

POWER

Providing Energy
for All, *Always*

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Energy fuels economic growth and social progress.

As the largest electric distribution utility in the Philippines, Meralco has long powered the country's development by providing millions of Filipinos with safe, affordable, accessible, and reliable energy. Now, more than ever, we at One Meralco are also increasingly focused on supporting the nation's energy transition and global sustainability efforts in line with **SDG 7: Affordable and Clean Energy**.



In 2024, we delivered competitively priced electricity²⁷ to a record 7.4 million residential customers as well as more than 600,000 businesses, including those in central business districts and industrial parks. We also continued fortifying our distribution network against the impacts of climate change, investing PHP 21.4 billion to fund, among other projects, the Company's storm hardening program and system requirement electric capital projects, along with other distribution network digital transformation and grid modernization initiatives.

While our services grow and evolve, our Group is diversifying our energy sources to meet the rising demand for affordable and cleaner power. In 2024, we secured new renewable energy ("RE") mid-merit power supply agreements ("PSAs") to progressively increase the share of lower-carbon power in our DU's supply mix, aligned with the Department of Energy's ("DOE") Renewable Portfolio Standards ("RPS").

Moreover, we continued growing our clean energy capacity through MGEN's RE arm, MGreen. We broke ground on the world's largest single-site solar photovoltaic ("PV") farm, MTerra Solar, along with other solar facilities across Luzon. This RE portfolio expansion is being complemented by new investments in coal and liquified natural gas ("LNG") to support our continued provision of reliable, low-carbon power.

Moving forward, One Meralco will continue harnessing the power of energy to create meaningful value for our stakeholders and help the country achieve its national development goals.

²⁷ We define "competitively priced electricity" as electricity whose price was determined in accordance with the Department of Energy's ("DOE") policies and the Energy Regulatory Commission's ("ERC") rules.

Performance Highlights

8M customers served
99.97% of franchise area energized
500 MW of new RE PSAs secured by the DU

KEY INPUTS (Intellectual & Manufactured Capitals)

121 years of industry leadership
21,786 km of power lines
2,478.3 MW gross generation capacity

KEY OUTCOMES (Intellectual & Manufactured Capitals)

12.53% improvement in the DU's SAIDI
12.84% improvement in the DU's SAIFI
93% overall power plant availability rate of MGreen



Breaking Ground on the World's Largest Integrated Solar and Battery Storage Facility

Accelerating the growth of RE capacity in the Philippines is a key priority on the long path towards an energy-secure and low-carbon future. In support of the government's goal of achieving a 35% RE share in the power mix by 2030 and 50% by 2040, as well as reducing greenhouse gas (GHG) emissions by 75% below a business-as-usual trajectory by the end of the decade, One Meralco has embarked on an ambitious journey to build the world's largest integrated solar and battery storage facility.

A project of MGreen unit SP New Energy Corporation ("SPNEC"), the USD 4-billion MTerra Solar project will deploy over 5 million solar panels across 3,500 hectares in Nueva Ecija and Bulacan. Our subsidiary MIESCOR has been tapped to design and build essential infrastructure that will link the solar facility to the Luzon grid. Once completed, MTerra Solar will feature 3,500 MWp of solar capacity and a 4,500-MWh battery energy storage system ("BESS").

MTerra Solar is expected to power an equivalent of over 2.4 million households and is expected to avoid over 4.3 million tonnes of GHG emissions each year²⁸ by displacing coal—equivalent to removing 3 million gasoline-powered cars from the road. Under a 20-year PSA with Meralco, the solar farm will initially supply the DU

with 600 MW of clean energy by 2026, with an additional 250 MW by 2027, significantly contributing to our goal of sourcing 1,500 MW of RE by 2030.

The DOE has certified MTerra Solar as a project of national significance, and a green lane certification from the Board of Investments has expedited the permitting process. This landmark project has also garnered significant interest from the global investment community. London-based Actis LLP, a leading private equity firm focused on sustainable infrastructure, is investing USD 600 million for a 40% equity stake—one of the largest foreign direct investments in greenfield infrastructure in the Philippines. This ambitious project will also be enabled by our partnerships with several industry leaders, including Energy China, PowerChina, and Huawei.

During the groundbreaking ceremony in November 2024, President Ferdinand R. Marcos Jr. highlighted MTerra Solar's unique role in driving the country's economic development. Beyond providing cleaner electricity for millions of Filipinos, the project is expected to create up to 10,000 jobs and generate nearly PhP 23 billion in financial benefits from employment, commerce, and social impact projects over the next decade.



3,500
MWp
of Solar
Capacity



Expected to avoid over

4.3
million
tonnes
of GHG
emissions

each year by
displacing coal



PhP
23B
in financial
benefits

10K
jobs created

"Today we take a leap towards the future driven by innovation and sustained by our collective hope for a cleaner and greener Philippines. [MTerra Solar] will put our country on the map as a leader in renewable energy."
— President Bongbong Marcos

²⁸This figure is based on the total amount of GHG emissions that can be generated in a year by a typical coal-fired power plant employing circulating fluidized bed ("CFB") technology, operating at the equivalent capacity of MTerra Solar.

