

Philippine Stock Exchange index (PSEi)

6,345.41

▲ 106.59 PTS.

▲ 1.70%

TUESDAY, JUNE 28, 2022
BusinessWorld

PSEI MEMBER STOCKS

AC Ayala Corp. P629.50 +P3.50 +0.56%	ACEN AC Energy Corp. P8.14 +P0.35 +4.49%	AEV Aboitiz Equity Ventures, Inc. P51.10 -P0.35 -0.68%	AGI Alliance Global Group, Inc. P9.11 -P0.08 -0.87%	ALI Ayala Land, Inc. P27.20 -P0.20 -0.73%	AP Aboitiz Power Corp. P29.45 +P0.10 +0.34%	BDO BDO Unibank, Inc. P116.50 -P1.60 -1.35%	BPI Bank of the Philippine Islands P86.10 +P0.60 +0.70%	CNVRG Converge ICT Solutions, Inc. P21.70 +P2.12 +10.83%	EMP Emperador, Inc. P19.48 +P0.04 +0.21%
GLO Globe Telecom, Inc. P2,280.00 +P120.00 +5.56%	GTCAP GT Capital Holdings, Inc. P475.00 +P13.00 +2.81%	ICT International Container Terminal Services, Inc. P195.00 +P7.00 +3.72%	JFC Jollibee Foods Corp. P200.00 ---	JGS JG Summit Holdings, Inc. P48.85 -P1.15 -2.30%	LTG LT Group, Inc. P8.10 +P0.01 +0.12%	MBT Metropolitan Bank & Trust Co. P49.10 ---	MEG Megaworld Corp. P2.30 +P0.02 +0.88%	MER Manila Electric Co. P358.00 +P5.00 +1.42%	MONDE Monde Nissin Corp. P13.08 +P0.10 +0.77%
MPI Metro Pacific Investments Corp. P3.59 +P0.04 +1.13%	PGOLD Puregold Price Club, Inc. P30.55 +P0.05 +0.16%	RLC Robinsons Land Corp. P17.28 +P0.44 +2.61%	SECB Security Bank Corp. P91.40 ---	SM SM Investments Corp. P829.00 +P29.50 +3.69%	SMC San Miguel Corp. P104.50 +P1.30 +1.26%	SMPH SM Prime Holdings, Inc. P37.30 +P1.45 +4.04%	TEL PLDT, Inc. P1,780.00 +P53.00 +3.07%	URC Universal Robina Corp. P106.50 +P5.00 +4.93%	WLCON Wilcon Depot, Inc. P24.00 -P0.40 -1.64%

Maynilad to start distributing 'new water' in July

MAYNILAD Water Services, Inc. targets to distribute starting in July up to 10 million liters per day (MLD) of its "new water" or treated used water from households that passes through a rigorous purifying process to make it potable.

"We're still doing some pipe-laying in Sucat, and we're still waiting for our permit to operate from the Department of Health, but once we get it, maybe next month we can already distribute 10 MLD," Maynilad Chief Operating Officer Randolph T. Estrellado said partly in Filipino during a virtual press briefing on Tuesday.

He said the company's target eventually is to use all the wastewater in Metro Manila to be purified into new water. He said 80% of the

water produced in its concession area comes back as wastewater.

The treated water will come from its modular treatment plants or ModTPs that will get raw water from the Parañaque Water Reclamation Facility.

The initial 10 MLD will be flowed into the distribution system for blending with the standard drinking water produced by Maynilad's La Mesa treatment plants.

The blended supply will then be conveyed to barangays San Dionisio and San Isidro in Parañaque City, which are the areas nearest to the ModTP location. The two barangays will benefit from the additional supply, as it will improve water availability in the area.

Maynilad said it had been holding a series of social acceptability

tests and public consultations with residential and commercial customers, local government units, and government agencies such as the DoH, Department of Environment and Natural Resources, Metropolitan Waterworks and Sewerage System (MWSS), and National Water Resources Board.

The consultations are meant to ensure that the new water will be acceptable to consumers.

Maynilad said that based on the results of its initial social acceptability test, its residential and commercial customers have expressed willingness to use new water after seeing it and understanding the process behind it.

"Mahaba ang pinagdaanan na journey ng Maynilad bago kami nakarating dito (Maynilad's jour-

ney has been long before we got here)," Maynilad President and Chief Executive Officer Ramon-cito S. Fernandez said.

"We will ensure that periodic tests will be done," he added.

Maynilad said the new water will have no impact on customers' water bill. The standard water tariff rates will apply whether raw water is sourced from Angat Dam, Laguna Lake, or treated used water.

The initiative is part of Maynilad's move toward potable water reuse, which is aimed at boosting available supply in view of the growing demand for water. It is also in response to the strain on existing raw water sources due to the impact of climate change, the company said.

At present, used water from households is collected, cleaned

in sewage treatment plants, and discharged into bodies of water. But with potable water reuse, treated used water goes through a second treatment plant for a more rigorous purification process. The new water output can be used for drinking, having passed the Philippine National Standards for Drinking Water.

Maynilad officials said treated water reuse for drinking is already done in other countries.

