

POWERCLUB

A MERALCO PUBLICATION | SEPTEMBER 2019

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LANDEV CORP.

TOWERING
ACHIEVEMENTS



LUMINARIES

Securities Bank

MESSAGES



VICTOR S. GENUINO

FIRST VICE PRESIDENT AND HEAD,
CUSTOMER RETAIL SERVICES AND
CORPORATE COMMUNICATIONS

CHANGE IS IN THE AIR

Systems and institutions endure, but not because they are strong, states former trader and risk analyst Nassim Nicholas Taleb in his book, *Antifragile: Things That Gain From Disorder*. “Antifragile” institutions gain strength from repeated stress, disruption, and upheaval.

As a 116-year-old business, Meralco has certainly weathered every kind of disruption. War. Economic downturns. Political upheavals. Social changes. Technological revolutions.

Through all that, we not only survive, but grow stronger. We adapt to change through a sustained effort at innovation amid constant shifts in technology.

Above all, we always make sure we create value and remain relevant to our customers.

We are evolving from distributing reliable, competitively-priced electricity to venturing into power generation, renewable energy, and beyond-the-meter services, to ensure we are responsive to our customers’ needs.

Even the magazine you hold is already a relic. After a glorious, seven-year run, Power Club says farewell to print, to be henceforth published purely in digital format.

In this last print issue of Power Club, we celebrate sustainability as a value, and as a viable business model.

Two of the 8th Meralco Luminary Awardees—Robinsons Land Corp. (RLC) and Landev Corp.—are honored for

focusing on sustainability to chart the future of their businesses, and of the country.

RLC’s master-planned crown jewel development on the borders of Pasig and Quezon City, Bridgetowne, is envisioned as a live-play-work community, where everything is within easy reach for its residents and nearby communities.

Landev, meanwhile, is securing LEED (Leadership in Energy and Environmental Design) certification for all the buildings and schools under the YGC Group, future-proofing them through energy efficiency.

Many companies are heading for sustainability, as with the airline Cebu Pacific, global air conditioner manufacturer Daikin, and start-up The Bamboo Co. All are taking bold steps toward protecting the world in which we live.

Our new President and CEO, Atty. Ray C. Espinosa, plans to push Meralco even further in the realm of sustainable energy, and expand our boundaries in the quest for innovation. His vision for Meralco will be divulged further in the coming online issues of Power Club.

As I take on the role of First Vice President and Head of Customer Retail Services and Corporate Communications, I am eager to take on the challenges the energy industry and this new leadership will bring.

Change is always inevitable, but with it comes an opportunity for growth and hope for a brighter tomorrow.

POWERCLUB

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The 8th Corporate Luminaries awardees are represented on our cover by Frederick Go, President and Chief Executive Officer, Robinsons Land Corp., and Mario Paguio, President and General Manager, Landev Corp.

Photography by Toto Labrador
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MERALCO POWER CLUB IS NOW ONLINE!

For the latest in innovative enterprise partnerships and developments in the energy industry, visit us at www.powerclub.com.ph



POWER IDEAS

WHEN RENEWABLES UPHOLD SUSTAINABILITY

The International Rice Research Institute harvests solar energy as it goes green for the thirsty crop

BY PAULINE MACARAEG

It's hard to imagine the Philippines without rice.

In 2017, each Filipino consumed an average of 118 kilos of rice, reports the Philippine Statistics Authority. That's almost 10 kilos of rice per month.

According to the International Rice Research Institute (IRRI), the world's premier rice research organization, this grain, the staple food of over 3.5 billion people, accounts for 20 percent of the global daily dietary energy, and provides livelihood and employment for over one billion households.

Unfortunately, rice farmers in Southeast Asia are particularly vulnerable to climate-change conditions such as rising sea levels, flooding, increased salinity, hotter temperatures, and drought. Global warming brings more intense rains and super typhoons.

IRRI predicts rice production must increase by 25 percent over the next 25 years to keep up with growing demand, but producers already have difficulties meeting current needs.

The available rice per capita in the Philippines steadily dropped from 2012 to 2016. It didn't increase until 2017, and only to a level below that of 2012.

HEALTHIER PLANET, MORE FOOD

To meet projected global demand over the coming quarter century, IRRI is promoting the Sustainable Rice Platform to encourage one million farmers to adopt sustainable rice farming practices by 2021.

One of IRRI's solutions to the problem of inadequate rice supply is educating farmers. It's a program that calls for active, sustained, and multisectoral involvement to help farmers produce better crops and nurture a healthier environment.

The research organization also seeks to ensure its own internal practices align with the environmental stand it advocates for farmers, and this is where Spectrum comes in.

Spectrum, a subsidiary of the Manila Electric Co. (Meralco), focuses on renewable-energy solutions for both business and residential customers across the country.



"Meralco strongly supports renewables as a responsible member of the global community," declares Victor S. Genuino, Spectrum president and chief executive officer, and Meralco's first vice president and head of Customer Retail Services and Corporate Communications. "Renewable energy is a disruption that we fully embrace." He acknowledges Meralco's responsibility

as a corporate citizen to preserve the environment while improving food production.

WALKING THE WALK

In April 2018, Spectrum launched an 810-kilowatt-peak solar photovoltaic (PV) system for five buildings in the IRRI campus in Los Baños, Laguna. The system first went online on October 20, 2017, six months prior to the inauguration.

One of the buildings powered by the solar PV system is the Lloyd T. Evans Plant Growth Facility, where IRRI conducts environment and climate simulation research.

Also within the IRRI campus is the International Rice Genebank, the biggest collection of rice genetic diversity on the planet. It stores over 130,000 different rice accessions from around the world, at controlled temperatures as low as -20 degrees Celsius.

"We need a continuous supply of power for the Genebank to maintain the temperatures suitable for these samples," says Mick Bartlett, IRRI's director of operations. "This keeps rice seeds viable for decades, preserving genetic diversity for the development of new and improved rice varieties."

The PV system also allows the institution to cost-effectively run the computers and lab equipment necessary for research and testing.

SHARING THE BEST

IRRI achieved energy savings of 1.3 million kilowatt-hours as of March 2019. This is equivalent to powering 9,360 computers for one year.

"Energy was always one of our top spends," notes Hiram Gomez, senior manager of IRRI's Supply Chain Services. "Meralco's PV system lets us save power while elevating our green credentials."

Robert Pereja, Spectrum's Commercial Operations Head explains: "The PV system we installed provides about 10 percent of IRRI's energy requirements. From October 2017 to July 2018, it provided about P800,000 in energy savings."

Spectrum and IRRI went on to phase two of the partnership: the setting up of a solar-powered drone station. The airborne drones replace manual spraying in delivering



fertilizers and pesticides to crops. This reduces time and labor, while limiting human exposure to chemicals.

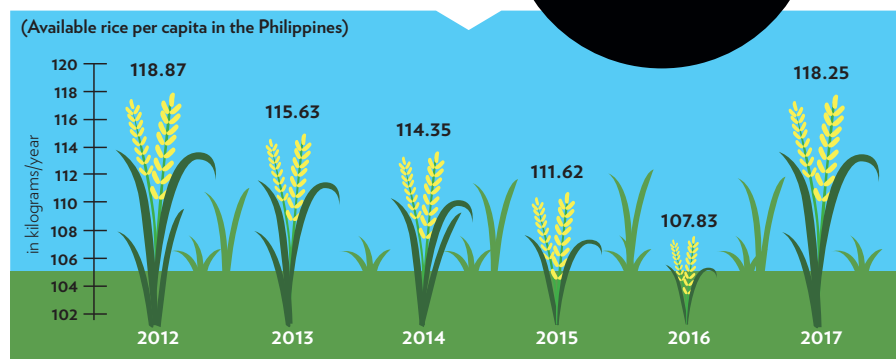
Successful implementation of these sustainable initiatives will be tested at other IRRI facilities in Southeast Asia, South Asia, and Africa.

"The sustainable system grown through our partnership with Meralco and Spectrum," stresses Bartlett, "is something we should replicate wherever we operate globally."

On a broader scale, the move towards renewable energy illustrates how the world's

leading champion for sustainable rice production walks the talk, as Bartlett puts it: "We aim to be green by doing our part to reduce the pressure on natural resources, in the Philippines, and elsewhere across the world." 