Affordability

Delivering Energy Attainable by All

SASB IF-EU-240



Affordability is not only crucial to maximize the positive impacts of power, particularly in emerging economies like the Philippines—it is also one of Meralco’s primary legal responsibilities. Republic Act 9209 mandates the Company to “supply electricity to its captive market in the least-cost manner.” At the same time, by providing lower electricity prices, we help improve quality of life and drive economic activity. As such, we strive to deliver fairly priced electricity, in full compliance with the regulatory standards set by the Energy Regulatory Commission ("ERC"), to power homes and enterprises within our service area. Mindful of the impact of energy supply on the cost of power, we are committed to expanding our own generation capacity through MGEN by constructing new power plants that leverage different technologies, enabling us to help lower electricity costs in the country.

A. Maintaining Affordability for Our Customers

AVERAGE RETAIL ELECTRICITY RATE (in PhP/kWh)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	10.40	11.86	12.14	6.68	6.60	6.70
Commercial	9.57	10.36	10.14	6.67	6.56	6.65
Industrial	8.31	9.10	8.86	6.47	6.40	6.50
OVERALL	9.52	10.55	10.54	6.58	6.50	6.59

Meralco’s average retail rate was flat at PhP 10.54 per kWh in 2024 from PhP 10.55 per kWh in 2023 due to lower generation charges that offset increases in transmission and other charges. The generation charge, which accounted for about 62.8% of the total retail rate, went down by almost 5.8% due to lower Wholesale Electricity Spot Market ("WESM") charges, decrease in international coal prices, and the implementation of generation

over-recovery adjustments based on the ERC’s Resolution on Automatic Cost Adjustments and True-Up mechanisms of Pass-through Charges.

Meanwhile, Clark Electric’s overall average retail rate grew from 2023 to 2024 due to relatively higher energy sales from key primary-metered customers in the hotel and casino, aviation, mixed-use facility, and telecommunication sectors.

SYSTEM LOSS METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Amount of energy lost through the distribution system (in MWh)	2,919,488	3,095,968	3,373,343	11,868	13,388	16,692
Energy lost in the distribution system vs. net system input (in %)	5.77	5.88	5.99	1.81	1.92	2.28
Customer savings due to lower system loss vs. ERC’s system loss cap (in PhP million)	4,688.26	4,876.21	5,060.41	139.51	164.50	146.15

We continued to take proactive steps to lower both technical system loss (inherent limitations in the physical delivery of electricity) and non-technical system loss (caused by actions external to the power system including electricity pilferage, inaccurate registration due to damaged meters, and natural wear and tear or facilities). These losses, which are charged to our customers up to a statutory cap, are carefully managed by our Group

through continuous system improvement efforts as well as our collaboration with law enforcement officers, including the Philippine National Police, to prevent and enforce rules against illegal service connections. We periodically conduct studies to find the right balance between the benefits of a lower system loss and the capital expenditure ("CapEx") needed for improvement measures.

Meralco ended 2024 with a system loss performance of 5.99%, which is 0.11% higher than the 2023 level. The uptick was primarily driven by the higher share of high-loss-to-serve residential customers in the overall sales mix. Nevertheless, the Company remained significantly below the indicative 6.5% regulatory cap for the 17th consecutive year—which translated to a total of PhP 5.1 billion in customer savings.

Clark Electric’s system loss rate rose to 2.28% in 2024 from 1.92% in 2023, but still remained below the mandated total system loss cap of 6.27%. The increase was driven by adjustments in customers’ reading schedules that were made to align the Net System Input (“NSI”) and energy sales readings as well as by the integration of the Kalaw-Sunvalley-Roxas 69-kV lines, which resulted in longer sub-transmission lines.

B. Reducing Electricity Costs with a Wider and Diversified Generation Portfolio

Meralco recognizes that a robust body of scientific evidence shows that the continuous combustion of fossil fuels exacerbates global warming. LNG and coal, however, continue to be cost-competitive and reliable energy sources in the Philippines today and remain the Company’s primary sources of electricity for its customers. This approach helps Meralco fulfil its long-standing legal responsibility to provide the lowest-cost electricity as we gradually transition away from coal in our supply portfolio.

We have actively expanded our own power generation capacity through MGEN in ways that can help reduce costs for our customers. Our San Buenaventura Power Ltd. (“SBPL”) coal-fired facility in Quezon has been steadily injecting energy to the Luzon grid since 2019. It uses the latest coal technology called HELE, or High Efficiency Low Emissions, which emits lower carbon compared with a traditional coal-fired power plant.



Accessibility

Expanding Energy Reach

SASB IF-EU-000.B | SASB IF-EU-000.A

Globally, access to energy is a key benchmark for measuring progress on **SDG 7: Affordable and Clean Energy**. In support of the Philippine government’s target to achieve 100% electrification by 2028, we strive to reach the remaining unserved communities within Meralco’s franchise area, which encompasses more than a quarter of the country’s population. Beyond this, we also help power the economy by servicing key economic hubs, including the Clark Special Economic Zone (through our subsidiary Clark Electric), the Cavite Economic Zone (through our business unit Meralco Ecozone Power), as well as the New Clark City (through Shin Clark). Collectively, these areas contribute up to 50% of the country’s gross domestic product (“GDP”) and account for 60% of the nation’s total manufacturing output.



