Philippine Electricity Market Corporation

Annual Retail Market Assessment Report for 2025

26 December 2024 to 25 December 2025

March 2026

This Report is prepared by the
Philippine Electricity Market Corporation –
Market Assessment Group
and approved by the
Market Surveillance Committee

EXECUTIVE SUMMARY

This Annual Retail Market Assessment Report presents the performance of the Competitive Retail Electricity Market (CREM) and the Green Energy Option Program (GEOP) for the assessment period 26 December 2024 to 25 December 2025. The analysis covers market structure, competition, retail activity, and consumption trends in accordance with the Catalogue of Retail Market Monitoring Data and Indices (CRMMDI).

Competitive Retail Electricity Market (CREM)

During the year, CREM participation continued to expand, with eligible end-users reaching 3,737 and registered CREM end-users (CEUs) increasing to 2,530, reflecting sustained growth across all consumption thresholds. The 500–749 kW segment exhibited the fastest expansion, indicating increasing participation from smaller-load customers, while the geographic distribution remained uneven as Luzon continued to account for the majority of CEUs. Mindanao participation, however, began to gain traction, rising from 27 CEUs in 2024 to 84 in 2025 following the region's commercial launch of CREM. The industry classification also showed a balanced participation between commercial and industrial end-users in 2025 at 54% and 46%, respectively.

On the supply side, the number of licensed, registered, and active Retail Electricity Suppliers (RES) steadily increased, signifying continued market interest and deeper supplier engagement. Market share analysis showed that while the MERALCO and Aboitiz Groups remained the largest Major Participant Groups (MPGs), their relative shares declined as more suppliers gained customers, contributing to the gradual diversification of the market. Consumption-based shares similarly reflected shifting dynamics, as the MERALCO Group's share fell from about 38% in 2021 to 27–28% in 2024–2025, while the Aboitiz Group peaked in 2023 before tapering in 2025.

As a result, market concentration indicators such as the Herfindahl–Hirschman Index (HHI) and Four-Firm Concentration Ratio (C4) exhibited consistent downward trends from 2021 to 2025 at both supplier and MPG levels, reflecting a gradual movement toward a more competitive environment, even though concentration remained relatively elevated at the MPG level.

In terms of market performance, the total electricity consumption within CREM increased significantly to 114,556 GWh in 2025, representing a cumulative 40% growth since 2021. Industrial CEUs displayed stable, baseload-oriented hourly consumption patterns, while commercial CEUs continued to show pronounced daytime peaks. These complementary profiles contributed to consistently high CREM load factors ranging from 75% to 83% across the year.

Meanwhile, retail activity remained steady, with switching behavior largely aligned with contract expiration cycles. While switching peaks occurred in January and August, monthly switching rates generally remained below 3%, suggesting that many customers have settled into stable supplier arrangements.

The retail pricing maintained stability, with CREM weighted average retail rates remaining within PHP 5.3–5.7 per kWh and exhibiting lower volatility compared to Distribution Utility (DU) generation rates. Based on the difference between the Weighted Average Retail Generation Rate and top five DU average generation rates based on energy consumption, estimated savings[1] for CEUs totaled PHP 4.23 billion in 2025. Industrial customers accounted for approximately 62% of total savings due to higher consumption volumes, while commercial customers contributed the remaining 38%. Notably, the second quarter yielded the highest savings as DU generation rates increased sharply while CREM retail rates remained stable.

Green Energy Option Program (GEOP)

The GEOP segment likewise demonstrated robust expansion in 2025. The total number of GEOP end-users (GEUs) rose to 791 from only 199 in 2022, registering an average annual growth rate of about 58%. Participation remained highly concentrated among customers within the 100–499 kW bracket, which accounted for 95% of GEUs, and was driven predominantly by commercial establishments, which comprised 81% of all participants. GEOP participation remained centered in Luzon, which represented 85% of GEUs, while Visayas accounted for 13% and Mindanao recorded its initial 2% participation in 2025.

Supplier participation also expanded, with registered renewable energy (RE) suppliers increasing to 21 and active suppliers rising to 13 by year-end, suggesting growing supplier engagement and broader availability of green energy options. Market share analysis revealed strong consolidation within GEOP, led by the Ayala Group, whose share increased sharply from 36% in 2022 to around 65% in 2025, both in terms of the number of GEUs and total GEOP energy consumption. This dominance was amplified within the MERALCO franchise area, which accounted for 75% of total GEOP consumption and where the Ayala Group held a 71% share in 2025. Market concentration indicators confirmed this consolidation that HHI values at both MPG and supplier levels reached highly concentrated levels in 2025, and C4 ratios consistently fell within the 80–100% range.

GEOP demand continued its upward trajectory throughout the year, increasing from 67 GWh in January to nearly 98 GWh by December. Commercial GEUs accounted for the majority of this demand, while industrial GEUs, though fewer in number, contributed stable baseload-like consumption. Hourly load profiles further underscored this structure, as industrial GEUs exhibited predictable, low-variability demand, while commercial GEUs showed distinct daytime-driven consumption patterns aligned with business operations. GEOP load factors stabilized between 68% and 73% in 2024–2025, reflecting a more uniform demand profile as the program matured and participation became more concentrated among commercial customers.

The switching activity remained minimal throughout the year, generally only up to less than 1% monthly, and actual switches remained low despite projected contract expirations, indicating stable supplier–customer relationships in a highly concentrated market.

[1] Savings were estimated by calculating the difference between the Weighted Average Retail Generation Rate (WARGR) from the Monthly ERC Statistical Report of the Customer Choice Program in the Retail Market, and the top five DU average generation rates based on CREM consumption for the period, multiplied by the monthly consumption of CEUs and aggregated on a quarterly basis.

TABLE OF CONTENTS

LIST OF FIGURES

General Note:

- Number of Contestable Customers (CC) and Green Energy Option Program (GEOP) End-Users – Based on Cumulative Count at the End of any given Year
- CCs and GEOP End-Users Consumption – Based on Total Consumptions for the whole Year

1. COMPETITIVE RETAIL ELECTRICITY MARKET (CREM)

This portion provides an assessment on the implementation of CREM for the year 2025 (26 December 2024 to 25 December 2025), based on the monitoring indices set forth in the Catalogue of Retail Market Monitoring Data and Indices (CRMMDI) Issue 1.

1.1. MARKET STRUCTURE

The market structure indices were used to assess the number of participants in terms of the threshold eligibility, its participation based on location and type of industry, and the range of average energy consumption served to most of the customers.

1.1.1. Number of Participants

The number of participants serves as a foundational indicator of how CREM is being adopted across eligible CREM end-users. Tracking new registrations and retail activity among customers and suppliers within the program both reflects market attractiveness and the responsiveness of end-users to prevailing economic and regulatory developments.

1.1.1.1. CREM End-Users (CEUs)

The number of CEUs showed steady growth in participation from 2021 to 2025, as illustrated in Figure 1. Eligible end-users increased from 2,965 in 2021 to 3,737 in 2025, reflecting the continued expansion of customers meeting the consumption threshold for participation in the CREM. This upward trend, averaging 6% year-on-year growth based on the annual percentage increases, indicates an expanding pool of eligible participants and gradual uptake of retail competition, suggesting improving market readiness.

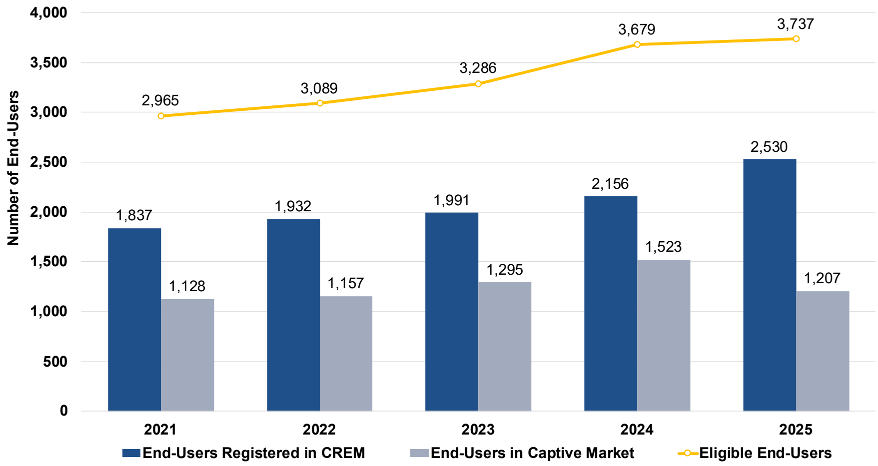


Figure 1. Cumulative Number of Eligible End-Users as of the Period, for 2021-2025

The number of end-users registered in CREM grew significantly, rising from 1,837 in 2021 to 2,530 in 2025. The increase suggests a strengthening uptake of retail competition, potentially supported by more competitive supplier offerings, improvements in market processes, and greater access to information on retail supply options and switching benefits.

Meanwhile, the number of customers remaining in the captive market was relatively stable from 2021 to 2024, ranging between 1,128 and 1,523, before declining to 1,207 in 2025. This reduction is consistent with a gradual migration of customers from captive to contestable status, aligning with the broader increase in retail market participation. It may also indicate increase customer willingness to exercise supplier choice.

