August 5, 2025

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Gentlemen:

We reply to the correspondence sent by the Disclosure Department of the Philippine Stock Exchange at 9:05 a.m today requesting confirmation of the information contained in the news article entitled "Meralco expands renewable portfolio with 20-year biogas deal". The subject news article was published in Manila Bulletin, yesterday, August 4, 2025.

The article reported in part that:

> *"Manuel V. Pangilinan-led Manila Electric Co. (Meralco) will source part of its power supply from biogas over a 20-year period as part of its renewable energy (RE) integration.*
>
> *In a statement on Monday, Aug. 4, Meralco said it has secured a power supply agreement (PSA) with First Quezon Biogas Corp. (FQBC) for 1.25 megawatts (MW) of capacity.*
>
> *This deal is expected to commence on June 26, 2026, for a term of 20 years.*
>
> *The 1.4-MW FQBC biogas power plant, located in Candelaria, Quezon, is designed to utilize an advanced anaerobic digestion technology to convert agricultural waste into RE.*
>
> *Ronald Valles, Meralco senior vice president and head of regulatory management, said that the PSA is up for review by the Energy Regulatory Commission (ERC).*

'We hope that the signing of the PSA would encourage more investment in biogas to help local communities and to further develop this type of RE technology,' he said.

This agreement aligns with Meralco's compliance with the renewable portfolio standards (RPS) of the Department of Energy (DOE), stating the need to source part of its power requirements from renewables.
The RPS requirement has been raised by 2.52 percent annually.

'Meralco has already secured a total of 1,535 MW of RE capacity from various suppliers—exceeding its initial target of 1,500 MW and, with strategic sourcing initiatives, RE is expected to account for 26 percent of the distribution utility's supply portfolio by 2030,' Meralco said.

Aside from supplying RE to Meralco, the biogas plant is also reducing greenhouse gas (GHG) emissions through a sustainable disposal solution to agricultural waste and manure of farms in Quezon province."

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We confirm the information in the subject news article and the statements that were attributed to Atty. Jose Ronald V. Valles, Senior Vice President and Head of Regulatory Management of Manila Electric Company.

Very truly yours,

WILLIAM S. PAMINTUAN
Senior Vice President
Assistant Corporate Secretary and
Information Disclosure Officer