A. Connecting More Customers to the Grid

One Meralco remained at the epicenter of the country's economic growth in 2024, ensuring that the lights were on for more Filipino homes and businesses than ever before. In 2024, we delivered 54,325 GWh of electricity to over 8 million customer connections—up from 51,044 GWh delivered to 7.8 million in 2023. This milestone was primarily driven by our sustained electrification efforts to match the rising energy demand in our franchise area.

NUMBER OF CUSTOMER CONNECTIONS PER TYPE

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	7,039,706	7,229,899	7,430,561	1,142	1,245	1,219
Commercial	567,498	579,721	593,897	1,324	1,320	1,313
Industrial	10,683	10,753	10,806	152	151	152
Flat Streetlights	4,931	4,925	4,920	93	92	93
TOTAL	7,622,818	7,825,298	8,040,184	2,711	2,808	2,777

ENERGY SALES PER CUSTOMER TYPE (in GWh)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Residential	17,140	17,772	19,446	7	8	9
Commercial	17,052	18,612	19,980	351	393	422
Industrial	13,935	13,831	14,036	285	282	282
Flat Streetlights	143	143	145	2	2	2
TOTAL	48,271	50,359	53,606	645	685	715

Our energy sales to residential customers grew by more than 13% from 2022 to 2024 due to our stronger electrification program within our franchise area. Combined commercial and industrial sales likewise increased by nearly 10% in the same period due to the expansion of key sectors, including the semiconductor, food and beverage, plastic, and non-metallic mining industries. Overall, the combined energy sales of Meralco and Clark Electric saw an over 6% upsurge in 2024, continuing the growth the Group enjoyed in 2023.



* BRIGHT SPARKS

Celebrating 8M Customers through 8 Bearers of Light

As Meralco celebrates the milestone of reaching 8 million services, we reflect not only on the number but also on the rich stories behind each connection—tales of aspiration, resilience, and innovation from eight remarkable customers:

- Joy Nostalg Solaris** in Cavite utilizes a solar-powered generator to supplement local energy needs and promote sustainable urban development.
- Metro Pacific Fresh Farms** in Bulacan contributes to local food security and job creation through sustainable farming.
- Unioil** helps improve air quality with its EV charging station, supporting the transition toward sustainable transport.
- Uratex Group of Companies** has embraced renewable energy and green mobility to minimize its environmental impact.
- La Corazon Farm** provides access to fresh and responsibly sourced produce and plans to adopt solar power and net metering through Meralco.
- Olive Huena**, a homeowner from Obando, Bulacan, helped bring electricity to over 200 homes in her fisherfolk community—an inspiring example of leadership from someone who once lived without a permanent home.
- Melody Madrid**, a hands-on property owner, uses Meralco's smart metering solutions to help her tenants track and manage their electricity consumption more efficiently.
- Jaime Umali**, our 8 millionth customer and a retired factory worker from Quezon, embodies Filipino resilience and perseverance, achieving educational success for his children and homeownership.

Each story of success fuels our motivation to continue delivering reliable electricity and energy solutions. Our customers' stories inspire us every day to keep providing light to every corner, to every life, in every community we serve.

With 8 million dreams lit and countless more to go, Meralco remains steadfast in our promise—to continuously deliver power, rain or shine, day or night—this is our "*dakilang tungkulin*" (great duty).

Service Reliability & Safety

Distributing Safe & Uninterrupted Power

SASB IF-EU-550



B. Energizing Remote and Low-Income Communities

Aligned with the DOE's goal to achieve 100% electrification in the country, the Meralco Electrification Program ("MEP") brings together various efforts towards universal electrification. An integral component of the MEP is One Meralco Foundation's ("OMF") Household Electrification Program ("HEP"), through which we deliver affordable electricity to remote, off-grid communities within our franchise area. We collaborate with local government units ("LGUs") and homeowners' associations to overcome electrification challenges, such as right of way and occupancy issues, that often hinder communities confronted with energy poverty²⁹. In 2024, OMF invested over PhP 9 million in the HEP, financing the installation of service entrances, metering centers, breaker walls, and intermediate poles for low-income households. Meralco also took on the initial setup costs that residential customers applying for service connections usually have to pay for.

Under the MEP, we energized a total of 73,794 households in 2024. Meanwhile, OMF's HEP paved the way for the electrification of 3,455 low-income households that had been in the dark for years. Only 2,560 households remain unenergized in Meralco's franchise area, all of which will be served through our off-grid solutions, including microgrid and solar home systems, in support of the DOE's goal of 100% electrification by 2028.

Our focus on microgrids—localized, small-scale electrical networks that can operate independently from the grid—offers a practical solution for underserved communities that are far from the main grid. Historically, microgrids relied solely on diesel generators during peak hours. Today, solar energy powers microgrids during the day, while battery energy storage enables nighttime consumption, allowing remote communities to enjoy dependable and cleaner energy around the clock.