Since 2019, Maynilad has been looking into potable water reuse when a water crisis hit Metro Manila, prompting the company to tap alternative sources, including Laguna Lake, apart from Angat Dam.

Maynilad is a private concessionaire of the MWSS. It is the water and wastewater services provider

for the 17 cities and municipalities that comprise the west zone of the greater Metro Manila area.

Maynilad sources 91% of its supply from a single source — Angat Dam, which also supplies another water concessionaire, a hydroelectric plant, and the needs of farmers for irrigation.

Metro Pacific Investments Corp., which has a majority stake in Maynilad, is one of three Philippine units of Hong Kong-based First Pacific Co. Ltd., the others being Philex Mining Corp. and PLDT, Inc.

Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has an interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **Victor V. Saulon**

Solar Philippines closes deals for over 60% of its planned RE

SOLAR Philippines Power Project Holdings, Inc. was able to forge contracts for at least 60% of the 10 gigawatts (GW) of energy capacity that it plans to sell to off-takers or buyers, the company said on Tuesday.

"When we began talking about 10 GW, many were in disbelief, because the total installed solar capacity of the Philippines last year was just over 1.1 GW. But we hope that having contracts for the majority of 10 GW has now made this plausible," Solar Philippines founder Leandro Antonio L. Leviste said in a press release.

The new off-take agreements came from the winning bids submitted by Solar Philippines when the Energy department auctioned 2,000 megawatts (MW) of renewable energy (RE) capacity. Auc-

tion winners are those that offered the lowest price for their RE output.

Solar Philippines said that it had won 70% of the auctioned renewable energy capacity — or 1,380 MW of the total 1,967 MW successfully bid out, including 1,350 MW or 91% of the 1,490 MW solar capacity that was bid out.

"We were fortunate to have been at the right place at the right time, developing these projects since 2016. Now, we have contracted this capacity," Mr. Leviste said, adding that his group is looking forward to working with other companies and stakeholders to deliver the projects and "help achieve our country's targets for renewable energy."

Part of the contracted capacity will come from the first 500 MW being

developed by Solar Philippines Nueva Ecija Corp. (SPNEC). The rest will come from projects under entities that would be owned by SPNEC after an asset-for-share swap with its parent firm.

Included in the swap deal are projects with a total 1.8 GW planned capacity, namely: the 400-MW Tarlac-2 solar farm; the 800-MW Quezon solar farm; the 400-MW Leyte solar farm; and the 200-MW General Santos solar farm.

Solar Philippines said the over 6 GW (6,000 MW) of RE capacity that it was able to find off-takers includes the 3.5-GW solar with a 4.5-GW-hours battery storage system that will be supplied to Manila Electric Co.'s (Meralco) 850-MW requirement.

The deal with Meralco is through Terra Solar Philippines, Inc., a joint venture between Solar Philippines and Razon-led Prime Infrastructure Holdings, Inc.

Solar Philippines added that another 200 MW of projects are contracted to Meralco while more than 175 MW of capacity is already operational.

It said it would disclose one more power supply offer that would complete its potentially 9 terawatt-hours (9,000 GWh) per year of contracted energy.

It said the energy supply would serve as a "critical mass of demand" for its 10 GW of RE projects that are set to start operations mostly between 2025 and 2026. It said energy that remains uncontracted may be sold into the electricity spot market. — **Victor V. Saulon**

Meralco-PEDC power supply deal gets provisional approval

MANILA Electric Co. (Meralco) and Panay Energy Development Corp. (PEDC) have secured provisional regulatory approval for their power supply agreement for 70 megawatts (MW) to augment the electricity provider's requirements for this year and the succeeding years.

In its order promulgated on July 27, 2022, the Energy Regulatory Commission (ERC) said it had verified the capacity covered in the agreement and found it "consistent" with Meralco's 2022-2030 power supply procurement plan.

"Even with the 70 MW capacity procured by [Meralco], it still expects a power supply deficit equivalent to 792 MW in the year 2022. Thus, the procurement of new power supply through [a] bilateral contract in order to ensure continuous and reliable electricity for [its] customers is justified," the regulator said.

It added that not addressing the deficit in a timely manner will expose the utility company's consumers to the volatility of prices in the electricity spot market, which averaged at P5.21 per kilowatt-hour (kWh) in 2021.

The 15-year power supply agreement (PSA) had been forged after Meralco initiated a competitive selection process in which PEDC emerged as the winning bidder.

The provisional authority given to the contracting parties' PSA is subject to conditions and modifications.

The application rates will be at P3.1079 per kWh at the minimum energy off-take at 75% plant capacity factor, and P2.3309 per kWh at 100% plant capacity factor, regardless of source.

The rates are subject to escalation as set in the applicants' PSA. The commission has disallowed the renewal of the agreement.

"PEDC shall deliver the contracted capacity at all times, regardless of its source, subject to the rates and the terms as provisionally approved herein," the ERC said.

It also said that in the event that the final rate is lower than that provisionally granted, the amount corresponding to the reduction will be refunded by PEDC to Meralco, which will credit the same to the electric bills of consumers.