Each Filipino consumes almost
10 KILOS OF RICE PER MONTH



Source: Philippine Statistics Authority



ANALYSIS

KEEPING THE GOLDEN GOOSE GOING

To remain a leading source of growth and development,
tourism must be sustainable

BY BABE PAÑARES

Boracay is—some would say, was—the crown jewel of Philippine tourism.

The pristine island, “discovered” in the 1970s by a foreign film crew, became the backpacker set’s favorite “secret” beach getaway in the ’80s. Its fame grew, and so did the numbers.

Conde Nast magazine named Boracay “Top Island of the Year” in 2017, when visitor arrivals hit an astounding 2 million, and receipts reached P56 billion. All on an island which the Department of Environment and Natural Resources now says can only support 19,125 tourists at any given time.

The numbers overwhelm the imagination, the island’s ecology, and the local infrastructure. A government audit showed buildings violating local ordinances and building codes; for one, raw sewage was being dumped by commercial establishments into Bulabog Beach, an area popular for water sports activities. Authorities also found resorts violating the no-build zone on the main white beach, and hotels which had no business permits or lacked environmental clearance certificates.

Closed for six months beginning April 26, 2018 after President Rodrigo Duterte described it as a “cesspool,” the resort island famous the world over for its creamy



**Sustainable tourism
meets the needs of
the present generation
without compromising
the needs of
future generations.**

PHOTOGRAPHY BY TOTO LABRADOR, GROOMING BY ARLENE ADTO, SITTINGS EDITOR CONI TEJADA



'A friendly local population is critical to the success of any tourist destination.'

RANDI ALAMPAY
ASSOCIATE PROFESSOR
UNIVERSITY OF THE PHILIPPINES -
ASIAN INSTITUTE OF TOURISM

white sand beaches was cleaned up and rehabilitated, with vital infrastructure projects such as sewage treatment plants and roads now in various stages of completion.

Boracay threw its doors open to the public again on October 26, 2018, with new regulations to limit visitor numbers and restrict some guest activities. It remains to be seen whether the reforms will enable the island to hold on to its top spot as a tourist haven. Its rise and stumble is a cautionary tale for other tourist destinations, and a warning of the dangers posed by reckless, unsustainable development.

POSITIVE DIRECTIONS

In January, the Department of Tourism (DoT) revealed a new thrust to promote the Philippines as a "premiere, sustainable tourism destination," one that is still "more fun," but more responsible, too.

"The concept of fun is now redefined to include responsibility in taking care of our tourist destinations," declares Tourism Secretary Bernadette Romulo-Puyat. "This

will sustain the 'more fun' experience for future generations."

The current generation certainly finds much to enjoy here. In 2018, some 7.1 million foreign tourists arrived in the Philippines, an all-time record high despite Boracay's six-month closure. Domestic tourism is likewise robust: 110 million domestic tourists are well above the 89.2 million targeted for 2022.

This yields more receipts for the tourism industry, and a greater contribution to economic growth. It also underscores an urgent need to institutionalize sustainable tourism policies and practices.

GREENER STANDARDS

"What are we trying to sustain?" asks Randi Alampay, associate professor of the University of the Philippines-Asian Institute of Tourism. "We want to retain the physical features of the destination. We want to protect the culture and improve the quality of life of the host community. We want to maintain the quality of visitor experience," he says.

Sustainable tourism, he summarizes,

meets the needs of the present generation without compromising the needs of future generations.

"It's not something you can achieve through an ordinance," Alampay clarifies. "It's not enough to keep your own space green. You have to go beyond your property and be engaged in ensuring that the entire destination is sustainable."

One way to encourage this is to establish sustainability standards and give public recognition to businesses that achieve or even surpass them. His example is the Anahaw Philippine Sustainable Tourism Certification.

In cooperation with the European Union, the DoT implements this national certification scheme and awards it annually to hotels and resorts that reduce the carbon impact of tourism activities and contribute to sustainable and inclusive development. The first awards ceremony was held in August 2018.

The awardees must be advocates of environmental policy administration and management; electricity and energy savings; sound water use; low-impact building infrastructure and surroundings; proper waste disposal, correct waste-water treatment and management; minimal use of chemicals, detergents, and fuel; environmental protection; and cultural preservation.

Anahaw Philippine certification has five categories, and the fifth ranks highest. Of 27 awardees last year, three establishments received Level 4 certification: Daluyon Beach and Mountain Resort, both in Puerto Princesa, Palawan; Amarella Resort



in Panglao, Bohol; and Sangat Island Dive Resort in Coron, Palawan.

FOR ALL, NOT JUST THE SMALL

It is a common misconception that sustainability only applies to small-scale endeavors.

"Lio Tourism Estate is an interesting model, because they are scaling up," Alampay notes. "It is proof that big businesses can and, more importantly, should strive to be ecological."

Owned by Ayala Land Inc. (ALI), Lio Tourism Estate (LTE) operates four hotels designed to blend in with the environment. These are El Nido Cove, Balai Adlao, and Hotel Covo, each with 20 rooms; Casa Kalaw with 42 rooms; the 153-room Seda Lio; and soon to open, Huni with 50 rooms, all built so no structure juts out of the coconut tree-line.

"Sustainable tourism must become more mainstream," asserts Mariglo Laririt, director of environment and sustainability of the Ten Knots Group of Companies that operates LTE in El Nido, Palawan. "It is something worth doing, and not just for

marketing purposes; it makes good business sense."

She adds this shift is driven by a company where sustainability is integrated into the culture. "When it was time to scale up with Lio," she says, "it was organic, because we are part of a bigger company with many allies internally to support us."

Meanwhile, there is a vital role to be played by the Manila Electric Co. (Meralco), which is in the early stages of an extensive project for Lio. It will involve the installation of a microgrid: a set-up with generators, solar photovoltaic panels, and a battery storage system.

A proposal for the solar PV panels and the storage battery system was put forward by Spectrum, a wholly owned, renewable-energy subsidiary of Meralco. The electrical distribution will be handled by MSERV, a Meralco subsidiary specializing in beyond-the-meter energy services.

Beach resorts must contribute to their community's development and actively promote low-carbon tourism to be Anahaw-certified.

BEYOND BUZZWORDS

Twenty-four years ago, Laririt was a resort biologist with Ten Knots Development Corp. before it became an

ALI subsidiary. She knows the concept of sustainability can be carelessly reduced to a buzzword.

"We started with a really simple vision statement—man, nature and harmony," she recalls. "We ran two island resorts, Miniloc and Lagen. The catchphrase was 'ecotourism.'"

Yet any business that depends on the beauty of nature cannot afford to cut corners. It was serendipity, she admits, when "Ayala came in, and sustainability became our thrust," given the costs associated with operating sustainably. LTE had nearly 400,000 guests from January to April 2019 alone, and it needed to ensure it could offer a pristine environment for everyone.

"You can't hide the impact of your operations on an island for long," Laririt emphasizes. "Waste in whatever form will manifest itself, and it will not clean itself



PHOTOGRAPHY BY JUN PINZON, GROOMING BY ARLENE ADTO



'Sustainable tourism must become more mainstream.'

MARIGLO LARIRIT
DIRECTOR OF ENVIRONMENT
AND SUSTAINABILITY
TEN KNOTS GROUP

up." Proper waste management becomes central to the estate's processes. Sewage from the hotels and the shops is treated, and Lio operates an in-house solid-waste treatment facility.

"We've partnered with a group," confides Laririt, "that converts plastics into durable building materials!"

Thankfully, not all low-carbon efforts incur cost, extra effort, or advanced technology. The resort offers planet-friendly activities such as biking, hiking, bird-watching, swimming, and kayaking. Smoking is severely restricted, and proper trash disposal is encouraged.

BENEFITS FOR ALL

ALI's efforts have paid off. In March 2019, LTE joined the Top 100 Sustainable Destinations list at the ITB Berlin (Internationale Tourismus-Börse Berlin), the world's largest tourism trade fair. The estate was recognized as "a top destination for the protection of nature, and landscape and scenery" and the first master-planned, ecologically sustainable tourism destination in the Philippines.

Alampay maintains this kind of acknowledgment persuades more people to choose sustainability as a criterion for travel destinations, and to believe that responsible travel is worth paying more for.

"We should educate tourists," he posits. "They are stakeholders, because they are part of this cycle. They can drive the demand for sustainability."