For end-users, these developments correspond with expanded participation in competitive retail supply arrangements. The increase in CREM registrations suggests that more customers are exploring opportunities associated with retail competition.

The decline in the captive customer base suggests a more active evaluation of supply options among end-users, while this migration supports a more competitive market environment.

1.1.1.2. Per Threshold

This section presents the percentage share of the cumulative number of CEUs across the three eligibility thresholds: 500–749 kW, 750–999 kW, and 1 MW and above, from 2021 to 2025, as illustrated in Figure 2. The figure shows both the percentage distribution and the corresponding number of CEUs per category over the five-year period, providing an overview of how participation is evolving across customer segments.

The total number of CEUs increased steadily from 1,837 in 2021 to 2,530 in 2025, representing approximately 38% cumulative growth over the review period. This expansion indicates a broadening base in CREM.

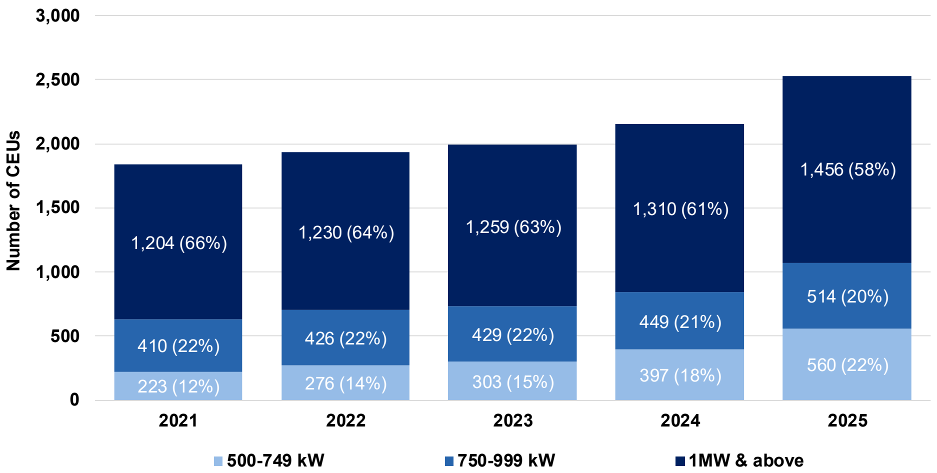


*Figure **2**. Percentage Share of the Cumulative Number of CEUs per Threshold as of the Period for 2021 to 2025*

A key observation is the gradual decline in the percentage share of CEUs within the 1 MW and above threshold from 2021 to 2025. While the absolute number of customers in this segment continued to increase, reaching 1,456 in 2025, its overall share decreased from 66% to 58%, reflecting relatively faster growth in the lower threshold segment, particularly in the 500–749 kWh range. A similar trend is observed in the 750–999 kWh threshold, where both the number of CEUs and their percentage share showed minimal change over the period. This indicates a shift from a market historically dominated by large customers toward a more balanced distribution of participants.

The expansion of the 500–749 kW segment is also notable, with the number of CEUs rising to 560 by the end of 2025. This trend indicates increasing participation from smaller-load customers and may suggest improving accessibility of the retail market to a broader customer base.

1.1.1.3. Per Location

This section presents the geographical distribution of CEUs across the three major grid regions: Luzon, Visayas, and Mindanao, from 2021 to 2025, as illustrated in Figure 3. The data provides insight into how participation in the retail electricity market is evolving across different parts of the country.

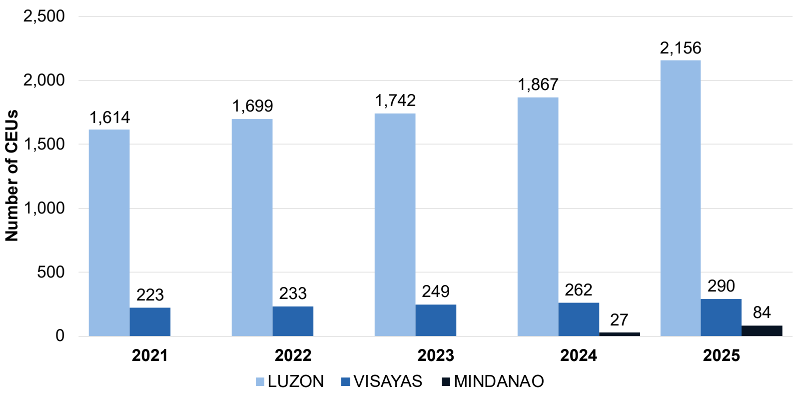


*Figure **3**. Cumulative Number of CEUs per Region as of the Period for 2021-2025*

Luzon remains the largest contributor to the total CEU population throughout the review period. The number of CEUs in the region increased steadily from 1,614 in 2021 to 2,156 in 2025, reflecting consistent year-on-year growth. As the country's primary economic hub, with a high concentration of commercial and industrial establishments, Luzon's strong participation highlights the relative maturity of retail competition in the region and the increasing willingness of the customers to engage in alternative electricity supply arrangements.

Following the official rollout of the CREM in Mindanao in 2024, participation in the region has begun to gain momentum. The number of CEUs increased from 27 in 2024 to 84 in 2025, reflecting a notable uptake during the first full year of retail market availability in the region. While still at an early stage, this initial growth suggests increasing engagement as customers become more exposed to retail electricity options.

Visayas also exhibited steady growth over the period, with CEUs increasing from 223 in 2021 to 290 in 2025, indicating gradual expansion of participation in the region.

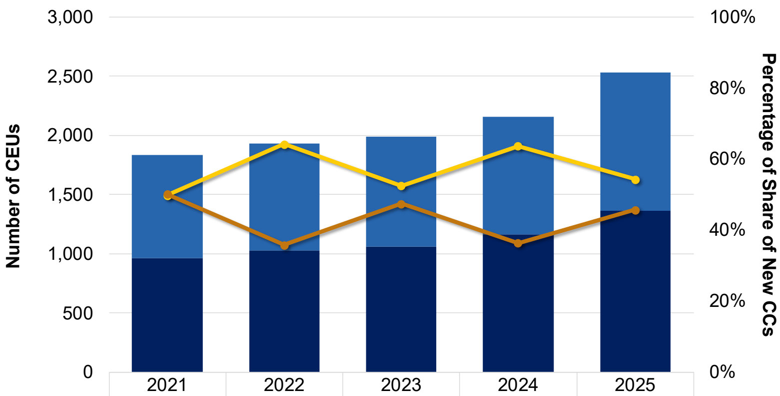
Overall, the number of CEUs increased across all three major grids, reflecting continued expansion of the retail market. However, participation remains geographically uneven, with Luzon accounting for the majority of CEUs. As CREM implementation progresses in Mindanao, more balanced regional distribution may emerge over time. Increased participation across regions may also contribute to a more competitive environment, supporting improved pricing and service offerings.

1.1.1.4. Per Retail Activity[2]

In terms of industry classification, Figure 4 shows the number of CEUs across the Industrial and Commercial segments from 2021 to 2025. The chart also presents the annual percentage share of each segment as of the period, illustrating how the composition of the customers under CREM has evolved over the five-year period.

Both commercial and industrial segments exhibited a steady growth in the number of CEUs over the review period, indicating expanding participation across these key sectors. Commercial customers consistently accounted for the larger share, ranging from 50% to 64% of total CEUs. This suggests relatively higher participation from commercial establishments in the retail market.

At the same time, industrial CEUs also maintained a substantial presence, with their share ranging from 36% to 50%, although with some year-to-year variation. This pattern indicates continued engagement from industrial customers as retail market benefits become more evident and competitive for supplier offers to cater to high-load users alongside the growth in commercial participation.



	2021	2022	2023	2024	2025
Industrial	871	905	933	993	1,164
Commercial	966	1,027	1,058	1,163	1,366
Commercial (percent share)	50%	64%	53%	64%	54%
Industrial (percent share)	50%	36%	47%	36%	46%

Figure **4**. *Cumulative Number of CEUs Per Industry as of the Period for 2021-2025*

A notable development in 2025 is the more balanced distribution between commercial and industrial customers, with shares of 54% and 46%, respectively. This narrowing gap suggests that participation is becoming more evenly distributed across

[2] Retail activity is based on the available information provided under the specific business type, i.e. manufacturing, real estate, etc., in the IEMOP-Registration Data. If information is unavailable in the Registration Data, retail activity of the participant will be tagged based on the business description available online.

sectors, indicating that both sectors are increasingly recognizing and acting on the advantages of retail competition.

1.1.1.5. Average Consumption

This section examines the quarterly movement of average energy consumption among CEUs for 2025, as presented in Figure 5. Customers are grouped into six consumption bands: less than 1 MWh, 1–5 MWh, 5–10 MWh, 10–15 MWh, 15–20 MWh, and 20–50 MWh. The figure shows the percentage share of CEUs within each consumption category across all four quarters, providing insight into how energy usage is distributed within the retail market.

Across all quarters, the majority of CEUs fall within the less than 1 MWh consumption bracket, consistently accounting for approximately 65% to 70% of total end-users. This indicates that a significant portion of participating customers are relatively small-load consumers.

