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via PSE EDGE

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ATTENTION : **MS. ALEXANDRA D. TOM WONG**
Officer-in-Charge, Disclosure Department

via electronic mail

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ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Please see attached Press Release.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:

A handwritten signature in blue ink, appearing to read "Ma. Clarisse S. Osteria".

MA. CLARISSE S. OSTERIA
Assistant Corporate Secretary

PRESS RELEASE

May 5, 2023

Traditional plants significant for energy security, says AboitizPower head

Aboitiz Power Corporation (AboitizPower) President and CEO Emmanuel Rubio underscored the critical role of non-renewable traditional energy sources in attaining energy security in the short to long terms, especially during the summer months when electricity demand is at its highest and amidst the country's ever growing demand for dependable electricity.

"[Existing] thermal plants will continue to have a significant role to play in terms of providing reliable and stable power for the country," Rubio stated during an interview with the ABS-CBN News Channel (ANC).

"Energy demand has bounced back quite significantly. In fact, we are seeing record peaks in the last few weeks given the hot weather," he said, adding that supply and demand margins currently remain thin as the only new investment for base load capacity was GNPowder Dinginin Ltd. Co.'s (GNPower Dinginin) 1,336-megawatt (MW) power plant in Mariveles, Bataan.

GNPower Dinginin, the biggest and most efficient coal-fired power plant to be built in the country, operates under the private limited partnership of AboitizPower's Therma Power, Inc. and AC Energy Holdings, Inc.

As the country aspires to increase the share of renewable energies (RE) in its energy mix, Rubio said that the transition should be calculated and well managed, as opposed to being urgent and aggressive. This is in consideration of potential unintended consequences and standing tradeoffs.

In support, AboitizPower is expanding its RE portfolio to 4,600-MW in the next 10 years, resulting in a 50:50 balance between its RE and thermal capacities. As of 2023, AboitizPower has a pipeline of more than 1,000 MW of RE projects, including developing wind and solar farms throughout the country, as well as geothermal.

"One thing I'm sure of is that we really need to transition to cleaner technologies. In base load, today the option is liquified natural gas (LNG) as a transition fuel, and balancing that with renewable energy," he said. "We'll have issues with regards to costs or reliability if we just keep on pushing [solely] for variable renewable energy. It would [also] probably put [the stability of] our grid at risk."

LNG is considered a cleaner base load capacity that complements RE power generation since LNG-powered turbines are able to quickly ramp up or down the quantity of its generated electricity to complement the inherent variability of certain RE sources.

"In the short- to mid-term, LNG is one of the options, although it still remains to be at a premium," Rubio said.

“[But] we have land, and that’s why we are actually doing the feasibility studies for our 1,200-MW LNG [power plant] that we’re trying to schedule to come in to meet base load requirement[s] by 2028 to 2030,” he added, making reference to AboitizPower’s planned LNG project in Pagbilao, Quezon.

At the moment, AboitizPower operates coal plants Pagbilao units 1 and 2 via Therma Luzon, Inc. and Pagbilao unit 3 via a joint venture with TeM Energy called the Pagbilao Energy Corporation (PEC).

In the same interview, Rubio also made mention of AboitizPower’s collaborative efforts with Japan generation company JERA Co., Inc. (JERA), specifically on assessing the feasibility of co-firing ammonia on coal plants and hydrogen on LNG facilities to reduce carbon emissions during thermal power generation.

Rubio also expressed optimism at the possibility of small modular reactors (SMRs) helping shoulder the country’s transition to a cleaner energy mix.

“I personally believe that small modular reactors will have a role to play in the Philippine energy setting,” he said, mentioning how AboitizPower is in continuous discussion with SMR technology providers, including multinational NuScale Power Corp. “I think the timeline will still be around mid-2035 when we can see this to be operating in the Philippines.”

Nuclear energy technology is seen as a source of reliable and clean baseload power, considering the weather-independence of its fuel and its zero CO2 emissions.

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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 in the next ten years, 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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