DMCI Power expects higher energy sales volume this year

By Sheldeen Joy Talavera
Reporter

OFF-GRID ENERGY GENERATOR DMCI Power Corp. expects a higher energy sales volume this year, propelled by increased demand and dependable operational performance, its top official said.

"I can say that it should be a lot higher than last year because, (in) our experience, for the first five months of this year, it has been a lot higher than last year; (we've seen) double-digit growth in volume." DMCI Power President Antonio E. Gatdula, Jr. said in an interview with *BusinessWorld* last week.

He noted that last year's weather was rainy compared to this year's El Niño conditions, prompting increased use of air cooling appliances to alleviate warmth.

"In terms of availability of our plants, we have not experienced load shedding in Masbate even if we experienced high demand this year," Mr. Gatdula said.

He added that the company has been prepared and has not experienced any load shedding, or reduction in electricity supply to prevent a complete blackout, across all sites.

In 2023, DMCI Power recorded an energy sales volume of 454 gigawatt-hours (GWh), marking a 7% increase from the 426 GWh recorded in 2022.

This increase was attributed to solid demand and targeted investments in underserved and unserved areas.

As of June 22, Mr. Gatdula noted that the company saw a 12% growth in its sales volume compared to the same period last year.

"Hopefully, weather permitting, we can maintain double digit growth up to the end of the year," he said.

Mr. Gatdula also said that the company will be spending its "biggest annual capital expenditure" for 2024, which amounts to about P2 billion, on various energy projects.

One of the projects under development is a 12-megawatt wind farm on Semirara Island in Antique province, scheduled to commence operations by the first quarter of 2025.

Mr. Gatdula said the company aims to conduct testing of the wind turbine in December.

Established in 2006, DMCI Power primarily focuses on providing energy to off-grid small and remote islands. Its portfolio includes diesel, bunker, and thermal energy solutions.

SEC approves Greenergy's investment in Winsun Green

LISTED firm Greenergy Holdings, Inc. said it has received approval from the Securities and Exchange Commission (SEC) for an additional investment of P480 million into its renewable energy subsidiary.

The SEC approved the company's acquisition of 480-million shares in its wholly owned subsidiary, Winsun Green Ventures, Inc., Greenergy said in a stock exchange disclosure on Tuesday.

"The transaction will strengthen the position of the Company in renewable energy (RE) and sustainable community projects," the company said.

With the approval of the SEC of the increase, the subscribed shares are now issued to Greenergy, the company said.

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These stocks were issued as part of the authorized capital stock increase of Winsun from 20 million shares to 500 million shares at P1 each.

Greenergy has already paid P185 million upon subscription, with the remaining balance of P295 million payable within 60 calendar days from subscription.

The company described Winsun as engaged in energy projects, encompassing the exploration, development, and utilization of renewable energy (RE) resources, as well as the importation, exportation, and operation of RE systems and facilities within and outside the Philippines.

Greenergy initially focused on manufacturing specialty semiconductor products before diversifying into renewable energy.

At the local bourse on Tuesday, shares in the company went up by P0.004 or 1.90% to close at P0.21 each. — **Sheldeen Joy Talavera**

Maynilad fined P2 million for dirty water in Caloocan

SOME customers in Caloocan City will receive rebates totaling over P2 million after the Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS RO) penalized Maynilad Water Services, Inc. for poor water quality.

The MWSS RO announced during a public information drive on Tuesday that each of the 3,841 affected water connections will receive a rebate of P530.69, which will be reflected in their monthly bills.

This penalty was imposed due to high levels of bacteria, commonly found in soil, detected at a sampling point in Caloocan City last November.

"The issue arose because the affected area is a dead-end pipeline lacking looping or a blow-off valve, leading to potential water stagnation at the end of the line," the regulator said.

The penalty was calculated for a period of 21 days, from Nov. 29 to Dec. 19, 2023, as determined by the MWSS RO.

During this 21-day period, the affected water distribution center discharged a total volume of 102,690 cubic meters of water.

The regulator also imposed a financial penalty on Maynilad in the form of rebates to affected customers due to issues with water color and residual chlorine at the Anabu Modular Treatment Plant and its supply zone in Imus City, Cavite.

The MWSS RO will conduct a public information campaign on the rebate program in Imus on Wednesday, June 26.

In a statement, Maynilad acknowledged the regulator's decision and reiterated its commitment to maintaining quality and ensuring customer safety.

"We want to assure our customers that these incidents were promptly addressed and resolved. In response, we have implemented enhanced process interventions, including intensified pipe flushing, accelerated pipe replacements, and expedited leak repairs and closure of illegal connections," Maynilad said.

The water company said that the health and safety of its customers and the integrity of its water supply remain to be its top priorities.

"Maynilad is committed to providing the highest quality water and will continue to take proactive measures to ensure the reliability and safety of our services," the company said.

"We also continue to work closely with the MWSS Regulatory Office and the Department of Health in monitoring the quality of the water supply distributed to our customers," it added.