A slight increase in this segment in the fourth quarter suggests continued participation among lower consumption consumers, further broadening the customer base of the retail market. This gradual shift reflects increasing accessibility and awareness, allowing more customers to take part in competitive supply arrangements.

The 1–5 MWh consumption group represents the second-largest segment, accounting for around 24% to 28% of CEUs throughout the year, indicating a stable presence of mid-sized consumers in the market.

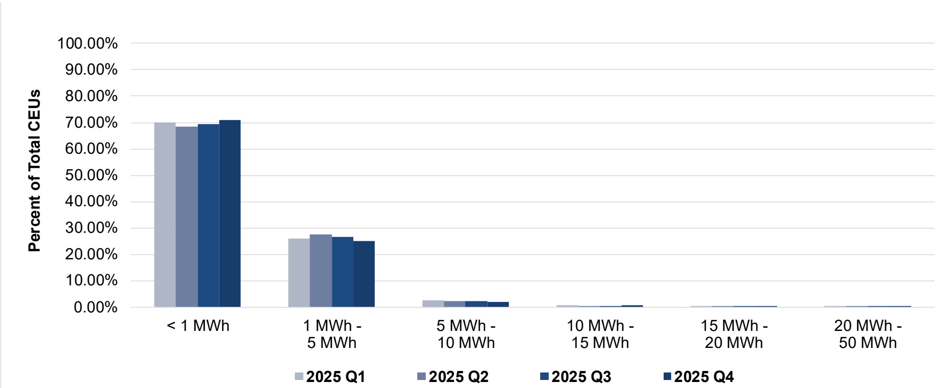


*Figure **5**. Distribution of CEUs based on Average Energy Consumption for each Period for 2025*

In contrast, higher consumption brackets 5–10 MWh, 10–15 MWh, and 15–20 MWh, each account for less than 3% of total average energy consumption across all quarters, reflecting the relatively small proportion of high-consumption customers within the retail segment. Given the relatively small number of high electricity users, many of these customers may already be engaged through long-term bilateral arrangements that differ from typical retail switching.

Overall, the distribution of CEUs by consumption level remains largely stable throughout the year, with minimal variation observed across quarters. This stability suggests a relatively consistent consumption profile among participating end-users.

1.1.1.6. Suppliers

Figure 6 presents the five-year trend in the number of Retail Electricity Suppliers (RES), Local Retail Electricity Suppliers (LRES), and Suppliers of Last Resort (SOLR) from 2021 to 2025[3]. The figure distinguishes between licensed, registered, and active suppliers, providing an overview of how the supply side of CREM has evolved over time.

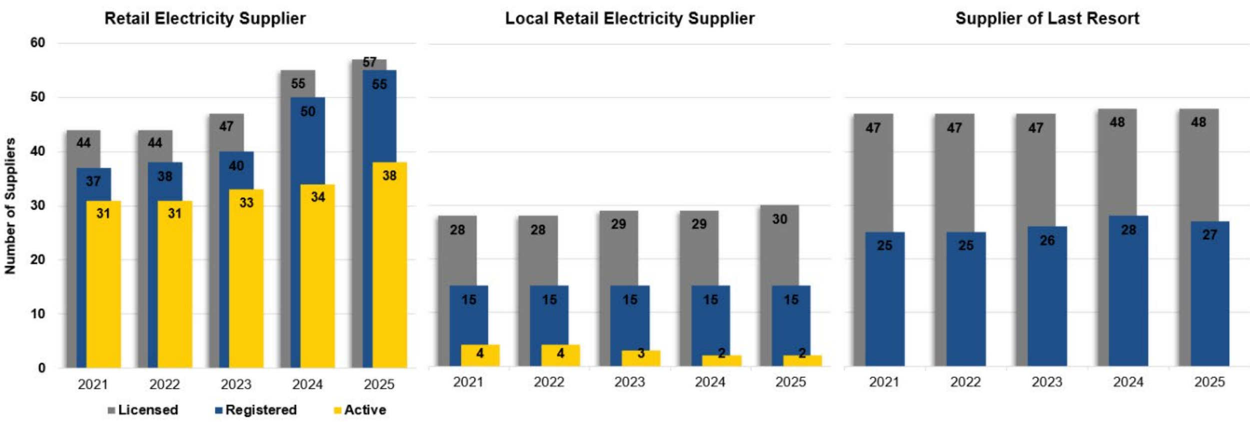


*Figure **6**. Number of Suppliers for 2021-2025*

The number of licensed RES increased steadily from 44 in 2021 to 57 in 2025. Similarly, the number of registered RES, those that have completed the necessary market registration requirements, followed an upward trend, reaching 55 by 2025. This growth indicates sustained interest among market participants in entering and actively engage in CREM.

The number of active RES, or those transacting with CEUs, also increased over the period, rising from 31 in 2021 to 38 in 2025. This suggests a gradual increase in active market participation among registered suppliers. The gradual increase in active participation suggests a more competitive and dynamic market environment, where suppliers are not only entering the market but are also successfully acquiring and serving customers. A larger pool of active suppliers contributes to greater choice for end-users, encourages more competitive pricing, and supports the continuous improvement of service offerings.

Participation among Local RES remained relatively stable throughout the period. The number of licensed LRES increased modestly from around 28 in 2021 to 30 in 2025, while the number of registered LRES remained at 15. Although their overall share is smaller compared to RES, LRES continue to play a meaningful role in the market, particularly in serving localized or community-based demand.

For SOLR, the number of licensed entities remained broadly stable, increasing slightly from 47 in 2021 to 48 in 2024–2025. Registered SOLR also showed a gradual increase from 25 to 27–28 over the same period. While many suppliers are licensed and registered as SOLRs, actual customer service is not guaranteed, as they

[3] Based on the Monthly ERC Statistical Report of the Customer Choice Programs in the Retail Market

primarily act as backup retail suppliers when a RES fails.

Overall, the data indicates a steady expansion in the number of retail suppliers, particularly within the RES segment, alongside relatively stable participation in the LRES and SOLR segments.

1.2. MARKET SHARE

The Market Share section provides an overview of how retail electricity suppliers participate and Major Participant Groups (MPGs) collectively accountable for market share within CREM. It establishes the overall competitive landscape by examining the relative positions of suppliers based on customer engagement and energy consumption, offering a foundation for understanding market concentration and competitive dynamics.

1.2.1. Supplier Share

The Supplier Share subsection provides an overview of how contestable customers and their corresponding energy consumption are distributed across individual RES and MPGs. This establishes the context for supplier behavior, market engagement, and customer preferences in terms of participation within CREM.

1.2.1.1. Number of Contestable Customer

Figure 7 presents the evolving distribution of CEUs across MPGs[4] in CREM from 2021 to 2025, with a cumulative count for the participants across each period. The figure illustrates the percentage share of CEUs served by leading corporate groups actively participating in the retail market, including the MERALCO Group, Aboitiz Group, Ayala Group, San Miguel Group, FGEN Group[5], Marubeni Group, Citicore Group, and other independent or smaller market participants as of the end of each year.

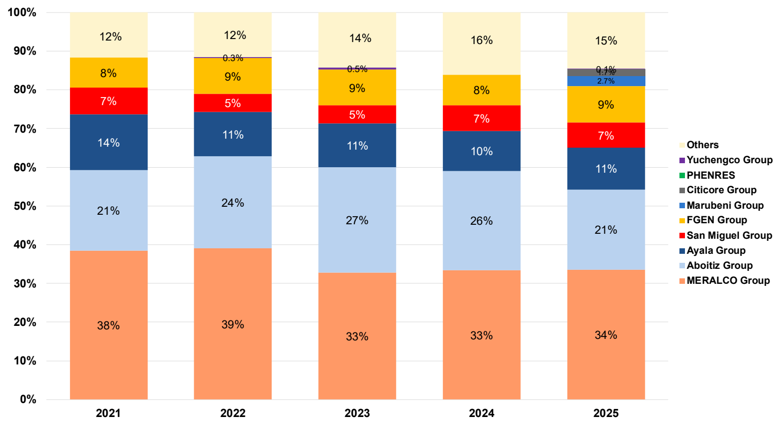


Figure 7. Share in Number of CEUs Per Major Participant Grouping as of the Period for 2021-2025

[4] Major Participant Groupings aligned with the groups under the retail market in the ERC Statistical Report of the Customer Choice Program in the Retail Market.
[5] Aligned with the MPG groupings in the ERC Report where FGEN Group was previously named under the EDC Group

Over the review period, the distribution of CEUs across these groups appears relatively stable, with some gradual diversification. The MERALCO Group consistently accounted for the largest share, declining from 38% in 2021 to 34% by the end of 2025, underscoring its extensive market reach and established presence in the sector. The Aboitiz Group remained the second-largest participant, with its share peaking at 27% in 2023 before moderating to 21% in 2025. Meanwhile, the Ayala Group maintained a steady presence, with shares ranging between 10% and 14%.

Other participants, including the San Miguel Group and FGEN Group, maintained modest but stable shares, generally ranging from 5% to 9%. Similarly, the Marubeni and Citicore Group each held smaller shares, typically between 1% to 3%. While individually smaller, these groups contribute to maintaining competitive pressure in the market by offering alternative supply options and enhancing customer choice aside from the three major groups.