The benefits of a dependable supply of electricity go beyond customer satisfaction alone—it is the backbone of economic and social progress. In developed and developing countries alike, industry, education, public health, and overall quality of life are founded upon reliable power. Meralco continues to deliver stable, high-quality service to our customers by building and maintaining a resilient grid, optimizing load capabilities, adopting digital solutions, and ensuring the system's robustness, all while responding safely, promptly, and efficiently to any network-related incident.

²⁹The World Economic Forum defines energy poverty as "the lack of access to modern energy services and products".

A. Maintaining Quality Systems for Reliability

Meralco continued investing in system reliability throughout 2024, spending a total of PhP 21.4 billion on distribution network CapEx projects. In particular, we prioritized the rollout of our major miscellaneous allocation (“MA”) electric capital projects (“ECPs”)—each costing at least PhP 30 million—which were designed to enhance the reliability and quality of Meralco’s distribution network by replacing aging and obsolete assets. These projects included switchgear and power transformer replacements, as well as the construction of new control houses and switchgear rooms.

Among Meralco’s key MA ECPs in 2024 were the replacement of Power Transformer Bank No. 1 at the Taguig

and Duhat Substations; the replacement of 34.5-kV Gas-Insulated Switchgear No. 1 at the New Teresa, Meycauayan, and Urdaneta Substations; and the replacement of 34.5-kV Metalclad Switchgear Nos. 1 and 2 at the Novaliches Substation. Additionally, a new control house with a switchgear room was built at the Novaliches Substation to prevent damage to the equipment in the substation.

In the long-term, these critical CapEx projects are expected to cut maintenance costs, minimize our personnel’s exposure to high-risk activities, and significantly reduce the risk of prolonged and widespread power outages in areas serviced by the upgraded substations.

DISTRIBUTION RELIABILITY METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
SAIFI (in no. of times)	1.30	1.19	1.04	2.04	1.57	1.22
SAIDI (in minutes)	128.42	123.71	108.21	214.99	590.73	65.84
CAIDI ³⁰ (in minutes)	98.78	103.61	103.98	0.03	44.46	49.76

To monitor and manage the quality of our service and the effectiveness of our investments in service reliability, our Group uses internationally accepted standard indicators. For instance, based on Meralco’s System Average Interruption Frequency Index (“SAIFI”), the average number of service interruptions

experienced by customers in a year decreased by 12.84% from 1.19 times in 2023 to 1.04 times in 2024. Likewise, on average, they also experienced shorter service interruptions in the same year, based on our System Average Interruption Duration Index (“SAIDI”) of 108.21 minutes (versus 123.71 minutes in 2023).

This was due to several improvements made in our distribution network, such as the commissioning of new substations, as well as grid resiliency measures, including the replacement of hazardous and ageing wood poles, reconductoring of overhead bare lines to covered overhead lines, and improvement in lightning protection. Meralco’s performance in both metrics during the reporting period marks an all-time best for the Company.

Meanwhile, Clark Electric saw a 22% decrease in its SAIFI—from 1.57 times in 2023 to 1.22 times in 2024. Similarly, its customers also experienced shorter service interruptions—at 65.84 minutes in 2024 from 590.73 minutes in 2023—due to proactive maintenance strategies and replacement of aging equipment. Additionally, enhanced vegetation management and replacement of covered conductors helped reduce outages caused by trees and inclement weather conditions.

The Group’s performance in both metrics was well within the reward

levels prescribed by the ERC based on their respective Regulatory Period’s Performance Band. This has been the case since the implementation of the Performance Incentive Scheme in 2012, owing to continuous improvements in system reliability through various measures such as preventive maintenance activities.

We regularly conduct onsite inspections and testing of our distribution facilities and proactively replace or upgrade equipment to meet industry and national standards, which promotes the stability and reliability of infrastructure and helps reduce the incidence of unplanned power interruptions. Both Meralco and Clark Electric also conduct tree-pruning and line-clearing operations with public safety in mind. In addition, to prevent outages due to malfunctioning assets, both utilities conduct thermographic scanning of power lines and equipment immediately after typhoons or other natural disturbances, helping ensure the safety of our customers, workforce, and the public.



³⁰Customer Average Interruption Duration Index



* BRIGHT SPARKS

Strengthening the Backbone of the *Electrical Grid*

One Meralco leads the way in pioneering energy infrastructure projects that shape the future of the Philippine power sector. Through our subsidiary MIESCOR, we deliver projects that enable and fortify the nation's transmission and distribution networks, helping enhance the reliability and resilience of the power grid.

ENABLING CONNECTIVITY OF POWER PLANTS

In partnership with SMC Global Power Holdings, MIESCOR is spearheading the design and construction of the nine-kilometer Masinloc 500-kV transmission line project, a critical infrastructure development aimed at enabling the connectivity of power plants to the Luzon grid. This transmission line will serve as an interim connection between the Masinloc Power Plant's substation and the National Grid Corporation of the Philippines' ("NGCP") CB210 transmission tower. This PhP 1.2-billion project is part of the

second stage of the bigger Western Luzon 500-kV Backbone project, which aims to support the expansion of the coal-fired Masinloc facility with two additional units, each generating 350 MW of energy. Initially, the transmission line will directly link to NGCP's infrastructure, ensuring a stable and reliable supply of electricity. Once NGCP completes the development of its Palauig Substation, an additional 13-kilometer connection will be constructed to accommodate increased generation capacity and enhance the stability of the power supply in Luzon.