Alampay points out that sustainability is not just about green spaces and clean air. Tourism must also benefit local communities without harming livelihoods, living spaces, or indigenous cultures.

"Local community support for tourism is important," he asserts. "A friendly, hospitable local population is critical to

the success of any tourist destination."

Laririt concurs: "The tourism industry is such a potent source for change." To benefit the community, she says, LTE sees to it that about half of the retail area's merchants are Palawan residents from the area.

Given the rich diversity of the Philippines's natural attractions, tourism will certainly continue to play a key role in the country's economy for many years. Empowering all stakeholders to engage in sustainable practices will ensure that tourism will remain viable for many generations to come. 



ALL BEACH PHOTOS COURTESY OF LIO TOURISM ESTATE

INDUSTRY TRENDS



No mere buzzword, sustainability is how many companies do business

BY EDWIN P. SALLAN AND ESTRELLITA FAUSTINO

Sustainable manufacturing was the norm for millennia, as wind- and water-powered mills, forges, and factories. Wood, wool, cotton, and leather came mainly from renewable sources, and other materials such as metals were intensively recycled.

When the industrial revolution sparked an insatiable appetite for faster, cheaper, and more convenient everything, it took just over two centuries for humans to wreak the kind of damage that could take the planet several millennia from which to recover.

Today, people around the world make a serious effort to turn back the clock and change their consumption and purchasing habits. In response, many companies transition to significant eco-friendly and sustainable business practices.

More than a politically correct move, this also happens to be a business-savvy one. A growing number of consumers, even job-

seekers, share a view of the role of business in society that compels them to seek to be identified with brands that care about the environment.

Green companies often face initially high operating costs, which abate in the long run and yield bigger profits and improved sales. Such businesses also receive tax incentives to offset production costs.

In the Philippines, several companies that stand out for their sustainable initiatives help break the barriers which discourage other businesses from going green. They demonstrate how trading in eco-friendly products is not a short-lived fad, but a lasting way to live in greater harmony with the world.

Daikin Philippines rethinks its refrigerants; Cebu Pacific Air finds alternatives to single-use plastic food packaging and utensils; and a start-up, The Bamboo Company, taps the potential of a

fully biodegradable grass material.

COOL AND CLEAN HVAC SYSTEMS

Daikin Philippines, the Japan-based air-conditioning giant, began its Philippine operations in 2009, and today boasts some P2 billion in sales every year. All of the company's manufacturing bases are compliant with the ISO 14001 global standard, earning Daikin the coveted Environmental Management Certification.

Meanwhile, "We have a unified thrust in developing the most advanced technology and most environmental-friendly refrigerant – the R-32," announces Lee Wai Kok, president of Daikin Philippines. This refrigerant is Daikin's key to minimizing its air-conditioners' environmental impact.

As the only company to develop and manufacture both air conditioners and refrigerants, Daikin launched the world's first

'We're researching new refrigerants that are safe and eco-friendly.'

LEE WAI KOK
PRESIDENT
DAIKIN PHILIPPINES



PHOTOGRAPHY BY TOTO LABRADOR, GROOMING BY ARLENE ADTO

residential-use air conditioner using R-32.

"This is Daikin's main refrigerant of choice," Lee declares, "because it efficiently carries heat and has a lower impact on the environment."

Daikin's current generation of air-conditioners features the use of inverter technology. (Read "Cold Comforts" in the Power Club Q3 2017 issue.) These models consume about 50 to 60 percent less energy than older, non-inverter units.

"Since using less energy consumes less fossil fuels," the Daikin chief asserts, "this leads to considerably lower levels of global warming potential."

Lee concedes that customers are still driven by price over environmental considerations, but he believes "offices, manufacturing companies and the residential sector will shift to what the manufacturers make available for them."

He sees this as both an opportunity and responsibility for Daikin to lead the way in sustainable air conditioning. Encouraging customers to choose green alternatives should boost the demand for those

kinds of products.

Daikin also looks beyond R-32 to stay abreast of the Kigali Amendment of the Montreal Protocol. This amendment seeks to phase out the use of hydrofluorocarbon refrigerants, which include R-32.

"We're researching new refrigerants that are more natural, safe, and eco-friendly," says Lee.

To strengthen its sustainable environment initiative and provide independent ratings for its products, Daikin joined the Bright Ideas Program of the Manila Electric Co. (Meralco). This is a customer information campaign that educates consumers on energy cost and efficiency so they can make more informed decisions about their home.

Daikin also regularly submits units to the Meralco Power Lab for testing. At the

Power Lab, appliances such as TV screens, kitchen stoves and washing machines are rated in terms of energy efficiency. Each tested model is given a Meralco Orange Tag that indicates its average energy consumption and estimated cost equivalent. (Visit the Orange Tag section at meralco.com.ph to learn more.)

"Joining Meralco's Bright Ideas Program not only allows us to promote our latest technology," Lee shares, "it also lets us be part of a campaign to encourage consumers to buy energy-efficient products that reduce the burning of fossil fuels."

GREENER SKIES FOR A LOCAL CARRIER

The aviation industry is often considered among the most ecologically unfriendly

'THE JUAN EFFECT PROGRAM IS FLEXIBLE AND SCALABLE. IT CAN GROW TO MAKE OUR OPERATIONS MORE SUSTAINABLE.'

CHARO LOGARTA-LAGAMON
DIRECTOR OF COMMUNICATIONS
CEBU PACIFIC AIR

PHOTOGRAPHY BY JUN PINZON, GROOMING BY ARLENE ADTO



businesses. It accounts for about two percent of global greenhouse gas emissions, which are deposited directly into the upper atmosphere.

Cebu Pacific Air (CEB), the country's largest domestic carrier, seeks to minimize its environmental impact through "Juan Effect," a sustainable tourism program launched in August 2018. Juan Effect encourages passengers to use their own reusable water bottles and eco-bags, while the airline shifts to recyclable, eco-friendly utensils.

The airline previously used around 18,500 pieces of plastic spoons and forks, cups, and stirrers on 400 flights every day, according to Charo Logarta-Lagamon, CEB director for communications. It has since shifted to utensils made of biodegradable materials.

"The cutlery is now made from polylactic acid (PLA) derived from cornstarch," she explains. "We use paper cups and wooden stirrers." Like other bioplastics, PLA is derived from biomass.

Lagamon admits the shift to sustainable utensils represents a significant investment for CEB. "For the utensils alone, it's a 46-percent additional cost every year," she acknowledges. "As we expand our sustainability initiatives, that cost will increase."

It's a cost the company is quite willing to bear.

Lance Gokongwei is CEB president and chief executive officer of parent unit, JG Summit Holdings Inc. Lagamon says, "He

The airline previously used around 18,500 pieces of plastic spoons and forks, cups, and stirrers every day. It has since shifted to utensils made of biodegradable materials.

has been very vocal about sustainability across the entire conglomerate. We can expect more efforts from the whole JG Summit."

CEB is exploring the installation of solar panels at its Pasay City headquarters in partnership with Spectrum, Meralco's renewable-energy arm.

The expense of this initial investment, Lagamon believes, will be offset by "the savings we generate and, more importantly, the reduced impact on the environment. These are things you can't quantify."

Its environmental management system has qualified CEB for ISO 14001 certification.

MSERV, Meralco's beyond-the-meter energy services subsidiary, also contributes with the introduction of HVAC technologies to make electricity

consumption more efficient, reduce systems loss, and minimize the impact of power surges on sensitive equipment.

"Having an efficient and reliable power supply is integral to our 24/7 operations," Lagamon emphasizes. "We need that kind of reliability, and Meralco gives us that."

Over the next few years, the airline plans to reduce its fuel consumption—and direct carbon footprint—by acquiring newer, more fuel-efficient planes.

"Our new Airbus A321 Neo can fly from Manila to Davao using 35 percent less fuel than our older aircraft," she reveals. "That's a big difference when you add it all up across 400 flights a day!"

More measures are forthcoming, assures Lagamon. "We started small with Juan Effect, but the program is flexible and scalable. It can grow to make our operations more sustainable, more efficient, and as green as we can make it. It's something we will do, and we will adapt."

GRASSROOTS APPEAL FOR A SUSTAINABLE STARTUP

Frequent traveler Jamico Jamlang was upset by plastic trash discarded by tourists in the seas and on beaches. Looking for ways to reduce plastic waste and advocate an environment-friendly lifestyle, he and his partners set up The Bamboo Company (TBC).