A notable development is the increase in the share of the “Others” category, which grew from 12% in 2021 to approximately 15%–16% by 2024–2025. This trend reflects the growing presence of smaller or independent suppliers. The expansion of this segment suggests that the retail market is becoming more accessible and less concentrated, allowing a broader range of participants to compete and serve customers.

Overall, the distribution indicates that while few large groups continue to account for a significant portion of the market, there is modest shift toward a more distributed participation base. This may reflect a gradual broadening of supplier participation within the retail market, sustaining balance between established market leaders and emerging participants.

1.2.1.2. End-Users’ Total Energy Consumption

Figure 8 illustrates how the total energy consumption among CEUs across MPGs is from 2021 to 2025. The figure highlights change in consumption shares among leading groups, alongside having the presence and emerging participants.

The MERALCO Group remained a leading contributor to total CEU energy consumption, although its share declined from approximately 38%–39% in 2021–2022 to around 27%–28% in 2024–2025. In contrast, the Aboitiz Group increased its share from about 21%–23% in 2021–2022 to a peak of 31% in 2023, before moderating to 26% in 2025. This shift in relative shares suggests changing distribution of consumption across largest suppliers despite the continuous increase in the number of participating CEUs.

The Ayala Group maintained a relatively stable share of around 7%–8% throughout the five-year period, indicating consistent participation supported by a relatively balanced customer portfolio. The San Miguel Group recorded shares ranging from 11% to 16%, ending at 15% in 2025, while the FGEN Group showed gradual growth from 5% in 2021 to 8% in 2025.

Meanwhile, the Marubeni Group and Citicore Group collectively accounted for around 5% of total consumption in 2025, reflecting the growing presence and competitiveness of newer or expanding market participants. The “Others” category ranged from 10% to 16%, peaking in 2024, further indicating a broadening supplier base and a gradual reduction in market concentration among the largest groups.

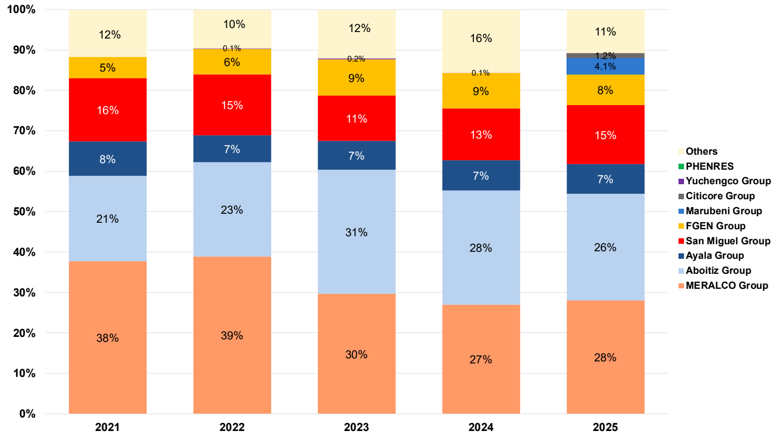


Figure **8**. *Share in CEUs’ Energy Consumption Per Major Participant Grouping for the Period for 2021-2025*

Overall, the distribution of consumption shares suggests a moderately diversified supplier landscape, with a few large groups accounting for a significant portion of total demand alongside a growing presence of smaller participants.

A notable observation is the divergence between CEU counts and corresponding energy consumption shares across participant groups. For example, the San Miguel Group accounts for a higher share of total energy consumption relative its CEU count, suggesting a concentration of higher-consumption customers. In contrast, groups such as Ayala and FGEN appear to serve a broader base of relatively smaller customers, resulting in lower overall consumption shares despite higher CEU counts.

These differences highlight the importance of considering both customer count and consumption levels in assessing market dynamics, as they reflect varying customer profiles and participation strategies across supplier groups.

1.2.1.3. Consumption Per Franchise Area

Figure 9 shows that the CREM remains largely concentrated within the MERALCO franchise area, which still accounts for the majority of CEUs’ total energy consumption. However, MERALCO’s share declined gradually from 71.5% in 2021 to 66.4% in 2025. This downward trend points to a gradual geographic diversification of retail market activity beyond its historically dominant area.

In contrast, the share of Other Distribution Utilities (DUs) and Electric Cooperatives (ECs) increased from 13.1% in 2021 to 20.4% in 2025. This suggests a growing contribution from areas outside the MERALCO franchise, reflecting a broader distribution of retail market participation.

Meanwhile, the share of Visayan Electric Company, Inc. (VECO) remained relatively small and stable over the period, accounting for only around 5% of total consumption.

Overall, the observed shift in shares suggests a gradual expansion of retail market activity across a wider geographic base, although participation remains concentrated in the MERALCO-served area.

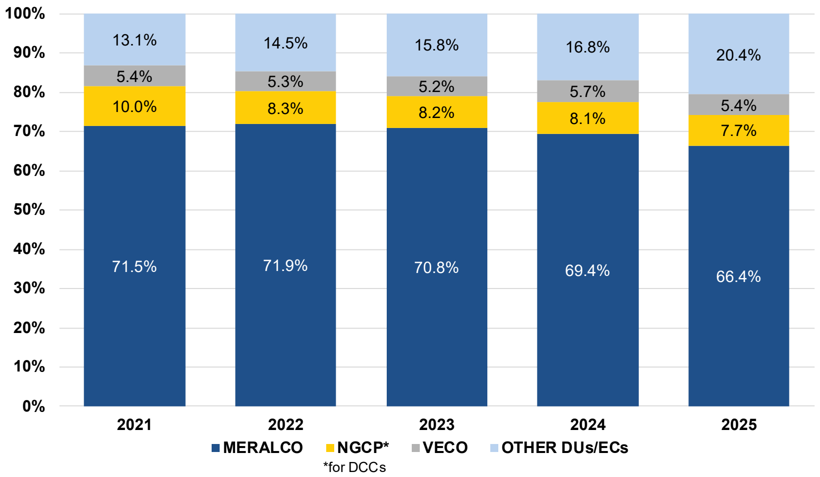


Figure **9**. *Share in CEUs' Total Energy Consumption for the Period, by Franchise Area for 2021-2025*

In relation to the percent share in the franchise area of MERALCO, Figure 10 focuses on the MERALCO franchise area and illustrates how CEU energy consumption within this region is distributed among MPGs. Within this area, the MERALCO Group's share declined from 47% in 2021 to 34% in 2025. This reduction indicates that even within its core service territory, competition has intensified, allowing other suppliers to gain share of the market.

The Aboitiz Group accounted for a significant portion of this shift, with its share increasing to a peak of 25% in 2023 before moderating to 22% in 2025. The San Miguel Group also maintained a notable presence, with shares ranging from 11% to 16% over the period and ending at 12% in 2025. Meanwhile, the "Others" category expanded to 11%–15% during 2023–2024 before moderating to 10% in 2025, reflecting the continued participation from smaller and emerging suppliers.

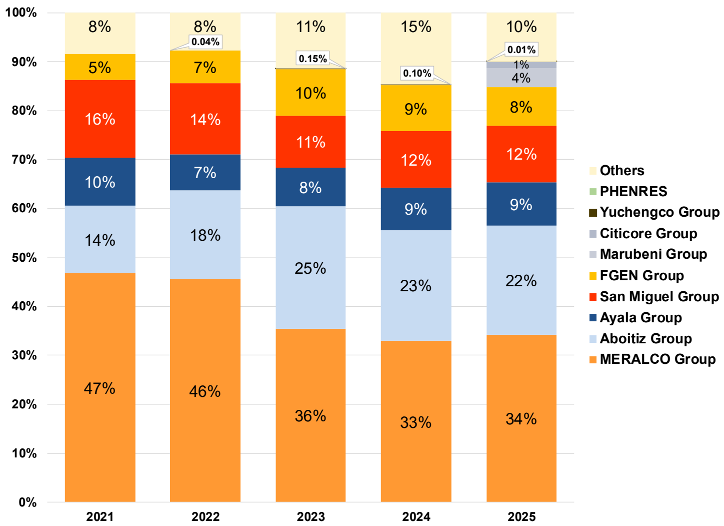


Figure **10**. *Share in CEUs' Total Energy Consumption for the Period, within MERALCO Franchise Area by Supplier for 2021-2025*

Taken together, these figures highlight market diversification in terms of CEU's energy consumption. This pattern is consistent with a more dynamic allocation of market share among suppliers over time.

In a broader context, this trend aligns with the gradual expansion of retail market activity beyond the MERALCO franchise area, suggesting a wider distribution of participation across regions. Within the franchise area itself, the observed changes in shares may indicate evolving supplier participation and shifting customer distribution among market participants.

1.2.2. Market Concentration

The Market Concentration subsection assesses the overall competitiveness of the retail market by examining how market shares are distributed among suppliers and MPGs using quantitative indicators such as the Herfindahl–Hirschman Index (HHI) and the Four-Firm Concentration Index (C4). By measuring concentration levels based on both customer count and total energy consumption, this section provides insight into potential competitive constraints, the effectiveness of supplier participation, and the structural characteristics that influence market dynamics.