UPGRADING TRANSMISSION INFRASTRUCTURE FOR GRID RESILIENCE

MIESCOR has also been tapped by NGCP to lead the third phase of its Grid Protection Relay Replacement Project. This comprehensive upgrade of NGCP's relay protection systems—covering multiple substations in the provinces of Cebu, Zamboanga, Leyte, and Negros—improves grid reliability.

MIESCOR's scope of work includes the engineering, procurement, and construction ("EPC") of new and expanded control/relay buildings; installation of protection, control, and communication equipment; construction of drainage systems, roadways, and cable trenches; and deployment of fire protection, air conditioning, and ventilation systems.

This PhP 2.6-billion project is set to modernize NGCP's substation facilities, ensuring that robust power system protection mechanisms are in place to mitigate faults and prevent widespread outages.



B. Keeping the Lights On Amidst the Climate Crisis

The Philippines is buffeted by an average of 20 typhoons annually, around five of which are typically destructive, with an increasing frequency of intense tropical cyclones observed in recent years. In 2024, 17 tropical cyclones entered the Philippine Area of Responsibility, four of which (Aghon, Carina, Enteng, and Kristine) affected Meralco's franchise area, bringing in strong winds and damaging floods. For Meralco, the physical risks of climate change must be addressed to ensure we can continue to reliably provide power. Higher exposure to more intense typhoons is also increasingly driving up insurance costs and making it more difficult to secure coverage as insurers factor in greater risks of loss and damage. As such, we take extensive preventive action to ensure the resiliency of our entire network and reduce the impact of these hazards on our distribution system.

To prepare for typhoons, we take pre-emptive actions such as targeted tree trimming, thorough line inspection and clearing, and the removal of billboards and signage that are at risk of being blown away by strong winds, which could cause outages. We work closely with LGUs and key government agencies, such as the DOE and the Metropolitan Manila Development Authority, in conducting these activities.

Additionally, we implement infrastructure hardening measures for storm resiliency, including replacement of poles, upgrading of conductors and lead wires, and installation of line and equipment covers. In 2024, Meralco installed 7,824 line and equipment covers near building work sites. We also own, operate, and maintain 517,252 spans of overhead lines and underground cables. We converted 3,382 wooden crossarms to lighter, easier-to-install, and more durable fiberglass crossarms, as well as replaced 12,012 aging and hazardous poles.



INFRASTRUCTURE HARDENING FOR STORM RESILIENCY METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Number of poles replaced	10,870	12,054	12,012	-	-	10
Upgraded conductors (in spans)	22,325	19,975	20,150	6	46	16
Number of line and equipment covers installed	13,458	26,593	7,824	-	-	222
Number of wooden crossarms converted to fiberglass	3,639	3,296	3,382	-	-	-

We also continued enhancing our Lightning Protection Improvement Program ("LPIP"), which safeguards our distribution network from lightning and resultant power surges. Specifically, in 2024, we installed line surge arresters and overhead static wires to protect our overhead conductors, as well as reinforced our system neutral and pole grounding.

On top of this, a lightning detection system informs our personnel of the magnitude and approximate location of lightning strikes within our franchise area. This technology has contributed to a 6.74% reduction in the occurrence of outages due to lightning compared with the previous year, making us well-prepared to deal with storms.

LIGHTNING PROTECTION IMPROVEMENT METRICS

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Number of surge arresters installed/replaced	28,555	31,147	36,218	18	9	9
Length of system neutrals installed/replaced (in spans)	11,400	10,550	10,225	-	-	-
Length of overhead shield wires installed (in spans)	19,025	16,800	15,350	-	-	-
Number of remote-controlled line reclosers installed	226	200	334	4	7	2



C. Powering Community Resilience

Meralco's commitment to operational resilience extends to our people and those in the communities we serve. We have established a robust business continuity management system to keep our employees safe and able to work, especially in times of calamity. We also ensure that our workplaces are resilient against natural hazards, with all buildings in the Meralco Operating Center reinforced for earthquake resilience. In the unlikely event that our primary system control center is compromised, we have also installed and operationalized emergency backup sites to enable continuous operations. This helps ensure the continuous supply of needed electricity during emergencies.

We also take pride in being a reliable partner of the government in disaster response. In 2024, when Tropical Cyclones Aghon, Carina, Enteng, and Kristine hit the Philippines, at least 6.6 million Meralco customers experienced power outages. Our personnel and line crews worked round the clock to swiftly restore power in communities within our franchise area, ensuring that essential services were able to resume and that families had continuous access to electricity in their homes.



D. Building a Smart Distribution Network

Meralco is a proud pioneer in the next frontier of smart grid technology, leveraging advanced digital solutions to respond to dynamic challenges in the power sector. In 2024, we continued to make significant progress in our Smart Grid Program, which is anchored on two pillars: Advanced Network Automation ("ANA") and Advanced Metering Infrastructure ("AMI"). ANA enables real-time monitoring and management

of network operations and assets to address changing loads, generation, and outage incidents.