Maynilad serves the cities of Manila, except San Andres and Sta. Ana. It also operates in Quezon City, Makati, Caloocan, Pasay, Parañaque, Las Piñas, Muntinlupa, Valenzuela, Navotas, and Malabon. It also supplies the cities of Cavite, Bacoor, and Imus, and the towns of Kawit, Noveleta, and Rosario, all in Cavite province.

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. — **Sheldeen Joy Talavera**

Megaworld names Lourdes Alfonso as new president

LISTED Megaworld Corp. said its board appointed Lourdes T. Gutierrez-Alfonso as the company's new president following a special meeting on Tuesday as the property developer positions for future growth.

The 61-year old Ms. Alfonso replaced tycoon Andrew L. Tan, who will remain as chairman of the board of directors, Megaworld said in a stock exchange disclosure.

Megaworld said the appointment of Ms. Alfonso as president will be "effective immediately."

She held the role of chief operating officer prior to her appointment as president. She is also a director of Megaworld and the chairman of its board executive committee and management executive committee.

Ms. Alfonso has been with Megaworld since 1990 and also serves as director in other Tan-led companies such as Global-Estate Resorts, Inc. and MREIT, Inc.

"She has extensive experience in real estate and a strong background in finance and marketing," Megaworld said.

Ms. Alfonso is a certified public accountant by profession. She graduated cum laude from Far Eastern University with the degree of Bachelor of Science major in Accounting in 1984.

For the first quarter, Megaworld's attributable net income rose by 8% to P4.4 billion as consolidated revenue increased by 16% to P18.87 billion on higher sales in its residential segment as well as stronger revenue from its mall and hotel business.

Megaworld stocks were unchanged at P1.77 apiece on Tuesday. — **Revin Mikhael D. Ochave**

Cease-and-desist orders issued vs 6 financing firms

THE SECURITIES and Exchange Commission (SEC) has issued cease-and-desist orders against six financing and lending companies for failing to comply with government requirements.

The orders were issued under Republic Act No. 11765, also known as the Financial Consumer Protection Act, the SEC said in a statement on Tuesday.

The companies covered by these orders are 9F Lending Philippines Inc., Elending Lending Inc., Hovono Lending Corp., Makati Loan, Inc., Second Pay Financing Inc., and Tekwang Lending Corp.

The SEC said these companies did not adhere to several memorandum circulars (MCs) and orders.

Specifically, they failed to submit the required impact evaluation report by Jan. 15 annually starting in 2023 (MC No. 3, Series of 2022), provide an official e-mail and contact number (MC No. 28, Series of 2022), and disclose advertisements, and report online lending platforms (MC No. 19, Series of 2019), the commission said.

The SEC also noted noncompliance with orders requiring the establishment of a complaints handling mechanism, registration with the credit information corporation, and submission of a list of third-party service providers.

"These financing and lending companies, including their owners, operators, promoters, representatives, and agents are directed to immediately cease and desist from engaging in, carrying out, promoting, which includes offering and advertising their lending business through the internet and/or any other media, and facilitating any lending activity or transaction," the SEC said.

BusinessWorld tried to reach out to the companies for comments. — **Revin Mikhael D. Ochave**

Meralco says it is stepping up preparations for possible storms

MANILA Electric Co. (Meralco) on Tuesday said it is ramping up its upgrading and maintenance activities in preparation for possible storms.

"With the start of the rainy season, Meralco crews remain hard at work 24/7 to further strengthen our distribution system's resiliency against possible severe weather disturbances and to actively contribute to the promotion of public safety," Meralco First Vice-President and Head of Networks Froilan J. Savet said in a statement.

The power distributor said that it recently conducted load-splitting operations and inspected its facilities on Hidalgo St., Pasay City "to enhance service quality and reliability in the area."

Additionally, the company replaced dilapidated wires and corrected low-hanging cables to prevent illegal connections and ensure public safety, the company also said.

"Beyond conducting routine maintenance works, Meralco actively invests in the upgrading of its distribution facilities to continuously improve the reliability and quality of the electricity service it delivers to its 7.8 million customers," it noted. — **Sheldeen Joy Talavera**

Rate cuts,
from S1/1

DBS said it expects the first rate cut of 25 bps to be delivered in the first quarter of 2025, followed by a 25-bp cut in the second quarter and another 25-bp cut in the third quarter. This would bring the key rate to 5.75% by end-2025.

It noted recent comments from Finance Secretary Ralph G. Recto, who said the BSP could only reduce interest rates after the Federal Reserve.

On the other hand, Mr. Remolona has said they do not need to mirror the Fed and could cut ahead of the US central bank.

Meanwhile, ANZ raised its Philippine GDP growth forecast to 5.9% this year from 5.7% in its report in March. This would be a tad lower than the 6-7% government target.

The research firm noted that household consumption is moderating in the region.

"In the Philippines, the slowdown in private consumption is more genuine, driven by weaker purchasing power. We view this slowdown positively as it should alleviate inflation and current account pressures," it said.

Household consumption typically accounts for three-fourths of Philippine GDP. It rose by 4.6% in the fourth quarter, the slowest since the 4.8% decline in the first quarter of 2021.