With a modest P100,000 in capital, TBC was set up to specialize in consumer products made of renewable and sustainable bamboo. Bamboo is a rapid-



PHOTOGRAPHY BY NONOY LACZA



‘WE ARE THE FIRST COMPANY IN THE PHILIPPINES TO INTRODUCE THE BAMBOO TOOTHBRUSH.’

JUSTIN RICHMOND DOMINGO
SALES MANAGER
THE BAMBOO COMPANY

growing grass that matures quickly, usually within a year. Should TBC’s output grow, the supply of this raw material is assured.

“The Bamboo Company is the first in the Philippines to introduce the bamboo toothbrush,” says Justin Richmond Domingo, TBC’s sales manager. “It’s our very first product. The bamboo handle has bristles in nylon, which degrade in less than 100 years.”

The products are not single-use, throwaway items. “Bamboo is antimicrobial on its own,” Domingo adds. “A bamboo toothbrush kept in a moist environment won’t get moldy. It dries really fast and won’t absorb water.”

The company’s most successful product to date, the bamboo tumbler for hot or cold beverages, is a vacuum-sealed metal canister with a bamboo jacket. Table utensils, drinking straws, coffee tumblers, bamboo-covered tin lunchboxes, bamboo-handled personal shavers, wristwatches, and many more are also available.

TBC marks its entry to the natural health and beauty products market with its charcoal toothpaste. It is also looking into hair sprays, bamboo-fiber face masks, personal-care bamboo-charcoal products, and bamboo containers for cosmetic products.

The products are available at Biblio, a

crafts store, at various bazaars, and on the company’s web site, Facebook page, and BeautyMNL.

Domingo explains that TBC sources from Taiwan most of its bamboo, which is thicker and sturdier than local kinds, and uses thinner bamboo from Bantayan Island in Cebu for its straws.

“Of all our products, the bamboo straw has the most impact on the local economy,” he affirms. “It benefits some 30 bamboo farmers on Bantayan Island.”

TBC seeks to create a greater impact on the welfare of Philippine bamboo farmers. It hired a community development manager to identify areas where preferred bamboo varieties flourish, and work with local communities to farm, harvest, and supply the bamboo.

To foster growth, jobs, community development, and the environment; it is quite the lofty checklist, but TBC is confident it can find sustainable solutions with one sustainable material. 🌱



PHOTO COURTESY OF THE BAMBOO COMPANY



EVENTS

BRILLIANT BUSINESSES

Corporate power players celebrate excellence and innovation
at the 8th Luminaries Awards night

BY CONI TEJADA



Meralco President and CEO RAY ESPINOSA, former Meralco President and CEO OSCAR REYES; Landev Corp. President and General Manager MARIO PAGUIO, Robinsons Land Corp. President and CEO FREDERICK GO, former Meralco SVP and Head, Customer Retail Services and Corporate Communications ALFREDO PANLILIO

Top photo: REYES with Meralco's ESPINOSA and Chairman MANNY V. PANGILINAN

Trust the Manila Electric Co. (Meralco) to amp up an event.

And the 8th Luminaries Night, held last March 6 at Shangri-la Hotel Makati's Rizal Ballroom, is no exception. The sit-down dinner preceded the spectacle onstage: hosts David Celdran and Iza Calzado turned the spotlight on Meralco's distinguished partners and their significant contributions to nation-building.

Former president and chief executive officer Oscar S. Reyes explained the Meralco Luminaries Awards are "driven by our vision and our commitment to help create a brighter and ever more progressive future for the country."

The sustainably bright future envisioned by Meralco, he added, can only happen with partners who share the same aspirations. ►►



The Net Group Chairman CHARLIE RUFINO

PHOTOGRAPHY BY VINCENT COSCOLLELA AND MIKE DEE

Spectrum Commercial Services Head ROBERT PEREJA; Meralco Relationship Manager VALERIE LIMACO; Global-Estate Resorts Inc. President Atty. MONICA SOLOMON; Global-Estate Resorts Inc. EVP-Operations JENNIFER ROMUALDEZ; Meralco FVP and Head, Customer Retail Services and Corporate Communications VICTOR GENUINO



Ayala Land Inc. SVP and Head, Residential Business Group ROBERT LAO



Meralco Relationship Manager ARNOLD DE GUZMAN, First Orient International Ventures Corp. GM RON LIM, Meralco Leisure and Entertainment Team Lead BERNICE GARCIA, Robinsons Land Corp. EVP FARADAY GO



Meralco Chief Technology Advisor GAVIN BARFIELD, Meralco's GENUINO, Mitsubishi Motors Phils. Corp SVP for Corporate Management YASUKI MARUYAMA, Meralco Relationship Manager PAT PANLILIO



Meralco Consumer Products Industry Team Lead CESAR DAWANA, Outgoing President MUNEHIRO TAKAHASHI and Incoming President TOSHIYUKI AKAIKE of Terumo Phils. Corp., Meralco Relationship Manager KATHERINE TAGUDIN

And the Lumies go to...

Landev, the asset and property management arm of the Yuchengco Group of Companies (YGC), received a Corporate Luminaries Award. Mario Paguio, Landev president and general manager, ascended the stage to receive the award.

With Meralco's help, Landev is acquiring LEED certification for the RCBC Savings Bank Corporate Center in Bonifacio Global City. LEED, or Leadership in Energy and Environmental Design, is the world's foremost green building rating system. (Read "Growing in Greener Pastures" on page 20.)

A Corporate Luminaries Award also went to Robinsons Land Corp. (RLC), represented by Frederick Go, RLC president and chief executive officer. Working with Meralco, the property developer is completing Bridgetowne, its up-and-coming mixed-use community at the corner of C-5 and Ortigas Avenue. (Read "Finding a New Role for the Shopping Mall" on page 24.)

The cities of Biñan and Makati were recognized as Luminaries for their innovative use of energy to enrich their communities. Acclaimed for their achievements were Biz partners Princess Jolliant Corp., a food services provider for a major convenience store chain, and Chocovron Global Corp., a manufacturer of delicious polvoron pastries.

Dazzling talent

The world-class entertainment was headlined by Asia's songbird Regine

Meralco Relationship Manager ERICA PEKSON with Swedish Match Phils. General Manager FELIPE RAMOSO



Top executives of Polyfoam RGC International Corp. (Uratex): Managing Director PEACHY MEDINA, President NATIVIDAD CHENG, Sales Director DINDO MEDINA

Velasquez-Alcasid. The show-stopping lineup included Jed Madela, World Champion of Performing Arts, and Jonalyn Viray, the first Pinoy Pop Superstar Grand winner.

Rom-com heroine Janella Salvador (daughter of actress Jenine Desiderio and crooner Juan Miguel Salvador) and singer-songwriter Jayda Avanzado (daughter of singers Dingdong Avanzado and Jessa Zaragoza) represented today's pop royalty.

The music was by the Manila Philharmonic Orchestra, led by National Artist for Music Ryan Cayabyab (who also received a special Luminaries Award). Offstage, musical director Rowell Santiago kept the program running smoothly.

The festivities concluded as Meralco Chairman Manuel V. Pangilinan called on everyone to toast the evening's Luminaries. 

Below: Project Development Manager JAYSON ROBLES and President and CEO EXEQUIEL ROBLES of Sta. Lucia Land Inc. with Meralco Relationship Manager MELANIE SENG



Meralco Relationship Manager LORD PATRICK RODRIGUEZ; Pag-Asa Steel President WELLINGTON TONG; Meralco Relationship Manager BERNARD PORNELOS



Maynilad Water Services Inc. AVP and Head, Government Relations ANETTE DE OCAMPO; Aseana Holdings Inc. Managing Director DELFIN WENCESLAO



REYES with Private Sector Relationship Management, Management Head, Corporate Business Group JERRY MARVIN JOVERO and Mitsubishi Motors Phils. Inc. President and CEO MUTSUHIRO OSHIKIRI



WM Shopping Center Management Chairman ABRAHAM UY; The Net Group Managing Director BOB BARRETTO; Meralco's ESPINOSA; Meralco Head, Marketing for Enterprise NINA POSADAS; Meralco VP and Head, Marketing, Customer Solutions and Product Management JOSE ANTONIO VALDEZ



Spectrum COO VICTOR RISMA IV; Nippon Premium Bakery Inc. Incoming President and CEO TAKAO OKABE and Outgoing President and CEO TOSHIYA TANIGUCHI; Meralco Food & Beverage Industry Team Lead RENE SUA, Meralco Relationship Manager DENNIS MIRANDA



Above: International Container Terminal Services Inc. GM ANTONIO CORONEL

Left: Pinoy Pop Superstar grand winner Jonalyn Viray serenades the audience.

