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via PSE EDGE

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via electronic mail

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ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
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Gentlemen:

Please see attached Press Release.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:


MA. CLARISSA S. OSTERIA
Assistant Corporate Secretary

Press Release
November 30, 2023

New projects sustain company confidence, says new AboitizPower CFO

Juan Alejandro “Sandro” A. Aboitiz, the newly-appointed Chief Financial Officer of Aboitiz Power Corporation (AboitizPower), is confident in the company’s growth momentum as new energy projects are set to contribute to the Philippine grid in the near term.

“We started delivering energy to the grid from our 94 megawatt [peak] Cayanga power station — which is a solar plant in Pangasinan — and, in 2024, we’re expecting our 159 megawatt [peak] Laoag solar plant to start delivering to the grid, which is in Pangasinan as well,” the executive said during an interview in the ABS-CBN News Channel’s program Market Edge.

“We have a 24 megawatt battery energy storage project in Magat together with our partner Scatec that we’re also expecting to start delivering in 2024,” he added. “We are on track to deliver our growth aspirations, and obviously if there are opportunities to build more RE (renewable energy) — such as wind for example — that’s something that we’re always looking to do.”

As part of its decarbonization strategy, AboitizPower targets to double its net attributable sellable capacity to 9,200 megawatts — split 50:50 between RE and thermal capacities — over the next decade. To date, AboitizPower has identified close to 1,000 megawatts of RE projects, which also includes the 17 megawatt geothermal binary plant located in Tiwi, Albay.

“We’re approaching the transition in a very balanced way. Philippine energy demand continues to grow with the economy every year. As we continue to build RE, we also have to ensure that there is sufficient baseload capacity,” Aboitiz said. “In order to have a just and equitable transition, the entire energy system has to evolve. The [transmission] networks have to be able to manage more variability in the grid because of all of the renewable energy we are building.”

“Given that more end-users are building more solar rooftop, we will eventually have batteries on the demand-side. The [transmission] networks also have to be able to handle this two-way power flow,” he added, making reference to the net metering program, wherein consumers can offset their consumption and export excess generated electricity to distribution utilities.

AboitizPower’s net income in the first nine months of 2023 rose by 37% year-on-year to P26.7 billion due to higher power generation availability across its diverse portfolio, higher sales volume from its retail segment, and higher sales volume across its distribution utilities segment.

“[It] is a testament to our team’s ability to manage the increasing operational and market complexity of the industry, and that gives us a lot of confidence as we head into 2024 and beyond,” Aboitiz shared. “We feel that we are in a good position to support the grid by keeping the availability of our [power] plants high and our costs down because we want to ensure that we’re minimizing the impact on the end-consumer as much as possible.”

On the generation side, Aboitiz said that making electricity affordable involves balancing the contents of the supply mix. To recall, the Department of Energy set a goal to have the share of RE in the country’s power generation mix to be 35% and 50% by 2030 and 2040, respectively.

“It’s critical that we have our baseload plants continue operating because [these] provide reliable and secure energy at a low cost,” he explained. “When we make comparison[s], it is important to look at the total cost. Solar power, for example, only generates 20% of the time. The rest of the day, when solar plants aren’t producing any energy, that energy has to come from somewhere else.”

“It’s critical to look at the cost of producing power for the whole 24-hour cycle.”

Aboitiz mentioned that AboitizPower is keeping a close eye on liquified natural gas as a transition fuel and the feasibility of adopting nuclear technologies as part of the solution to achieve decarbonization goals.

On the policy environment, Aboitiz also highlighted the necessity of ensuring sufficient transmission capacity to support power developers; giving more end-users the power of choice by, among others, lowering the threshold for retail supply; and better implementation of the Energy Virtual One-Stop Shop or EVOSS to further streamline the permitting process of energy projects.

“At the end of the day, it’s important we find a way to make it easier and more attractive for the private sector to continue investing in the power sector,” he said.

DISCLAIMER: This disclosure may contain forward-looking statements that are subject to risk factors and opportunities that may affect the implementation of the project subject of this disclosure. The forward-looking statements contained in this disclosure are based upon what management of the Company believes are reasonable assumptions at the date of this disclosure. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

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About AboitizPower

Aboitiz Power Corporation (AboitizPower) is the holding company for the Aboitiz Group’s investments in power generation, distribution, and retail electricity services. Guided by its grand-scale vision and higher purpose, the company actively contributes toward uplifting the lives of the Filipino people and achieving a better world.

The company is one of the largest power producers in the Philippines, with a balanced portfolio of assets located across the country. It is a major producer of renewable energy, with several hydroelectric, geothermal, and solar power generation facilities. It also has thermal power plants in its generation portfolio to support the country’s baseload and peak energy demands.

AboitizPower also owns distribution utilities that operate in high-growth areas in Luzon, Visayas, and Mindanao, including the country’s second and third-largest private utilities.

In step with the country’s ambition of having a 35% share of renewable energy in the power generation mix by 2030, AboitizPower will continue to invest in renewable energy assets en route to reaching 4,600 MW. It already has over 1,000 MW of disclosed projects from various indigenous energy sources and is constantly pursuing opportunities to grow its portfolio for solar, hydro, geothermal, wind, and energy storage systems. To date, AboitizPower, together with its partners, offers the most diverse renewable energy types in the Philippines.

For further queries on this Press Release, please contact:

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