1.2.2.1. Herfindahl–Hirschman Index (HHI) [6]

This section examines market concentration among suppliers and MPGs based on both the number of CEUs served as of the period and the corresponding total energy consumption for the period. Figure 11 presents the level of concentration using the HHI, providing a quantitative measure of how market shares are distributed across participants.

From 2021 to 2025, market concentration shows a generally declining trend across all perspectives, despite a brief increase observed in 2022. Based on the number of end-users, the HHI at the MPG level declined from 2,237 in 2021 to 1,838 in 2025, indicating a shift from highly concentrated conditions toward the upper range of moderate concentration. At the supplier level, the HHI also decreased steadily from 1,322 to 1,121, approaching the threshold associated with a less concentrated market.

A similar pattern is observed when concentration is measured using energy consumption. The MPG-level HHI declined from 2,249 in 2021 to 1,842 in 2025. Meanwhile, the supplier-level HHI showed a more pronounced decrease, falling from 1,502 to 1,040 over the same period. This decline suggests that competition for higher energy volumes has intensified, with more suppliers capturing shares of large-load customers, leaning to a not concentrated market.

[6] HHI measures the degree of market concentration. Defined as the sum of the square of the Suppliers' market shares, the HHI threshold are as follows:
HHI < 1000 - not concentrated
1000 up to 1800 - concentrated
Greater than 1800 - highly concentrated

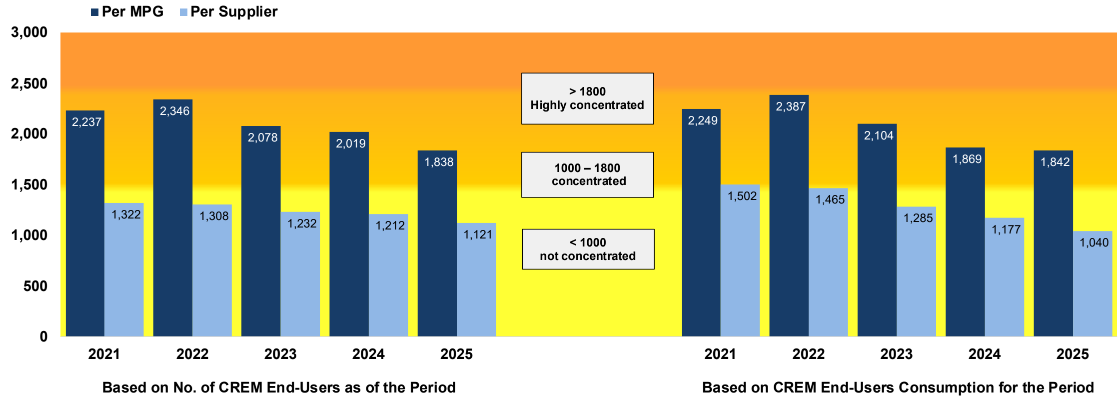


Figure **11**. *HHI Based on No. of CEUs and CEU Consumption for 2021-2025*

Despite these improvements, MPG-level HHIs remain relatively elevated across both customer count and energy consumption metrics. This suggests that while diversification is gradually taking place, fewer groups continue to dominate and hold significant market shares. Nevertheless, the consistent downward trend results in a more balanced participation of customers and energy demand over time.

Meanwhile, the steady decline in supplier-level HHI, particularly on a consumption basis, highlights increasing dispersion of market shares among individual suppliers. More suppliers are actively participating and successfully serving customers, including those with higher energy requirements. This trend aligns with earlier observations in Figures 9 and 10, where market shares vary among major groups, especially within the MERALCO franchise area, reflect more active customer switching and stronger competitive dynamics.

Overall, the results suggest a retail electricity market that is gradually transitioning toward a more competitive structure. While concentration remains evident, particularly at the group level, continued participation across suppliers contributes to a more distributed and evolving market environment that benefits end-users.

1.2.2.2. Four-Firm Concentration Index (C4)[7]

Figure 12 presents the Four-Firm Concentration Ratio (C4), which measures the combined market share of the top four players. The figure illustrates C4 based on both the number of CEUs and total energy consumption, assessed at the MPG level and supplier level. Concentration levels are classified as High (80%–100%), Medium (50%–80%), and Low (below 50%).

Based on CEU counts, the C4 at the MPG level declined from 81% in 2021 to 74% in 2025, indicating a transition from high to medium concentration. This suggests that while the largest corporate groups continue to account for a significant share of customers, their dominance has moderated over time. At the supplier level, the C4 remained within the medium range, declining slightly from 54%–57% in 2021–2024 to 53% in 2025. This suggests that, in terms of customer accounts, participation is more evenly distributed across a broader set of individual suppliers compared to the

[7] C4 measures the cumulative market share of the four largest firms in the market. Concentration levels are as follows: High: 80% to 100%; Medium: 50% to 80%; and Low: 0% to 50%.

concentration observed at the group level.

When measured in terms of energy consumption, concentration levels are generally higher, reflecting the influence of large customers. The C4 at the MPG level remained within the high range, decreasing from 83% in 2021 to 77% in 2025. While this indicates that major corporate groups still account for most energy consumptions, the gradual decline suggests a slow but steady easing of concentration. At the supplier level, the C4 also remained within the medium range but showed a consistent downward trend from 63% in 2021 to 56% in 2025, indicating increasing competition among suppliers, particularly in serving customers with significant energy demand.

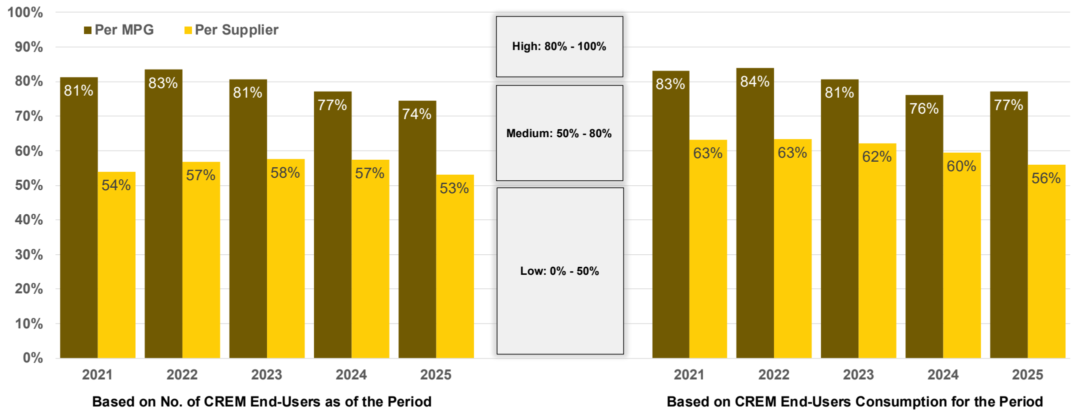


*Figure **12**. Four-Firm Index Based on No. of CEUs and CEU Consumption for 2021-2025*

Taken together, these results highlight a gradual diversification within CREM. While both customer counts and energy consumption remain relatively concentrated at the MPG level, the degree of concentration has declined over time. In contrast, competition at the individual supplier level appears to be more evident, especially in terms of energy volumes.

Overall, the downward trend in C4 across both metrics is consistent with a market structure that is becoming less concentrated over time, with market shares increasingly spread across a wider set of participants. The observed decline in supplier-level concentration—both in terms of customer base and energy consumption—indicates that more retailers are successfully competing for both new and existing CEUs. This competitive environment encourages more refined pricing strategies and greater innovation in contract offerings.

1.3. MARKET PERFORMANCE

The Market Performance section provides an overview of how contestable customers consume electricity and how their load patterns evolve over the year. It examines total consumption, hourly and seasonal demand behavior, and the operational factors that influence variations in electricity usage across customer groups. This section shows the consumption trends, demand profiles, and load factors reflect broader market conditions and help assess the operational efficiency and responsiveness of end-users within CREM.

1.3.1. Total Energy Consumption

The energy consumption subsection examines the total electricity demand of cumulative customers participating in the retail market. It highlights year-on-year changes in consumption and provides insight into how market participation translates into actual energy usage.

As shown in Figure 13, total electricity consumption increased significantly from 81,930 GWh in 2021 to 114,556 GWh in 2025, representing a cumulative growth of approximately 40%. Growth accelerated after 2023, with a notable increase in 2024, when consumption rose from 90,176 GWh to 107,200 GWh, an increase of about 19%. This was followed by more moderate growth of around 7% in 2025, suggesting a normalization after the notable increase.

Across customer segments, all programs recorded increases in energy consumption. Captive customers remained the largest contributor and exhibited steady growth, while CEU consumption also increased consistently over the period. GEOP expanded rapidly following its introduction in 2022, while RAG volumes emerged in 2025 at 147 GWh, indicating early but promising uptake of this program.

Despite the increase in energy consumption, the CEUs share of total electricity demand declined slightly from 23.9% in 2021 to 22.1% in 2025, after peaking at 25.2% in 2022. In contrast, the share of captive customers increased from 76.1% to 76.9%, with much of the increase occurring in 2024. GEOP accounted for 0.9% of total consumption in 2025, while RAG contributed around 0.1%. Although these shares remain relatively small, their consistent growth reflects increasing participation in alternative retail programs.