Below: From City of Dreams Manila: PR Director ROMINA GERVACIO; VP, Public Relations CHARISSE CHUIDIAN; and COO KEVIN BENNING



Meralco's ESPINOSA is flanked by Polar Queen Waterways Inc. President ALICE SAMSON (left) and Meralco VP and Head, Corporate Business Group MA. CECILIA DOMINGO.



Landev's
PAGUIO
with Maynilad
President
RAMONCITO
FERNANDEZ



Meralco's REYES and VALDEZ
with Makati Shangri-La GM
GREG FINDLAY



Meralco's GENUINO, DILG Undersecretary for Operations EPIMACO DENSING III,
Meralco Head, Public Sector Relationship Management GERALYN SOLIDUM, Batangas
Medical Center Chief RAMONCITO MAGNAYE, PANLILIO, Meralco Public Sector
Relationship Manager BEZIE MINA



Semiconductor & Electronics Industries in the Philippines Foundation
Inc. President DAN LACHICA (right) and wife BERNIE with Meralco
Relationship Manager MICHAEL GARCIA

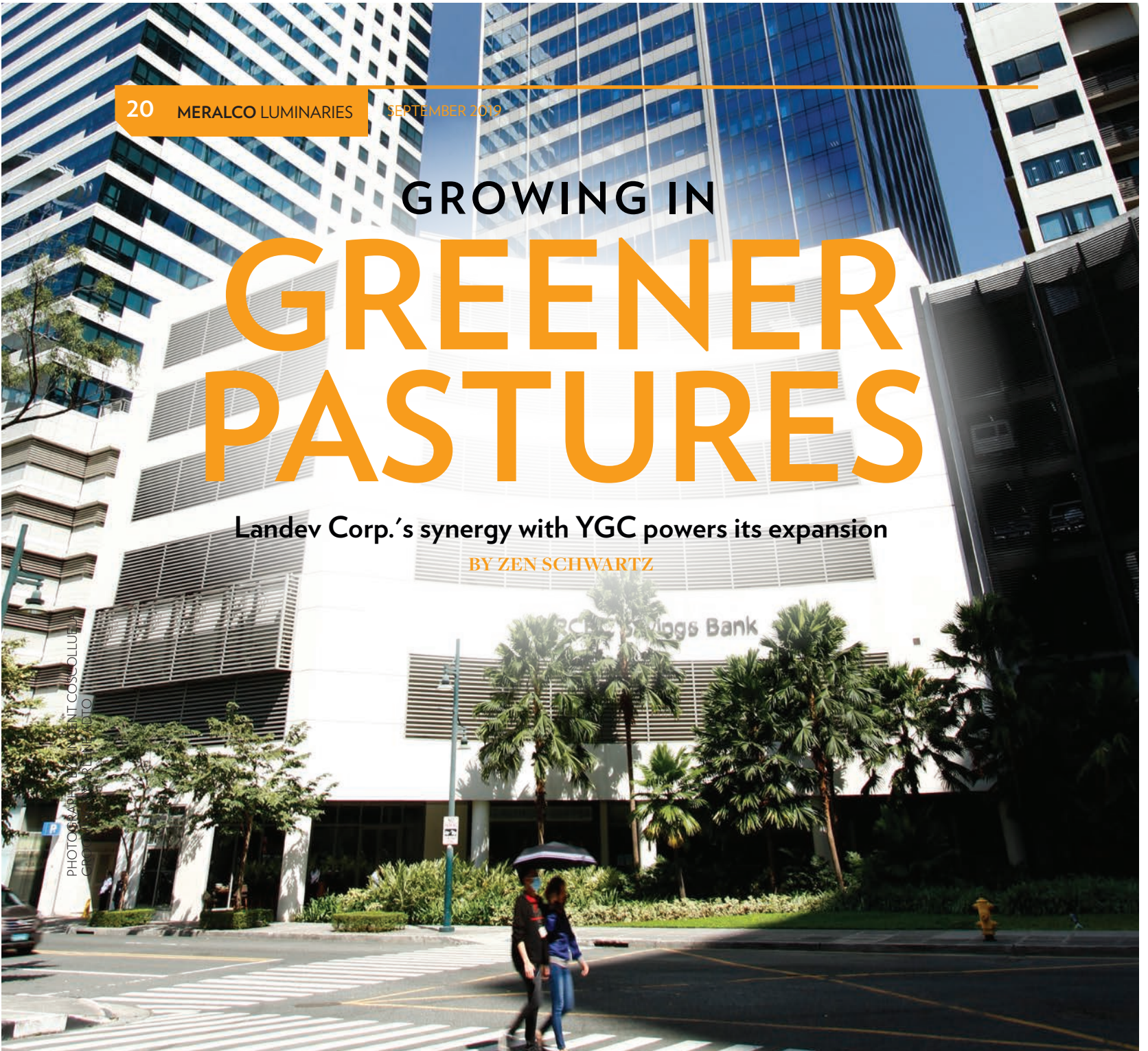


Robinsons Land's GO with Meralco PowerGen Corp. President ROGELIO SINGSON

GROWING IN GREENER PASTURES

Landev Corp.'s synergy with YGC powers its expansion

BY ZEN SCHWARTZ



PHOTOGRAPH BY JENNIFER COSCOLLO

It is fitting that a company that traces its roots—literally—to trees now plays a role in the continuing growth of the Philippine landscape. This is particularly visible in Taguig's Bonifacio Global City, where it seems as if new buildings rise from the ground every few months.

A noteworthy landmark here is the RSB Corporate Center (RSBCC). The headquarters of RCBC Savings Bank, it is also home to several multinational and business process outsourcing companies. The 34-story building is maintained by

Landev Corp., the asset and property management arm of the Yuchengco Group of Companies (YGC).

President and General Manager Mario Paguio says Landev's ability to keep abreast of shifts in consumer behavior is the key to its success as a mixed-used property developer. "To satisfy consumers' needs, you need to know their lifestyles," he explains, "how they live, work, play, and eat."

This information influences the tenant mix in Landev properties. "We make sure the tenants complement, rather than compete with, each other," he explains, "to

**The 34-story
RSBCC benefits
from MSERV's
power-quality audits,
preventive maintenance,
technology updates,
and energy-efficiency
seminars.**

make it interesting for our customers.”

This synergistic approach is borne of the company's heritage.

COORDINATION FOSTERS STRENGTH

Landev is a unit of YGC, which was founded by Enrique T. Yuchengco, whose pioneering business in the 1900s included lumber, tobacco and building construction. Under the leadership of his son Alfonso (the late former ambassador) and his granddaughter Helen Y. Dee, YGC's interests today span insurance, banking, education, investments, transportation, real estate, communication, construction, and manufacturing.

“The Yuchengco Group Synergy is our biggest strength,” Paguio declares. Whether they provide financial and technical support or find construction solutions, YGC member-companies rely on each other to get things done more efficiently. This system enables Landev to go full steam ahead; the company's net income surged over 25 percent from 2017 to 2018.

The highlights for 2018 included the opening by Landev of the Malayan Colleges Mindanao in Davao in July; reaching nearly 100-percent occupancy of the Malayan Insurance Co.-ETY building in Binondo, Manila; and a refurbish of the RCBC brand in its 500 branches nationwide.

RCBC Plaza in Makati, the group's flagship headquarters, achieved LEED (Leadership in Energy & Environmental

Design) Gold Certification from the U.S. Green Building Council, also in 2018.

EXPERTISE YIELDS SUSTAINABLE PRACTICES

Of course, powering Landev's expansion requires a constant stream of energy. This is why synergy with the Manila Electric Co. (Meralco) and its subsidiaries remains critical to Landev's success.