Meralco's controlling stakeholder, Beacon Electric Asset Holdings, Inc., is partly owned by PLDT, Inc. Hastings Holdings, Inc., a unit of PLDT Beneficial Trust Fund subsidiary MediaQuest Holdings, Inc., has interest in *BusinessWorld* through the Philippine Star Group, which it controls. — **VVS**

Megawide: Anti-dummy case vs officials dismissed due to amended PSA

MEGAWIDE Construction Corp. said on Tuesday that a court in Cebu had dismissed the criminal case filed against its officials for the alleged violation of the Anti-Dummy Law in connection with the operation of the Mactan-Cebu International Airport (MCIA).

"We received today, June 27, 2022, from the Regional Trial Court of Lapu-Lapu City, Branch 68, the Omnibus Order dated June 14, 2022, dismissing the criminal case" against the company's officials in their capacity as directors of the GMR Megawide Cebu Airport Corp. (GMCAAC), operator of MCIA, it said in a disclosure to the stock exchange.

Megawide officials involved in the case include Manuel Louie B. Ferrer, executive director for infrastructure development and chief corporate affairs and branding officer; Jez G. Dela Cruz, vice-president for corporate finance and planning; Edgar B. Saavedra, chief executive officer and president; and Oliver Y. Tan, director.

"The dismissal of the case was necessitated by the enactment of Republic Act No. 11659 (amended Public Service Act or PSA), signed into law last March 21, 2022, which clearly excluded airport operations and maintenance from the definition of a public utility; thereby, removing the applicability of the nationality restriction to GMCAAC in operating the Mactan Cebu International Airport," it said.

The company noted that the amended PSA has "completely eradicated any alleged violation of the Anti-Dummy Law."

The newly signed law "applies to the Megawide respondents due to [its] retroactive effect," it added.

In March, the company said that the officials involved had filed a motion to quash the case, citing the amended PSA.

According to the company, a joint resolution issued by the Office of the Ombudsman in July last year "found probable cause" against its directors and officers, who are also directors of GMCAAC, "who all allegedly acted in conspiracy with one another, for violation of Section 3(e) of Republic Act No. 3019 or the Anti-Graft and Corrupt Practices Act."

"The respondents allegedly acted with a common purpose and intention to allow foreign nationals to perform executive functions, particularly to manage and operate the Mactan Cebu International Airport in violation of the Anti-Dummy Law," Megawide said, referring to the Office of the Ombudsman's joint resolution.

The company maintained that it complies "with all the applicable laws, rules, and regulations covering the Concession Agreement for MCIA, and the government's Public-Private Partnership program, since the project was officially awarded to the Megawide-GMR consortium in 2014." — **Arjay L. Balinbin**

Mega Global's Batangas plant hits construction delay

CANNED sardines manufacturer Mega Global Corp.'s manufacturing plant in Santo Tomas, Batangas slated to be launched in July has faced delays, according to a company official said on Tuesday.

Marvin Tiu Lim, Mega Global's chief growth and development officer said on the sidelines of the company's launch of its Mega Bigay Sustansya Year 4 feeding initiative in Quezon City that the construction of the plant is delayed by a few months.

"The plant is almost 80% done. We were slated to open [in] July. It was a bit delayed. However, hopefully sometime October or November, we'll be opening that facility already and we will be ready for production locally here in Luzon," Mr. Lim said.

"It was delayed because of the weather and the fluctuation in prices of raw materials. But it's not a significant delay, almost two to three months delay, which is okay for us. Some construction projects are delayed [for] years, for us, it's two to three months," he added.

The company announced in 2020 the construction of the Batangas plant, which is meant to augment production and boost its presence in Luzon.

Meanwhile, Mr. Lim said that Mega Global is planning to ask the government for another price increase for its canned products due to rising production costs.

He disclosed that the company previously secured the government's approval for a P1 to P2 price increase.

"We're slating for another [price increase]. However, we're trying to hold it off as much as possible. Hopefully, this

next [request] is around P1. We'll try to keep it at that level only," Mr. Lim said.

"We have not yet filed [the second price increase]. We're still assessing the situation based on the fuel cost, on the volume of the fish being caught, and based on the raw materials," he added.

Meanwhile, Mr. Lim said that Mega Global is launching a company next month that is related to the commercial business.

"We are planning to launch a very exciting company. This would be the commercial business of Mega. [The launch is] next month. We've been working on it for the past three years already," Mr. Lim said.

"It will allow us to get a better network and also expand globally to make our products available to everyone in the world," he added.

Moving forward, Mr. Lim said he is hoping that the company sustains its double-digit sales growth from the previous year despite challenges such as rising costs.

He added that Mega Global is "actively looking" for possible partnerships or acquisitions.

"We're really banking on increased growth because of the situation, but we're hopeful that we will come out of it stronger, the whole country and the whole world," Mr. Lim said.

"We're actively looking for partnerships, acquisition, anything that can help us grow the business and who is aligned to our company purpose and vision. So, if anyone out there wants to approach us, we're more than welcome to discuss," he added. — **Revin Mikhael D. Ochave**