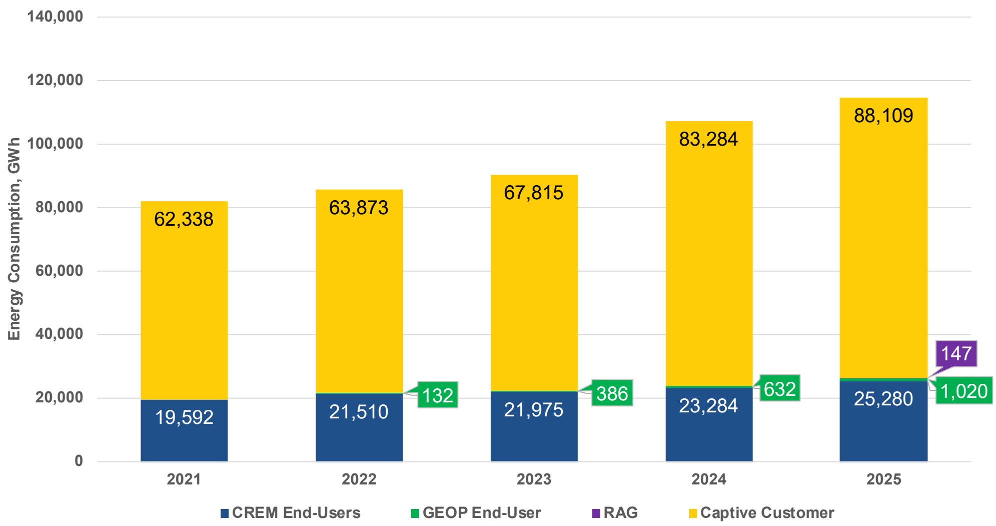


Figure **13**. *Total Energy Consumption (in GWh) for the Period 2021-2025*

The decline in the contestable share, despite rising volumes, suggests that future expansion of the retail market may depend on increased participation from eligible customers currently remaining in the captive market. At the same time, the continued development of GEOP and RAG may contribute to a broader participation base over time.

In relation to the market concentration, the overall energy demand increased while market HHI and C4 measures declined, particularly at the supplier level on a consumption basis. This indicates that rising demand is being served by more actively competing suppliers, even though large corporate groups (or MPGs) still anchor significant load.

1.3.2. Load Profile

The Load Profile subsection examines the hourly and seasonal electricity consumption patterns of CEUs, providing insight into how demand fluctuates throughout the day and across different months. It analyzes the distinct operating behaviors of industrial and commercial end-users, highlighting variations in peak and off-peak usage as well as the operational, seasonal, and sector-specific factors that shape overall demand.

1.3.2.1. Hourly Energy Consumption Profile

Figures 14 and 15 present the hourly average electricity consumption of registered industrial and commercial CEUs, respectively, for each month of 2025. These figures illustrate how consumption patterns vary over a 24-hour period and provide insight into the load characteristics of different customer segments within the retail market.

Figure 14 shows the hourly average consumption of industrial customers. The results indicate a stable and consistently high load profile across all hours of the day, with minimal intraday variation. Consumption remains within a relatively narrow range of approximately 1.8 to 2.0 GWh, reflecting the continuous nature of operations typical of process industries, manufacturing facilities, and multi-shift production businesses.

Some minor variations are observed throughout the day, with slight variations across certain hours; however, these changes are relatively small and do not significantly alter the overall load profile. These patterns may reflect normal operational dynamics within industrial facilities. There was an observed decline in consumption evident during the mid-morning period at around 0900h to 1100h, while a modest increase occurs during the late evening hours at around 2000h to 2400h. Additionally, during mid-afternoon hours approximately at 1400h to 1600h tends to be marginally lower. These patterns may be associated with operational factors such as shift transitions, scheduled maintenance activities, or temporary adjustments in the production.

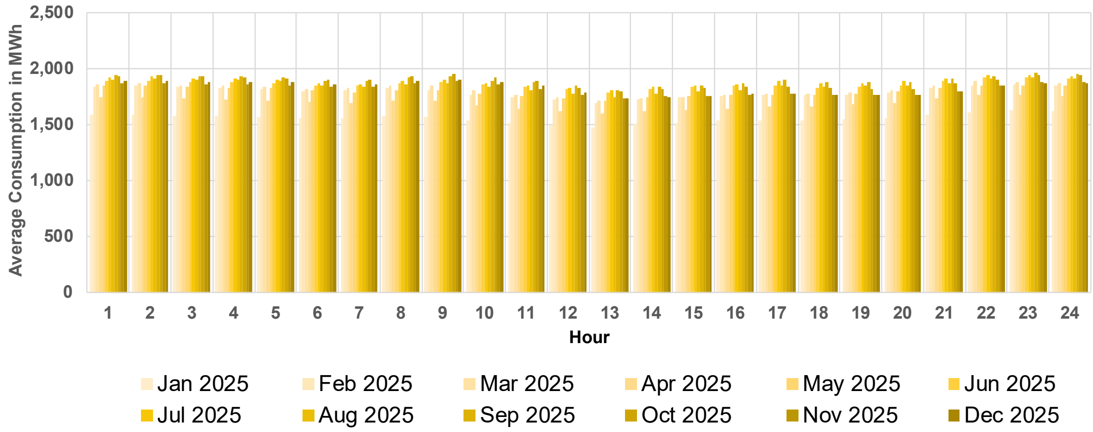


Figure 14. Hourly Average Energy Consumption (in MWh), Industrial, Jan to Dec 2025

Across months, average consumption levels remain largely consistent, indicating limited seasonality in industrial demand. This suggests that industrial customers maintain relatively stable operating schedules throughout the year, with only minor adjustments driven by various operational or maintenance requirements.

From a market perspective, this predictable and steady load profile can support more efficient planning and may enable suppliers to develop more consistent supply strategies. Overall, the observed stability contributes to a more predictable demand environment within the retail electricity market.

It is also worth noting that some variability, particularly in early January, may be influenced by common business practices. Many manufacturing facilities and industrial establishments implement scheduled shutdowns or reduced operations during the first week of the year to conduct maintenance, perform inventory assessments, and adjust workforce planning. These activities are often aligned with regulatory compliance requirements set by the Department of Labor and Employment (DOLE), including inspections under Department Order No. 238, Series of 2023[8]. Such timing allows firms to meet compliance obligations while minimizing disruption to regular operations.

Meanwhile, Figure 15 presents the hourly average electricity consumption of commercial customers for each month of 2025. The consumption pattern shows a clear diurnal cycle and remains relatively stable across months. Demand is lowest during the early morning hours, averaging around 600–700 MWh between 0100h and 0500h, when activity levels are limited.
Consumption begins to rise steadily from 0600h to 0800h, corresponding to the start of business operations across offices, retail establishments, and service-oriented sectors. Electricity usage typically peaks during late morning to afternoon hours, driven by full business activity, before gradually declining from 1800h to 2100h as operations close. Demand continues to decrease into late evening, returning to approximately 700–900 MWh by late evening.

The close alignment of monthly consumption patterns indicates limited seasonality, while the pronounced intraday variation reflects the daily operating cycle of commercial establishments.

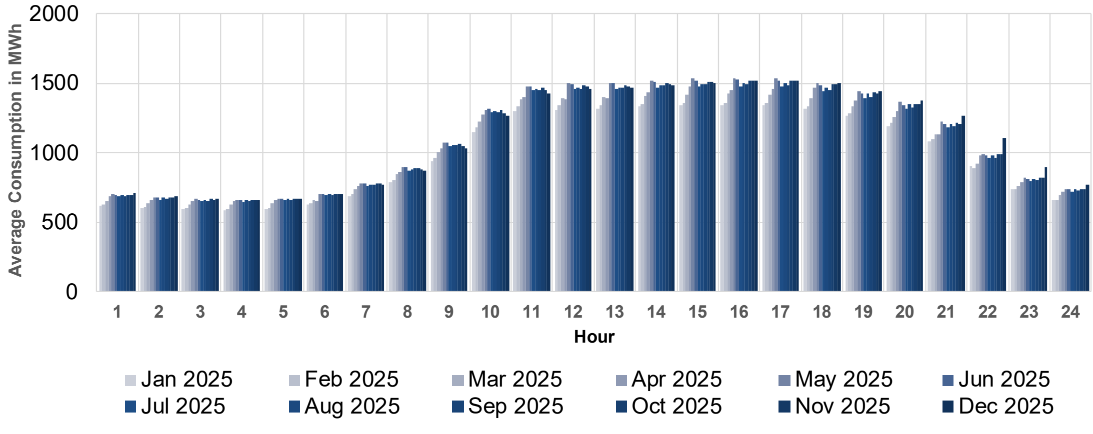


Figure **15**. *Hourly Average Energy Consumption (in MWh), Commercial, Jan to Dec 2025*

This load profile contrasts with that of the industrial sector, which demonstrates a more stable, baseload-oriented pattern with minimal variation throughout the day. In

[8] Rules on the Administration and Enforcement of Labor Standards Pursuant to Article 128 of the Labor Code of the Philippines, as renumbered, and Republic Act No. 11058

comparison, the commercial sector contributes more significantly to daytime peaks, particularly during business hours.