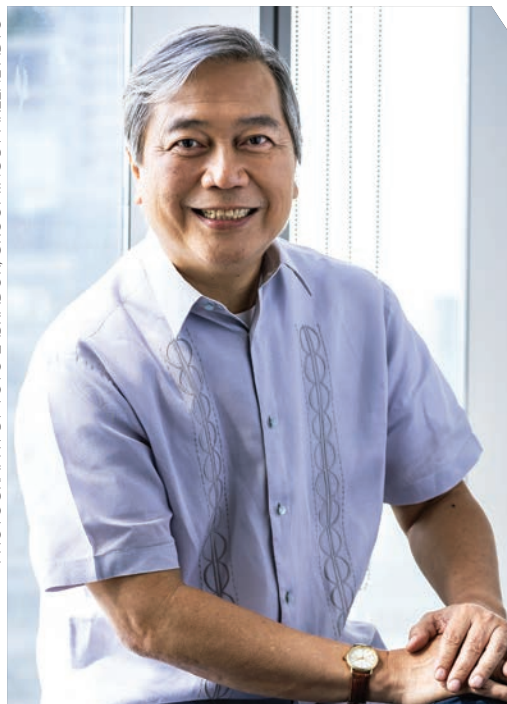
“Meralco's assistance helps ensure our properties are both energy-efficient and environmentally sustainable,” Paguio underscores.

In 2014, the property developer approached MSERV, Meralco's beyond-the-meter subsidiary, for Meralco-managed services on RSBCC's electrical facilities. Its role calls for preventive maintenance, power quality audits, and the supply and installation of necessary electrical equipment.

“We partnered with MSERV because they are the energy experts,” shares Paguio. “They closely monitor our power usage and immediately address any issues.”

MSERV also provides regular advice on improving energy efficiency practices, >>>

PHOTOGRAPHY BY TOTO LABRADOR, GROOMING BY ARLENE ADTO



‘To satisfy consumers, you need to know how they live, work, play, and eat.’

MARIO PAGUIO
PRESIDENT AND GENERAL MANAGER
LANDEV CORP.



along with seminars on new energy-saving systems and technologies. “Aside from lowering our electricity consumption, we’ve also experienced fewer power interruptions!” he enthuses.

He also credits MSERV’s assistance in identifying several potentially dangerous fire and electrical hazards, and putting safety measures in place.

AN EYE ON EXPANSION

This system of power-quality audits, combined with energy efficiency and eco-friendly policies, creates a best-practices template for other Landev properties. It is the reason Landev was selected a Meralco Luminary Awardee for 2018.

Paguio believes such measures are crucial to the continued success of current and future projects. These include the construction of a new Mapua Makati campus along P. Ocampo Sr. Ave.; the redevelopment of the existing Mapua Makati campus along Gil Puyat Ave. into a mixed-use property; and the renovation of the National Teachers’ College (NTC) in Quiapo, Manila, as part of the merger between Mapua and Malayan Schools with Ayala Education Inc.

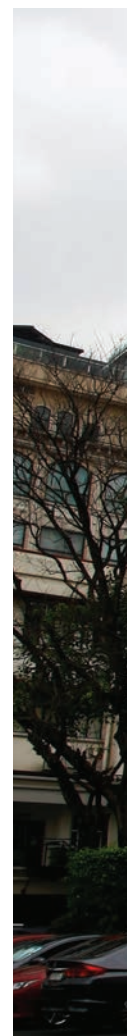
“The NTC renovation is very challenging,” he admits. “We need to modernize the facilities inside, while retaining the building’s 1930s art-deco



The template for best practices is used on Landev’s other new construction and modernization projects.



Clockwise from top: Artist’s rendering of the proposed Malayan College in Cavite; the facades of the newly renovated and redeveloped National Teachers’ College and Mapua University; HVAC systems inside RSB Corporate Center; and the NTC lobby





architecture and character.”

However, he reveals another YGC unit, EEI Corp., has also sets its sights beyond Metro Manila for growth, through the government’s “Build, Build, Build” program. “We see opportunities in the north,”

Paguio asserts, “mainly because of the SCTEx (Subic-Clark-Tarlac Expressway) and TPLeX (Tarlac-Pangasinan-La Union Expressway), as well as developments in Clark and Subic.” Ongoing infrastructure projects include the MRT-7 and Metro Manila Skyway Stage 3, and the planned Metro Manila Subway System.

He enumerates other opportunities in Cebu, Iloilo, Bacolod, Davao, Cagayan de Oro, and General Santos because of new airports and the urgent renovation of existing ones and terminal facilities, as well as the redevelopment of YGC properties in these cities.

“YGC and Landev can set down roots and grow just about anywhere,” Paguio avers, “so long as we remain focused on our customers, and trust in the strength of our partners.” 



PHOTOGRAPH BY JUN PINZON AND VINCENT COSCOLUELA

FINDING A NEW ROLE FOR THE SHOPPING MALL

Robinsons Land makes its shopping malls
a bigger part of the communities they serve

BY CRIS LARAÑO



The internet is the end of the shopping mall.

Or is it? Because that's what some pundits claim, to explain the demise of several prominent department stores in the United States.

However, Frederick Go, president and chief executive officer of Robinsons Land Corp. (RLC), firmly believes shopping malls can do so much more than provide retail therapy for a city's inhabitants.

From the RLC board room at the 43rd floor of the Robinsons Equitable Tower in Pasig, Go possesses a 180-degree view of Metro Manila on a clear day. It's a slice of a megalopolis that is home to around 13 million people, plus three million more during the daytime work hours.

It's also a city mired in congestion, traffic, pollution, and bureaucracy. The shopping mall, Go fervently believes, is a solution to many of these problems.

TRAFFIC SOLUTIONS

Traffic congestion costs the economy an estimated P3.5 billion daily. This was the finding in an updated study by the Japan International Cooperation Agency, announced at the 36th Joint Meeting of Philippines-Japan Economic Cooperation Committees in February 2018.

An inadequate mass-transport system is compounded by a considerable shortage of roads broad enough to accommodate the ever-growing number of vehicles. This keeps many Metro Manila dwellers on the road for probably longer than the time spent in their places of business.

To tackle this problem, some of Robinsons Land's shopping malls now serve as point-to-point (P2P) bus terminals.

"By providing an organized, well-planned, comfortable bus ride, we give car-riding commuters an attractive alternative," Go points out. "P2P bus rides are also much quicker, since they avoid all stops along the way, a practice which causes traffic."

He also instituted Lingkod Pinoy, a service center that hosts a number of government-agency outlets at RLC malls, to spare customers from visits to congested offices. Lingkod Pinoy allows customers to process documents such as passports, postal IDs, driver's licenses, National >>>



PHOTOGRAPH BY TOTO LABRADOR, GROOMING BY ARLENE ADTO

**'WE'RE RECONFIGURING OUR MALLS
TO REFLECT THE FACT THAT
CUSTOMERS GO TO MALLS TO EAT,
MORE THAN TO SHOP.'**

FREDERICK GO

PRESIDENT AND CHIEF EXECUTIVE OFFICER
ROBINSONS LAND CORP.





Some of
Robinsons Land's
shopping malls
now serve as P2P
bus terminals.

Bureau of Investigation clearances, land-title registrations, and applications for government loans.

Go was inspired by his own experience when he sought to renew his document at a government office. The line of applicants circled the building even at an early hour. "I assumed the line began around dawn," he recalls, but was told, "the line started the night before!"

RLC operates 37 Lingkod Pinoy centers. Many are located in the provinces, says Go, to help decongest major cities, bring development and jobs to other areas of the country, and reduce the number of applicants at government offices. All these, as customers avoid the discomfort of traffic and crowd congestion, and experience the convenience of sourcing multiple government documents from a single location.

GREEN ALTERNATIVES

With many people today being habitual retail-goods consumers, the shopping mall acquires some importance as a place to showcase green technologies and implement earth-friendly practices. Exposure may persuade consumers to look into hybrid energy sources for their



homes, too.

Significantly, malls that tap into solar power reduce the burden placed on the national grid, particularly during peak demand, and make more energy available to its nearby communities.

In RLC's case, 14 of its malls are equipped with solar panels for a total capacity of 16 megawatts (MW) at peak. That prevents about 13,563 tons of carbon dioxide generated by traditional power plants from polluting the atmosphere, just to produce the equivalent amount



Mall-based solar panels form a key part of Robinsons Land Corp.'s renewable energy strategy

of electricity. Going solar this way is like planting 224,260 trees, going by standards set by the United States Environmental Protection Agency.

