by converting 25% of our fleet to EVs by 2030. Third, we will induce further market take-up by being an EV charge point operator and investing in businesses that provide home charging and battery swapping technologies.

Finally, we will continue our bold venture into nuclear energy by forging strategic partnerships, investing in feasibility studies, and advocating for a policy environment that supports the safe and sustainable development of nuclear facilities. With Manny now at the helm of MGEN, we at One Meralco plan to be a pioneer in this space by introducing small modular reactors in the country. Through our Nuclear Energy Strategic Transition ("NEST") Program, we will explore how we can best support the government's goal of developing 1,200 MW of nuclear capacity as early as 2032. We are also looking into the possibility of leading the rehabilitation of the Bataan

Nuclear Power Plant, aligned with globally recognized safety standards. To complement these endeavors, we launched the Filipino Scholars and Interns on Nuclear Engineering ("FISSION") program to train Filipinos in nuclear engineering in our partner universities abroad. We're also developing the Filipino Nuclear Scientists and Innovators Reintegration ("FUSION") program to strengthen our pool of nuclear experts by encouraging overseas Filipino professionals to return to the Philippines.

Manny Rubio: I share Ronnie's positive outlook for 2025. With One Meralco's Long-Term Sustainability Strategy in mind, this year will be a banner year for our power generation business. With the completion of MGEN's investment in Project Chromite, we will make a significant contribution to the DOE's Philippine Energy Plan, which identifies LNG as a vital component of the energy mix. Our 2,500-MW facility in Batangas will integrate advanced LNG storage and regasification capabilities with state-of-the-art power plant technology. We will also inaugurate a series of new solar plants in Bongabon, Nueva Ecija, Baras, Rizal, and Cordon Isabela and progress the construction of MTerra Solar in Bulacan and Nueva Ecija towards our goal of delivering 2,500 MW of clean energy by 2026. These investments will help stabilize power supply in the Philippines. It will also advance our Group's goal of initiating a low-carbon transition to serve the country's growing energy demand with greener power through 2030.

In the following decade, we will accelerate the green energy shift through the adoption of next-generation cleantech, including nuclear, which Ronnie has touched on—and from 2041 to 2050, we will drive deep decarbonization and achieve sustainability leadership in the energy sector.

Finally, what inspires you most about One Meralco's role in shaping the future of energy in the Philippines?

Ronnie Aperocho: I'm driven by the impact we create on the lives of our customers and communities. Electricity is a crucial part of our lives—from lighting up homes to enabling economic recovery and growth. During times of crisis, reliable electricity service restores our countrymen's hope and powers their will to rise again. We've always been



passionate about serving the people, and this passion translates into excellence in everything we do.

As we move forward with the successful renewal of Meralco's franchise, we remain faithful to our vision of becoming a world-class energy service provider, powering our nation and empowering our people today and for generations to come. The future is bright for One Meralco.

Ferdie Geluz: I echo Ronnie's sentiments. We have always taken our role in nation-building to heart. As the largest distribution utility in the country, it is our responsibility to provide electricity that uplifts communities and drives inclusive development. Meralco has both the capability and the infrastructure to continue being the Philippines' partner for progress, backed by 121 years of industry leadership. We know our customers' needs inside and out, and our ability to adapt and evolve helps us deliver value where it matters most. Whether it's helping families save on their electricity bills with practical energy-saving tips or supporting businesses in cutting costs to improve their bottom lines, we're all about making a real difference in people's lives.

Ang aming dakilang tungkulin ay maghatid ng liwanag sa bawat bahay at buhay na aming pinaglilingkuran. Malasakit is what defines us at One Meralco. (Our great duty is to bring light—to every home and life we serve. Solicitude is what defines us at One Meralco.)

Manny Rubio: When we speak of inspiration, words like ambition, innovation, and legacy come to mind. And nothing embodies these ideals more profoundly than MGEN's MTerra Solar.

MTerra Solar is not just an infrastructure project—it's a testament to what can be achieved when bold vision meets

exceptional execution. Imagine a vast landscape transformed by over five million solar panels, so monumental that it becomes the next iconic landmark that the Philippines is known for globally. This groundbreaking project will reshape the narrative of RE in the Philippines. It will deliver 850 MW of energy to Meralco—which means millions of Filipino homes and businesses will benefit from cleaner and more affordable electricity.

More than simply generating electricity, this project is a powerful response to the growing challenges of climate change. The past year has again shown us how vulnerable our country is to extreme weather events, with more typhoons hitting the country than ever before. Climate risks are no longer a distant threat—they are happening now, affecting lives, livelihoods, and even our operations. We need to take action now, and that's what we're doing here at One Meralco through our sustainability agenda.

But investing in sustainability isn't just about reducing our carbon footprint—it's about ensuring economic productivity and resilience in the first instance. Some may still question whether sustainability is financially viable, or whether it should even be a priority for a developing country like ours. But time and again, we've proven that sustainable investments make good business sense. Whether it's the cost efficiency of renewables over time or, from a social standpoint, the direct link between diversity and business performance, the evidence is clear: sustainability drives growth. Our projects across One Meralco are a testament to this principle—business can be both profitable and make a positive impact on people and the planet. It's a reflection of our belief that sustainability and business growth can—and must—go hand in hand.



¹⁸ Distributed energy resources