Meanwhile, AMI focuses on the rollout of smart meters along with the deployment of a secure and robust communications and data management infrastructure that enables two-way communication between Meralco and our customers.



ADVANCING NETWORK AUTOMATION

In 2024, we expanded the deployment of smart devices (such as remote-controlled line devices and faulted circuit indicators) across Meralco's network through our Distribution Automation initiative, enabling faster isolation of faulty sections. This enhancement helped improve response times for maintenance or repairs to be conducted, resulting in less service disruptions, and avoiding or minimizing the impact of outages.

collection of time-series data from field devices, enabling proactive maintenance and sustained availability of critical distribution assets.

Under our Advanced Asset Management initiative, we continued rolling out our Data Historian system across our substations and distribution line equipment to ensure the efficient

From an operational technology standpoint, we continued the implementation of the Advanced Distribution Management System ("ADMS"). By integrating our Supervisory Control and Data Acquisition ("SCADA") system, our Outage Management System ("OMS"), and our Distribution Management System ("DMS") into a unified platform, ADMS optimizes daily operations, accelerates outage resolutions, and strengthens situational awareness—especially during times of natural calamity or elections.

We also launched the first phase of our Mobile Workforce Management System ("MWMS") in 2024, which helps streamline field operations through automation and cloud computing. This system enhances workforce efficiency by prioritizing tasks, managing resources, integrating mapping solutions, optimizing work dispatches, and providing real-time traffic data.





Energy Transition

Developing a Responsible & Future-Fit Portfolio

SASB IF-EU-000.C | SASB IF-EU-000.D | SASB IF-EU-000.E



ADVANCING SMART METERING

We remain committed to deploying AMI by carefully selecting long-term partners to promote and roll out this technology in the country.

Through this project, we have installed over 130,000 smart meters within Meralco's franchise area and aim to deploy at least 11 million smart meters across our network over 10 years, starting in 2025. Smart meters will be installed in ordinary homes, apartments,

and condominiums; on elevated metering centers; and in commercial and industrial establishments, as well as in our distribution transformers.

Through our AMI project, we aim to empower our customers to efficiently manage their electricity consumption, improve billing accuracy, reduce service complaints, enhance operational efficiency, and facilitate the integration of rooftop solar and energy storage into our network.



Globally, electric utilities must balance GHG emissions reduction with concerns relating to energy security. This is a defining challenge in developing countries where higher-carbon energy sources, such as coal and gas, remain cost-competitive options to get affordable electricity to millions of customers in need. As such, we have embarked on a just, orderly transition to provide more customers with affordable, cleaner energy over time. This involves gradually growing the share of RE in Meralco's and Clark Electric's supply mixes, in alignment with the DOE's RPS. Additionally, our Group, cognizant of the reality that thermal power remains key to achieving energy security in the country, is expanding our thermal portfolio via MGEN by investing in lower-carbon fuels like LNG. These efforts are crucial aspects of our Long-Term Sustainability Strategy ("LTSS"), which is designed to meet the increasing electricity demands associated with national prosperity while recognizing Meralco's potential to lead the energy transition in the Philippines.

A. Supporting the Cleaner Energy Shift

Our efforts to actively invest in renewables through Meralco, Clark Electric, MGEN, and MSpectrum support the Philippine government's goal of achieving a 35% RE share in the national power generation mix by 2030 and 50% by 2040.

SOURCING LOWER-CARBON POWER

POWER DISTRIBUTION UTILITY FUEL MIX (in %)

	MERALCO			CLARK ELECTRIC		
	2022	2023	2024	2022	2023	2024
Coal	30.90	32.89	27.30	59.17	54.25	51.09
Natural gas	53.84	42.07	42.14	0.00	0.00	0.00
Oil	4.13	4.18	0.13	0.00	0.00	0.00
Hydro	1.05	0.08	0.24	24.99	22.69	21.30
Geothermal	0.93	1.20	1.03	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.75	0.75	0.82	0.01	0.02	0.02
Biomass	0.02	0.00	0.00	0.00	0.00	0.00
WESM	8.37	18.83	28.34	15.83	23.04	27.59
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00

Through Meralco and Clark Electric, we source significant amounts of energy from generation entities and distribute it via our own distribution networks. While fossil fuels still dominate the supply mix of both utilities, Meralco and Clark Electric have made significant strides towards our Group-wide goal to source at least 1,500 MW of Meralco's power supply requirements from RE sources by the end of the decade to meet the RPS under the Renewable Energy Act of 2008.

In 2024, following the conduct of a CSP for the procurement of RE mid-merit supply capacity of 500 MW, Meralco executed PSAs with three RE power suppliers: San Roque Hydropower Inc., Gigasol3, Inc., and Santa Cruz Solar Energy Inc. These PSAs will shift most

of Meralco's mid-merit sources to RE, progressively increasing the share of low-carbon power in our supply mix. To date, the DU has already contracted a total of 1,535 MW of RE supply, while MPower's RE PSAs currently amounts to 744 MW.