The most notable example is Robinsons Starmills in Pampanga, with a 2.88-MW solar power-generation capacity. Go is proud that it continues to hold the Guinness world record for the largest own-use solar-panel system.

Solar panels had been scheduled for installation at five other RLC malls by August. This shift to solar energy is made

possible with the advice and assistance of Spectrum, the renewable-energy subsidiary of the Manila Electric Co. (Meralco). Currently the country's largest power distributor, Meralco is also taking the lead in promoting the use of renewable energy. (Read more about Spectrum at spectrum.net.ph.)

Under this setup, the Novaliches and Palawan malls, two of 14 operational solar sites of Robinsons, were also installed.

Working with Meralco, RLC found other ways to reduce its carbon footprint. It replaced chillers with more efficient systems; installed variable-frequency drive systems for pumps, air handling units and other equipment; implemented water recycling systems; and converted light fixtures to LEDs from fluorescent bulbs.

SMART SHIFTS

Meanwhile, Go guarantees that RLC will stay attuned to its customers' evolving preferences to address the fallout due to online shopping.

"We're reconfiguring our shopping malls," he points out, "to reflect the fact that customers go to malls to eat, more than to shop."

The company developed a Robinsons Mall App to help customers locate its nearest mall, discover store promotions, purchase movie tickets, and even find parking spots. "This will make mall visits more convenient and enjoyable," Go predicts.

By redefining the role of the shopping mall, RLC ensures that it nurtures its bright growth prospects. In 2018, its year-on-year earnings rose 40 percent to P8.2 billion. This sets a new record on the back of strong residential sales and robust gains from the offices and shopping-mall divisions.

Go announces the launch this year of five residential projects, five hotels and three office towers, along with a shopping mall in San Pedro and an expansion wing at Robinsons Magnolia in Quezon City.

READY FOR FUTURE LIVING

Key learnings from environment-friendly initiatives and changes in customer preferences will be reflected in Bridgetowne, a 30-hectare master-planned community in Pasig and Quezon City. This project lies



just a few kilometers from the Robinsons Equitable Tower.

"It is located in the heart of the metropolis," Go explains, "with malls, offices, residences, a hotel, a school, and a hospital. All are within walking distance from each other so residents need not worry about a long daily commute."

Given its envisioned size, the RLC chief projects the power requirements of even half of the entire Bridgetowne development to exceed "more than five Robinsons Galleries," referring to the company's large shopping mall along Edsa, beside the Robinsons Equitable Tower.

But thanks to RLC's close partnership with Meralco, Go is confident that Bridgetowne will have the electricity it needs, and on time.

Working with MSERV, Meralco's beyond-

the-meter engineering services subsidiary, Go knows that problems RLC hasn't even anticipated will be spotted and solved.

"We inform Meralco of our programs ahead of time," he states, "so they can properly prepare and plan for our power requirements."

As a result of this coordination, RLC donated a plot of land to Meralco to build a substation, which will ensure a steady power supply for the Bridgetowne enclave.

Keeping abreast of the changing habits of customers also means Robinsons Land can continue to develop better properties that enhance not just lives, but the environment as well.

"A major part of my job is to make life easier for our customers, and the Filipino people as a whole," asserts Go. "We certainly want to leave this place in better shape than when we got here." 🌱

COMPANY PROFILE

BY VICKY VIZCARRA

PROGRESS IN THE PIPELINE

Maynilad continues to cinch its lead in the urban water sector

During the Metro Manila water crisis of the mid-eighties, “I’d wake up at 5 a.m. just to fetch water,” Ramoncito Fernandez recalls. At his family’s home in Xavierville, Quezon City, “We were very dependent on deep-well water in our subdivision.”

The recollection is particularly meaningful to Fernandez, the chief executive officer and president of Maynilad Water Services Inc.

The United Nations identifies access to safe water and sanitation among the most basic of human rights, but back in the ‘80s,

households dependent on delivery trucks paid over five times more per liter than what it costs to pipe it in to their homes today. Those days are a distant memory, thanks in no small part to the pivotal role of Maynilad.

“We dreamed of providing safe and potable water 24/7 to millions of Maynilad customers,” says Fernandez. But Maynilad is comfortably well past that milestone: it expanded its coverage from over 677,000 service connections before its re-privatization in 2007, to more than 1.4 million by the end of 2018.

All those service connections are an

essential source of clean, piped-in water for over 9.5 million Filipinos, or more than 2.4 million households, making Maynilad the largest water concessionaire in the Philippines, judging by its customer base.

INVESTMENTS FOR A BROADER REACH

The company’s focus remains sharp as climate change continues to bring about more intense rains, typhoons, and occasional droughts that affect water supply and quality. From the time it re-privatized, Maynilad spent more than P92.1 billion to upgrade and expand both its water and wastewater operations.

Its investments went to reservoirs and pumping stations, pipe replacements, and treatment facilities. On top of fostering growth, the goal is to create enhanced water security, disaster resilience, and environmental sustainability.

Maynilad inherited one of the oldest pipelines in Asia, as some sections date back to the colonial Spanish era that ended in 1898. The average Non-Revenue Water (NRW) rate, or water loss, was at a staggering 68 percent in 2007.

NRW is water that has been produced and lost before it reaches the customer, due to leaks, theft or inaccurate meters.

By implementing an aggressive NRW Management Program, Maynilad brought down the high level of NRW to 30 percent by the end of 2018. Its goal is to whittle it down to the internationally accepted optimal NRW rate of 20 percent by 2022.

The new rebased tariffs awarded by the Metropolitan Waterworks and Sewerage System has allowed Maynilad to implement a staggered rate increase of P5.73 per cubic meter on the average basic charge from 2018 to 2022—a more predictable regulatory environment for the water utility. The rate adjustment to be implemented over the four-year period, coupled with a refinancing scheme, gives Maynilad greater elbow room to effect its medium- and long-term capital expenditure programs.

Meanwhile, the partnership between the Manila Electric Co. (Meralco) and Maynilad has evolved over the years, the former always in step with the latter’s growth. “The Meralco group is



'MAYNILAD EXPANDED ITS COVERAGE FROM 677 SERVICE CONNECTIONS TO A 2.4-MILLION-STRONG CUSTOMER BASE BY THE END OF 2018.'

RAMONCITO FERNANDEZ
PRESIDENT AND CHIEF EXECUTIVE OFFICER
MAYNILAD WATER SERVICES INC.



a critical part of our operations in energy management,” explains Fernandez. “Power is about 14 percent of our total cash operating expense. Managing that expense will help us deliver more efficiently to our customers.”

GREATER OVERALL EFFICIENCY

The water company continues to look to Meralco for the energy requirements of its upcoming plants, reservoirs, and pumping stations. But beyond providing power, Meralco and its subsidiaries have served Maynilad through five more points of contact since 2011.

Retail electricity supplier MPower provides energy to eight certified contestable Maynilad facilities, while MSERV, Meralco’s beyond-the-meter energy solutions subsidiary, provides value engineering services, including upgrading, maintenance and emergency work on its high-voltage installations. Meralco has won six more referrals for MSERV, valued at more than P4.3 million in sales.

Two Tondo projects involve the supply and installation of secondary cables. Two separate Parañaque projects call for the replacement of indoor load-break switches (LBS) and the installation of a 200A power

fuse. In Quezon City, one project calls for the power-fuse supply and assembly, the repair of a stuck LBS, and the replacement of a power fuse and of burnt cables.

Engineering firm Meralco Industrial Engineering Services Corp. (Miescor) lent its utility construction expertise to the construction, rehabilitation, and expansion of Maynilad’s 98 key facilities. The contract covers all Maynilad facilities, which include water and sewage treatment plants, pump stations, distribution and recovery pumps, Maynilad Business Area offices, and the Maynilad headquarters.

Meralco’s Bayad Centers, available in 17 Maynilad Business Areas, are used by 75 percent of the latter’s customers to pay their water bills.

ADAPTING TO THE ENVIRONMENT

Meanwhile, Meralco’s renewable-energy subsidiary Spectrum has put up a one-megawatt solar-power installation for Maynilad’s La Mesa Compound to benefit the La Mesa pumping stations, that goes into operation this year. The facility will decrease Maynilad’s use of purchased power. “We’re looking forward to that project

generating energy savings for us,” Fernandez discloses.