For 2025, ANZ also hiked its Philippine growth forecast to 6.1% from 5.9%. This is also below the government's 6.5-7.5% goal.

The economy grew by 5.7% in the first quarter. To meet the lower end of the 6-7% target, GDP would need to average 6.1% in the next quarters, according to the National Economic and Development Authority. — **Luisa Maria Jacinta C. Jocson**

LEDAC,
from S1/1

Also a top priority is the bill introducing reforms in Philippine capital markets, which NEDA said "seek to facilitate capital raising for Filipino companies through the stock market and boost the value of pension funds invested in the Philippine stock market by reducing taxes on stock transactions and equalizing the dividend tax."

The House in May approved on third and final reading a measure seeking to reform the capital markets by reducing taxes on stock transactions.

Another top priority is the proposed Archipelagic Sea Lanes Act, which will "strengthen the country's sovereignty over its archipelagic waters and maritime resources."

Also added to the LEDAC list but considered "second priority" is the proposal to amend the 1998 Comprehensive Agrarian Reform Law by lifting restrictions on the ownership and transfer of land awarded under the Comprehensive Agrarian Reform program.

Also included in LEDAC's top 18 priority measures is the bill amending the Right-of-Way Act to hasten the implementation of infrastructure projects.

The bill seeking to impose excise tax on single-use plastics was also included in the priority measures, as the government struggles to find more sources of revenues to fund social services and infrastructure projects.

The proposed rationalized mining fiscal regime, which seeks to impose margin-based royalties and a windfall profit tax on mining companies, and the bill to amend the Electric Power Industry Reform Act (EPIRA) were also included in the priority list.

The Partners for Affordable and Reliable Energy earlier said lawmakers should amend the EPIRA to give regulators the authority to revoke franchises of underperforming concession holders.

The CREATE MORE bill, which seeks to further lower the taxes on domestic and foreign companies, was also included in the top 18 priority bills of LEDAC, along with the bill seeking to impose a value-added tax on digital services and the measure creating a Department of Water Resources.

Eight of the LEDAC's top 18 priority bills that are already in "advanced stages" are changes to the Government Procurement Reform Act and the proposed Anti-Agricultural Economic Sabotage Act, Anti-Financial Accounts Scamming Act, Self-Reliant Defense Posture Revitalization Act, Philippine maritime Zones Act and New Government Auditing Code.

The ARAL Bill, which seeks to establish a national learning intervention program in response to the deteriorating quality of Philippine education, is also among LEDAC's top priorities.

The Philippines ranked 77th among 81 countries in the 2022 Programme for International Student Assessment (PISA), with Filipino students aged 15 performing poorly in math, reading and science compared with learners from other countries.

"The priority bills deal mostly with infrastructure and tax revenues. Unfortunately, none of these bills are focused on education and human capital development," Ateneo de Manila economics professor Leonardo A. Lanzona said in a Facebook Messenger chat.

"In light of recent studies that indicate that Filipinos are only reaching 52% of their potential and below average PISA scores, there is a need to work on improving the educational sector that crucially affects the future of the country," he added.

Meanwhile, NEDA said bills tagged as "second priority" for passage include the proposal to amend the Agrarian Reform Law and Philippine Immigration Act as well as the proposed Blue Economy Act, Enterprise-Based Education and Training Framework Act and Open Access in Data Transmission Act.

The Waste-to-Energy Bill and the proposed Mandatory Reserve Officers' Training Corps, Unified System of Separation, Retirement and Pension of Military and Uniformed Personnel, E-Government Act/E-Governance Act are also considered as second priority bills — measures that the Senate President said need "further clarification."

FULL STORY

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NAIA,
from S1/1

However, CitizenWatch Philippines in a statement said the passenger service charge would increase to P390 for domestic travelers and to P950 for international travelers.

"We urge the government and the winning airport consortium to stop this looming hike. It is a brazen, unconscionable imposition on long-suffering passengers who have had to endure inadequate facilities and substandard service in our airports," CitizenWatch Philippines Co-Convenor Jose Christopher Y. Belmonte said.

Rene S. Santiago, former president of the Transportation Science Society of the Philippines said proposed hike in fees is unjustified.

"Bad justification. SMC will put in the investments required, not the government. The rate increase is justified after the service upgrade, not before," he said in a Viber message.

The DoTr said it had been in communications with airline associations that agreed the proposed fees and charges are justified and are long-overdue to "rehabilitate NAIA and elevate it from its current dismal condition."

It also said the government is working to make assets and land available as the new NAIA concessionaire has committed to deliver significant capital investments for the airport.

The New NAIA Infrastructure is planning to build a new passenger terminal building with a total capacity of 35 million passengers per year as part of its commitment to decongest the airport.

"It is a given that airport enhancements require funding. It is not a given though that the only way to raise funding is through an immediate increase in passenger service fees," Enrico P. Villanueva, a senior economics lecturer at the University of the Philippines Los Baños, said in a Viber message.