We also continued our support for the Philippine government's new RE policies, such as the Green Energy Option Program ("GEOP"), which provides consumers whose average peak demands are at least 100 kW with the option to source their electricity needs from purely renewable sources. As of December 31, 2024, 406 of Meralco's commercial and industrial customers have joined the program, with more expressing their interest to participate in the coming years.



ENABLING WIDER ADOPTION OF SOLAR ENERGY

Since 2009, Meralco has been supporting the Philippines' energy transition by facilitating the interconnection of various types of generation systems, including customers who export electricity from their own solar PV systems to the grid via net metering (which allow customers to install RE with a capacity of up to 100 kW and feed their excess solar PV generation back into the grid).

In 2024, Meralco enabled several embedded generation projects, including Prime Solar's Tanauan and Maragondon solar farms; Joy Nostalq Solars Inc.'s rooftop solar power project in Naic, Cavite; and the expansion of PH Renewables Inc.'s Pinugay Solar Power Plant, in which MGreen owns a controlling 60% share.

During the reporting period, we integrated 248 MW of additional RE into Meralco's distribution system, resulting in a lifetime total capacity of 729 MW, which accounts for 7.8% of the Company's peak demand for the year. Meralco now accommodates a total of 22 large exporting RE embedded generators, 287 zero-export generators, and 14,418 net metering customers. Our pipeline of RE capacity from embedded generators in our franchise area now stands at 1,485 MW up to 2027.

To facilitate and accommodate the continued influx of RE, we have established the Solar-Distributed Energy

Resources ("Solar-DER") Committee, which is responsible for studying RE growth trends, forecasting system impacts, and developing innovative strategies to ensure seamless RE integration without technical constraints. Key solutions under evaluation and implementation include but are not limited to: deployment of advanced BESS to enhance hosting capacity; expansion of distribution facilities to support additional embedded generators; and installation of solar home systems for customers in off-grid and protected areas. We are also adopting smart grid technologies that enable real-time energy monitoring and demand response, as well as enhanced grid optimization and system loss reduction.

Additionally, Meralco continued its partnership with the ERC and the Pasig City LGU to streamline and expedite the application and permitting process for net metering, promoting the wider adoption of RE in the city. A booth inside the Pasig City Hall was set up for customer inquiries, consultations, and applications for net metering and DER.

We are expecting Meralco's RE embedded generation portfolio to grow by an additional 1,485 MW over the next three years, which will increase the share of RE to 22.3% of the Company's projected peak demand by 2027.



79MW
lifetime total capacity

22
large exporting RE embedded generators

287
zero-export generators

14,418
net metering customers

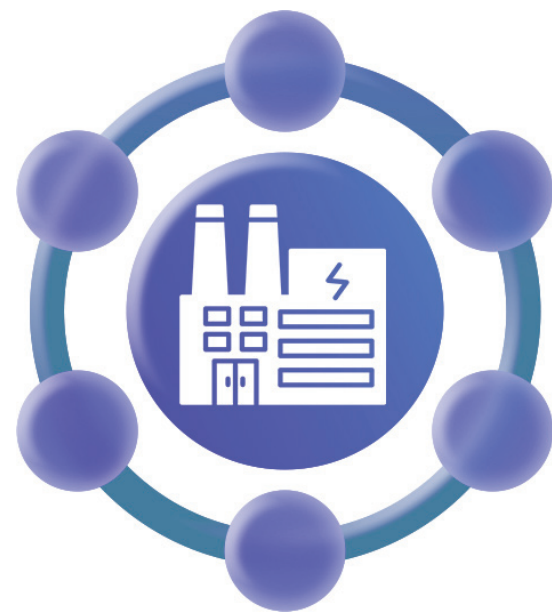
DIVERSIFYING OUR POWER GENERATION PORTFOLIO

ENERGY DELIVERED³¹ BY MGEN BY BUSINESS UNIT (in GWh)

	2022	2023	2024
MThermal	5,756	5,878	5,654
SBPL	2,765	2,360	3,205
PLP	5,619	5,719	5,820
MGreen	112	349	617
TOTAL	14,252	14,306	15,296

FUEL MIX OF ENERGY GENERATED BY MGEN (in %)

	2022	2023	2024
Coal	56.18	57.11	56.70
Natural gas	42.13	41.17	38.66
Diesel	0.80	0.47	0.29
Solar	0.89	1.25	4.35
TOTAL	100.00	100.00	100.00



From a power generation standpoint, we remain focused on balancing our portfolio to respond to the pressing needs of energy security, affordability, and sustainability. During the reporting period, conventional energy sources (i.e., coal, diesel, and LNG) accounted for 97% of the total amount of energy delivered by MGEN. Meanwhile, 2024 was a milestone year for MGEN as its subsidiary MGreen delivered 617 GWh of lower-carbon energy, almost twice the amount delivered in 2023. The surge was largely caused by the addition of two solar plants of SPNEC as well as stable plant availability.

Overall, MGEN saw its energy sales grow in 2024 as a result of strategic planning of maintenance shutdowns early in the year, leading to improved plant availability.