Maynilad intends to focus on further improving its service performance, adapt to the demands of climate change, and uphold its capital expenditure commitments. It expects to deliver respectable billed volume growth, and pursue more non-regulated businesses. It will spend on more treatment plants and reservoirs, increased automation, and supplementary sewage treatment and sanitation.

The water company wields its “Next Generation Maynilad” strategy, rolled out in 2016, to enhance its enterprise value. Its corporate-transformation plan is anchored on operational efficiency, business growth, and organizational capability.

“The changing environment in the water industry has been very challenging,” Fernandez admits. “These frequent changes in the market mean we must increase our collaboration within the team, and I’m pleased to say we have a strong and united team in Maynilad.” 🌀

SPECIAL FEATURE

BRINGING LIGHT TO
AN ISLAND 10 KILOMETERS
OUT INTO THE OCEAN

Solar power energizes the remote island of Cagbalete

BY PETER IMBONG



Surrounded by the Pacific Ocean to the East, Cagbalete Island off the coast of Mauban, Quezon is a paradise undiscovered. It has white-sand beaches, a diverse ecosystem of birds and marine life, and abundant plant species. But until July of this year it lacked something else: power.

But not anymore. On July 23, 2019, the Manila Electric Co. (Meralco) inaugurated a solar-powered microgrid to help bring electricity to the 1,795-hectare island. The setup is initially designed to provide constant power to the island and its two barangays.

At the inauguration, Victor S. Genuino, Meralco's first vice president and head, Customer Retail Services and Corporate Communications happily reported: "We began energizing homes on May 2, and as of today, we have given electricity to about 100 families already. And this is just the beginning."

GOING THE DISTANCE

In an archipelago composed of more than 7,000 islands, how do you supply power to locations far out into the sea? At Cagbalete, this was a challenge that became a stark reality for the power distribution company.

Cagbalete Island is part of Mauban, Quezon, which places it just inside Meralco's franchise area. It's at this perimeter of coverage that the reality of providing reliable power comes into sharp focus. Because of Cagbalete's nearly 10-kilometer distance from the mainland, it can't be physically

connected to the grid by conventional methods.

In 2011, for example, they installed four diesel generators and 5,700 meters of wire on the island. The project, however, became unsustainable because the generators were found to be defective five years later due to poor maintenance and frequent overloading.

BRINGING POWER
TO THE PEOPLE

To solve this problem, Meralco came up with an innovative solution: microgrids, or small-scale power grids that can operate independently from the main network of transmission lines. A solar microgrid, such as the one installed in Cagbalete, features solar panels and a battery storage facility.

With the Cagbalete Microgrid system completed in May 2019, lack of power will no longer become a problem. The new facility is composed of a hybrid generating plant that features a 60 kilowatt-peak solar PV system, 150 kilowatt-hours of battery storage, and two units of 30 kilowatt diesel generators.

This could very well be the future of electrification in our country.

It is also "the first full microgrid in the Meralco franchise area," according to Genuino.

The project is under the "Household Electrification Program" by One Meralco Foundation, the energy provider's social development arm. Through it, other communities around the country have also

received power—from cities in the National Capital Region to the surrounding provinces.

Since the program launched in 2011, nearly 48,000 families have received the gift of energy. And in the last eight years, according to Meralco, 94.4 percent of those families have sustained their electrification to this day.

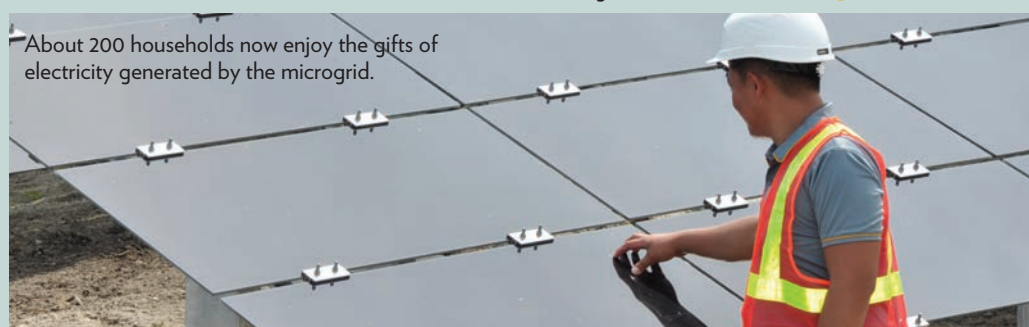
COMMITTING TO OFF-GRID
COMMUNITIES AND
THE ENVIRONMENT

The Cagbalete Microgrid offers a glimpse of how the power distribution utility can bring its services even beyond the places that already enjoy working lights and reliable power. (In a similar vein, another island paradise also acquired its own microgrid. Read "Diving Into Solar," about *Isla Verde*, on page 31.)

According to Ronnie L. Aperochio, Meralco senior vice president and Head for Networks, "These projects are a continuation of our pursuit to provide more reliable, affordable, and sustainable electric service."

He added, "Our approach of using renewable energy to energize geographically isolated locations addresses the need to reduce our carbon footprint while providing electricity to unserved and underserved areas."

To celebrate the great achievement, simultaneous opening ceremonies were held in Cagbalete Island and Bonifacio Global City in Taguig, attended by executives from Meralco, and representatives from the Department of Energy, the Energy Regulatory Commission, and the local government of Quezon. 



About 200 households now enjoy the gifts of electricity generated by the microgrid.

ONE MERALCO FOUNDATION

DIVING INTO SOLAR

Isla Verde lives up to green tourism

BY ED GERONIA JR.

No mountain too high. Nor river too wide. Nor island too remote. Thanks to the microgrid, diving hotspot Isla Verde now offers natural wonders while delivering modern comforts and conveniences.

This island is a 90-minute boat ride from the nearest province, tucked between Luzon and the Mindoro panhandle. It has always been inaccessible to the main national power grid, until recently.

In February 2019, Isla Verde was energized by a 32-kilowatt (kW) solar panel microgrid, supported by a 192-kilowatt-hour (kWh) battery storage facility. This project was spearheaded by the Manila Electric Co. (Meralco).

A microgrid facility is a small-scale power grid that can operate independently from the country's main transmission network. A solar microgrid is powered using solar panels connected to a battery storage facility.

Ronnie L. Aperoch, Meralco senior vice president and Head for Networks, reveals that Meralco intentionally sought to use green energy to provide Isla Verde with access to electricity. Meralco worked on this project with the Department of Energy, the United States Agency for International Development (USAID), and the Batangas City local government.

Unduly extended due to technical, operational and regulatory concerns, it took more than three years to complete Isla Verde's microgrid electrification.

FROM THREE HOURS TO 24/7

For years, the residents of Isla Verde relied on noisy, smoky diesel generators that provided electricity for only three hours every evening. This hindered the island's growing tourism industry, driven mainly by foreign visitors and divers.

Today, Meralco's solar microgrid provides 24/7 power, but it currently only serves a portion of one among six barangays, not

electricity supply is limited or absent.

As prices for solar panels and batteries continue to slide, microgrids will increasingly become the most economical option to bring power to these remote areas.

A GREEN SENSIBILITY

Crucially, the solar microgrid system allows Isla Verde to live up to its name, to become an island not just verdant but also ecologically sound.

Cheaper and more reliable to operate than diesel generators, the microgrid is also far more sustainable. This guarantees that the island's tourism industry will thrive with a minimal environmental impact and a lower carbon footprint.

It also promises to better preserve Isla Verde's natural beauty, to benefit both visitors as well as future generations of residents.

Aperoch considers Isla Verde's solar microgrid system a template for the country's progress. He views this as the optimum solution to deliver affordable and environment-friendly energy to remote areas in the Philippines.

By energizing underserved communities such as Isla Verde "with a safe and sustainable supply of power," he explains, "another Batangas destination will be given the opportunity to further develop."

Ultimately, he adds, "We are happy to be of help in uplifting the lives of everyone in the Philippines." 

Electrification plans for other barangays are in the pipeline, pending implementation from 2019 to 2022

the entire island. Electrification plans for the other barangays are in the pipeline, pending implementation from 2019 to 2022.

For now, the system can support 50 households, each with a daily maximum usage of 300 watts. It's enough energy for each home to run four LED light bulbs, two electric fans, a small TV, a radio, a small refrigerator and power outlets to charge mobile phones.

Isla Verde's microgrid also serves as a replicable pilot model. It proves that the project can be implemented at more than 2,000 domestic inhabited islands where



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