It is also observed that consumption levels in the early months of 2025 are slightly lower compared to the rest of the year. This may be partly attributed to seasonal factors, as the early months typically experience relatively cooler temperatures in the Philippines, reducing the need for cooling and, consequently, electricity demand. In addition, post-holiday economic conditions may contribute to this trend, as business activity in sectors such as retail, hospitality, and entertainment tends to moderate following the peak period of travel and spending during the final quarter of the previous year.

1.3.2.2. Load Factor[9]

Load factor represents the ratio of the total energy consumption over the maximum hourly consumption multiplied by the total number of hours. Higher load factor values indicate a more stable and efficiently utilized demand profile, which is generally associated with more in the retail market as it reduces balancing risks for suppliers and can lead to more competitive pricing for customers.

Figure 16 presents the monthly load factors for CREM from January to December over the period 2021 to 2025. Across the series, most months consistently fall within the 75% to 83% range, indicating a relatively stable and well-balanced demand profile, with limited variation between peak and off-peak periods.

Minor monthly variations are observed. Load factors tend to be relatively higher between September and October, reaching approximately 82% to 84%, which may reflect periods of sustained and steady demand. In contrast, relatively lower values are typically observed between April and May, with a notable dip in April 2025 to 60%. The sharp decline in load factor was driven by a significant increase in peak load. While total consumption increased only modestly, the substantial spike in peak demand—likely associated with higher temperatures during the summer season—resulted in a lower load factor.

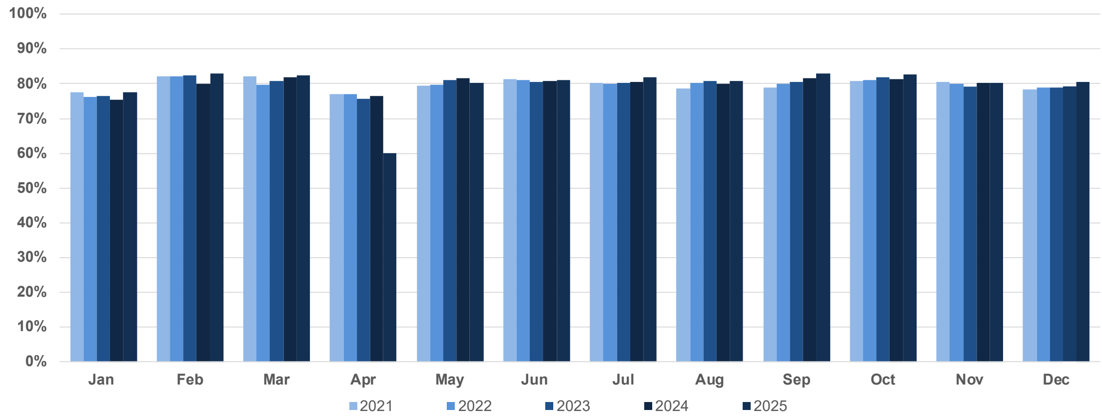


*Figure **16**. CREM Load Factor for 2021-2025*

[9] Load factor is calculated as by the ratio of total consumption per industry type divided by the maximum hourly consumption multiplied by the total number of hours.

Despite these variations, inter-year differences remain minimal, indicating that the overall operating patterns of retail customers have been stable from 2021 to 2025. Similarly, the intra-year pattern shows a consistent trend, with most months maintaining a high load factor band of approximately 75% to 83%. This consistency aligns with earlier observations—specifically the steady baseload characteristics of industrial demand (Figure 14) and the predictable daytime peaks driven by commercial activities (Figure 15).

Commercial customers tend to exhibit daytime peaks due to business operating hours, their load profiles patterns remain relatively predictable and steady. When combined with the stable, continuous demand from industrial customers, the resulting CREM load profile becomes more balanced. The industrial base load effectively smooths out the daytime fluctuations driven by commercial activities, while commercial demand introduces the regular, recurring peak periods observed in the overall system profile.

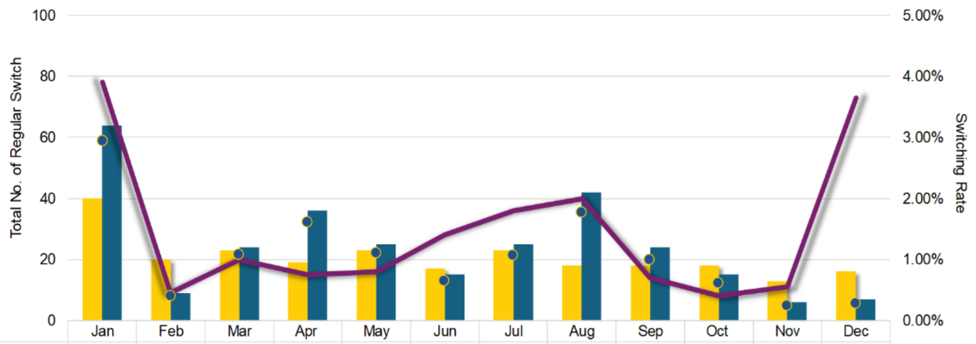
1.4. RETAIL ACTIVITY

1.4.1. Customer Switching Rate

Figure 17 tracks the monthly number of regular supplier switches undertaken by CEUs for 2024 and 2025. It also presents the projected number of switches for 2025, based on contracts expected to expire within each billing period, alongside the corresponding customer switching rate. Together, these indicators provide insight into customer behavior, contract cycles, and the overall switching activity in CREM.

The observed switching pattern shows evidence of recurring peaks, with higher activity at the beginning of the year and again around mid- late to late-year periods. In 2025, the highest number of actual switches occurred in January (64) and August (40), while in 2024, switching activity was most pronounced in January (40), with generally moderate levels observed in subsequent months. These patterns may reflect the timing of contract expirations and renewal cycle, likely influenced by annual budgeting, procurement timelines, and contract anniversaries.

The projected switching series provides a forward-looking view of potential market activity by capturing the number of CEUs with contracts set to expire. Notably, projections are highest in January (78) and December (73) of 2025, with moderate levels observed in August (40) and June (28). While these projections broadly align with periods of increased actual switching, they also highlight that not all contract expirations result in immediate switching within the same month.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	40	20	23	19	23	17	23	18	18	18	13	16
2025	64	9	24	36	25	15	25	42	24	15	6	7
2025 Projected Switch	78	9	20	15	16	28	36	40	14	8	11	73
Customer Switch Rate	2.94%	0.41%	1.08%	1.61%	1.10%	0.66%	1.08%	1.77%	1.00%	0.61%	0.24%	0.28%

Figure **17**. *Switching Rate for 2024 and 2025*
**Projected Switch – CEUs with projected contract expiration during the billing period*[10]

Customer switching rates remain relatively low throughout the year, generally below 3%, suggesting that while switching activity is present, the proportion of customers changing suppliers in any given month remains limited.

Overall, the data reflects an active renewal cycle within the retail market. The presence of recurring switching peaks, together with projected contract expirations and procurement cycles, indicates active customer engagement and ongoing evaluation of supply options. At the same time, differences between projected and actual switches highlight flexibility in customer decision-making, where switching is only one of several pathways available. This dynamic contributes to a competitive market environment, while also reflecting the practical considerations that influence how and when customers transition between suppliers.

1.4.2. Retail Rate

Figure 18 presents the monthly average CREM retail weighted rates[11], covering both RES and Local RES, compared with the average generation rates of the top five Distribution Utilities (DUs) by energy consumption[12] for the year 2025. This comparison provides insight into price behavior, relative competitiveness, and the stability of retail market offerings.

For the assessment of retail rate comparisons, the Quarterly Retail Market Assessment Report (QRMAR) for the third quarter of 2025 included the average generation rates of MERALCO, VECO, and Tarlac Electric Inc. (TEI). Meanwhile, to enable a more comprehensive comparison of rates, it was determined that the energy consumption of the top five DUs would be used as the basis for comparison in the QRMAR for the fourth quarter of 2025.

The CREM weighted average retail rates remained relatively stable throughout the year, generally ranging from approximately PHP 5.3 to PHP 5.7 per kWh. Rates

[10] Based on the Monthly IEMOP Summary Report for RCOA and GEOP
[11] Based on the Monthly ERC Statistical Report of the Customer Choice Programs in the Retail Market for 2025
[12] Top 5 Distribution Utilities based on CREM consumption for the period which includes MERALCO, VECO, CEPALCO, CEDC, and LEZ in alignment to the Quarter Retail Market Assessment Report of Q4 of 2025

reached their lowest level between March and May 2025, at around PHP 5.34 per kWh, before increasing to approximately PHP 5.68 to PHP 5.70 per kWh during the June to September period. Toward the end of the year, rates eased again, settling at approximately PHP 5.33 per kWh in December. This relatively smooth movement indicates a consistent pricing environment within the retail market.

In contrast, the generation rates of the top five DUs exhibited greater variability over the same period. Rates declined to PHP 5.44 per kWh in March, followed by a sharp increase to PHP 6.29 per kWh in April. From May to September, rates stabilized within a range of PHP 5.72 to PHP 5.86 per kWh, before declining again to PHP 5.45 per kWh in October and rising to PHP 5.80 per kWh by year-end. These movements may reflect the underlying variations in generation costs and supply conditions.