Our Group-wide transition to cleaner energy commenced in 2021 with the development of BulacanSol, a 55-MW solar farm in Bulacan. This was followed by the establishment of PH Renewables, Inc. (“PHRI”), which operates a 75-MW solar facility in Rizal, and the Nuevo Solar Energy Corporation (“NSEC”), which runs a 68-MW farm in Ilocos Norte—both plants have been operating since 2023.

In November 2024, Terra Solar Philippines, Inc. (“TSPI”) officially broke ground for the MTerra Solar project, which is set to be the world’s largest integrated solar and battery storage facility upon its completion in 2027. This RE project will have a PV capacity of 3,500 megawatt peak (“MWp”), complemented by a BESS capacity of 4,500 megawatt-hours. *For more information about this project, please refer to the Power hero case study at the beginning of this section.*

All of these solar facilities are part of our goal to build an RE portfolio with a total attributable capacity of at least 1,500 MW by the end of the decade through MGreen.

By the end of the reporting period, MGreen’s total attributable solar capacity stood at 190.9 MW. MGEN’s RE portfolio will grow further with the development of a 450-MW solar plant in Pangasinan. In partnership with Vena Energy, this project will also be one of the largest solar ventures in the Philippines.

In addition to Meralco’s and MGEN’s efforts, MSpectrum is also helping in the expansion of our Group’s RE footprint by providing small-scale, distributed solar solutions to commercial and industrial customers. By the end of 2024, MSpectrum had achieved an installed capacity of 80 MW, with the aim of surpassing 110 MW this year. Additionally, over the next five years, MSpectrum aims to increase its installed capacity fivefold by focusing on selling RE through power purchase agreements.



Plugging New Solar Farms into the Grid

Our subsidiary MIESCOR plays a critical role in advancing the development and adoption of RE in the Philippines by integrating utility-scale solar farms into the national transmission network. In 2024, Giga Ace 8, Inc., a subsidiary of ACEN Corporation, tapped MIESCOR to enable the seamless flow of energy from its solar facility in Zambales to the Luzon grid. Similarly, MIESCOR signed a contract with Terra Solar Philippines, Inc., to design and construct substations and transmission lines that will connect MTerra Solar to the same grid. By leveraging its expertise in EPC for these projects, MIESCOR helps advance the country’s transition to cleaner energy.

³¹ Energy delivered is comprised of contracted capacities and participation in the energy and reserve market



B. Scaling LNG in Our Portfolio

As electricity demand in the Philippines continues to rise, ensuring energy security has become a central priority for One Meralco. One key focus area is expanding MGEN's local portfolio by investing in LNG, which has a relatively lower carbon footprint than coal during combustion and continues to be a reliable source of baseload power in the country.

As a clear testament to our commitment to helping the Philippines achieve energy security, MGEN, through Chromite Gas Holdings, Inc., has invested 40.2% in the country's largest and most expansive LNG facility. The partnership covers the acquisition of equity interest in three

entities—South Premiere Power Corp. ("SPPC"), Excellent Energy Resources Inc. ("EERI"), and Ilijan Primeline Industrial Estate Corp. ("IPIEC")—by Chromite Gas Holdings, Inc. ("CGHI"), which is a 60-40% joint venture between MGEN and TNGP. CGHI and SMGP are also acquiring 100% of Linseed Field Corp. ("LFC") to operate an LNG terminal in the same Batangas-based facility.

By the end of 2024, the Philippine Competition Commission approved the acquisition, acknowledging that the deal is critical for strengthening the country's energy supply.

C. Enabling Long-Term Energy Security with Nuclear Power

Our plans to diversify our energy mix are necessarily long-term, incorporating the technologies most appropriate for the Philippines today while preparing for a brighter tomorrow. Looking ahead, nuclear energy provides a lower-carbon alternative that can help reduce the Philippines' dependence on fossil fuels, which drive climate change and are more susceptible to price fluctuations, while ensuring reliable power supply. Through Meralco's Nuclear Energy Strategic Transition ("NEST") program, we are exploring nuclear as a reliable baseload power source in a bid to help the country balance energy security and affordability with its climate goals well into the future.

Meralco fully supports the government's nuclear energy roadmap. Our efforts include exploring both conventional power plants as well as advanced technologies like small modular reactors ("SMRs"), which present opportunities to strengthen energy access across the archipelago, ensuring reliable and sustainable power for all Filipinos.

The adoption of nuclear energy also presents substantial economic opportunities for the Philippines. A single nuclear power plant can generate over 800 high-skilled jobs—the average size of the technical staff required to operate two 1,000-MW nuclear units—along with additional employment opportunities during construction and indirectly along the supply chain. To develop the local talent needed to drive this important aspect of our transition journey, the Meralco Power Academy has launched the FISSION (Filipino Scholars and Interns on Nuclear Engineering) initiative. The first batch of program beneficiaries have already been enrolled in universities in the United States and China, while the second batch will soon be enrolled in institutions in France, South Korea, Canada, and China. This impactful program is equipping Filipinos with state-of-the-art technical and regulatory knowledge to help drive our country forward. Internally, Meralco's nuclear team have attended specialized trainings on nuclear energy technology and policy locally and abroad, including in Japan, France, and Egypt.