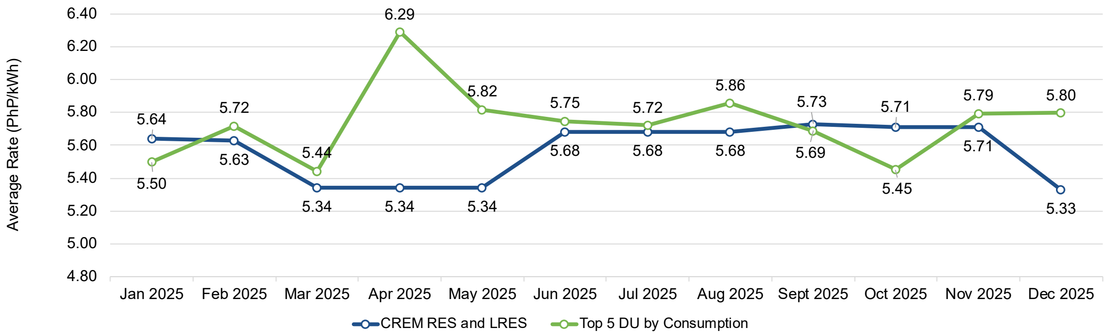


*Figure **18**. CREM (RES & Local RES) Weighted Average Rate and Top 5 DU Average Generation Rate (by Consumption) for 2025*

Comparatively, the CREM rates display lower volatility, while DU generation rates show more pronounced month-to-month movements. For most of the year, CREM rates are generally comparable to or lower than those of the five DUs. A notable exception occurs in October, when DU rates fall below CREM levels, while in several other months the two series remain closely aligned.

Overall, the 2025 data indicates that CREM provides a relatively stable pricing environment, with rates that are broadly competitive with traditional DU supply. This stability suggests a more predictable cost profile for participating end-users, along with the flexibility to negotiate contract terms that better suit their operational needs.

1.4.3. Estimated Savings

For this report, savings were estimated by calculating the difference between the Weighted Average Retail Generation Rate (WARGR) [13] and the top 5 DU average generation rates [14], multiplied by the monthly consumption of CEUs and aggregated on a quarterly basis. These estimates are based on available data and should be considered as indicative rather than definitive.

[13] Based on the Monthly ERC Statistical Report of the Customer Choice Programs in the Retail Market
[14] Top 5 Distribution Utilities based on CREM consumption for the period which includes MERALCO, VECO, CEPALCO, CEDC, and LEZ in alignment to the Quarter Retail Market Assessment Report of Q4 of 2025

Continuing from the previous section, Figure 19 presents the quarterly estimated savings attributable to CREM for 2025, disaggregated between commercial and industrial end-users. The results show positive savings across all quarters, amounting to a total of approximately PHP 4.23 billion for the year. Of this, PHP 1.62 billion is attributed to commercial customers, while PHP 2.62 billion is associated with industrial customers.

On a full-year basis, industrial CEUs account for approximately 61.8% of total savings, while commercial CEUs contribute 38.2%. This distribution highlights the higher and more consistent energy consumption of industrial customers, which results in larger absolute savings when price differentials are present. As baseload-oriented users, industrial customers can capture more substantial savings when competitive retail rates are available.

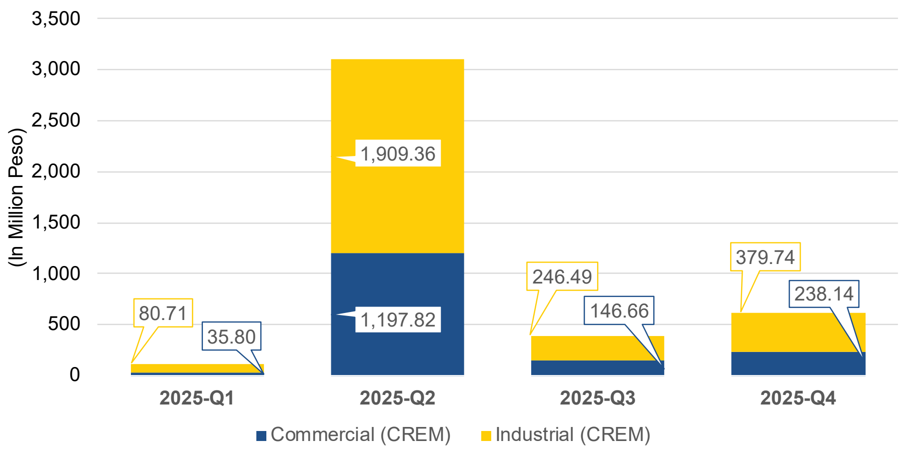


*Figure **19**. CREM's Estimated Savings for 2025 per Quarter*

A notable feature of the data is the second quarter of 2025, which accounts for approximately PHP 3.11 billion of total savings. While all quarters show positive outcomes, the magnitude of savings in the period is significantly higher than in other quarters. This pattern is consistent with the pricing dynamics observed in Figure 18, where generation rates of the top five Distribution Utilities increased sharply in April, while CREM weighted retail rates remained relatively stable.

The resulting difference between retail and DU rates during this period contributed to higher estimated savings, particularly for industrial CEUs with larger consumption volumes.

Overall, the results demonstrate that participation in CREM is associated with measurable cost differentials relative to DU supply. At the same time, the variation in savings across periods reflects the influence of changing price conditions, underscoring the importance of monitoring market trends in electricity procurement decisions.

2. GREEN ENERGY OPTION PROGRAM

This section provides an assessment of the implementation of the Green Energy Option Program (GEOP) for the covered period, utilizing the RCOA indices as reference for the review of activities under this program.

2.1. MARKET STRUCTURE

2.1.1. Number of Participants

2.1.1.1. Per Threshold

GEOP participation has expanded rapidly since 2022, led overwhelmingly by end-users within the 100–499 kW threshold, as show in Figure 20. The total number of GEOP end-users (GEUs) rose from 199 in 2022 to 791 in 2025, representing an average annual growth rate of about 58% over the period. Annual net additions accelerated year-on-year, indicating momentum that strengthened over the period.

The 100–499 kW bracket dominates in terms total number of GEUs, climbing from 194 in 2022 to 753 in 2025. By 2025, this segment represents approximately 95% of all GEUs, firmly establishing GEOP as a program resonating with smaller customer loads. This suggests that participation is particularly concentrated among smaller-load customers that seek their supply from green energy.

Further, the concentration of GEUs in the 100-499 kW threshold reflects the broader eligibility structure of GEOP relative to CREM, which has a higher minimum eligibility threshold of 500 kW. This allows participation from smaller customers under GEOP. Nonetheless, customers who meet the eligibility requirements for both CREM and GEOP may participate in either program and can switch between them to exercise their freedom of electricity choice.

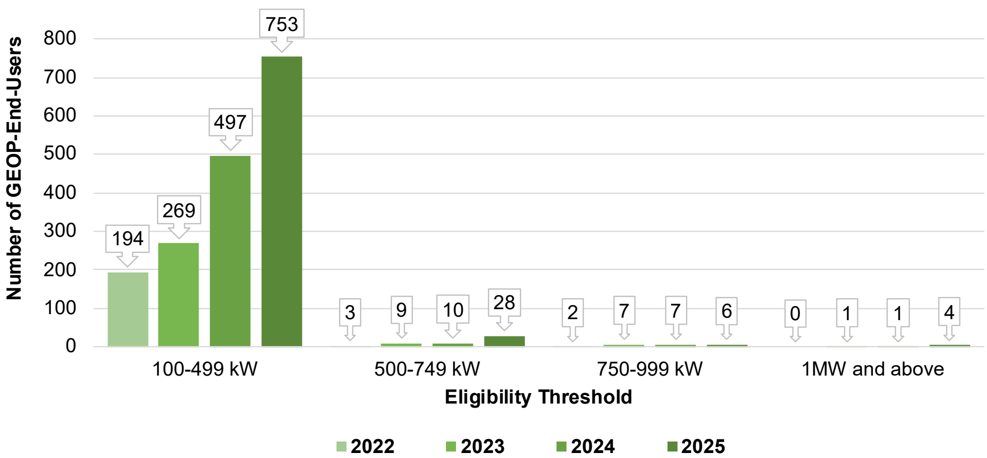


Figure 20 *Cumulative Number of* GEUs per Threshold as of the Period for 2022-2025

2.1.1.2. Per Location

Figure 21 illustrates the continued expansion and geographic broadening of GEOP participation, with the number of GEUs increasing significantly from 199 in 2022 to 791 in 2025. This growth has been driven primarily by Luzon, alongside steady uptake in the Visayas and initial participation of customers in Mindanao in 2025, indicating a widening geographic reach of the program across the country.

Luzon accounts for the majority share of GEUs in 2025 at approximately 85%, including an addition of 250 GEUs from 2024 to 2025. This pattern indicates that participation remains concerntrated in Luzon relative to other regions. The Visayas posted a gradual and consistent rise, accounting for about 13% of total GEUs in 2025, indicative of a developing but still comparatively smaller market base. In contrast, Mindanao represents an emerging segment, accounting for 2% of GEUs in 2025. This initial level of participation is consistent with a market that has only recently begun to open to broader retail electricity options.

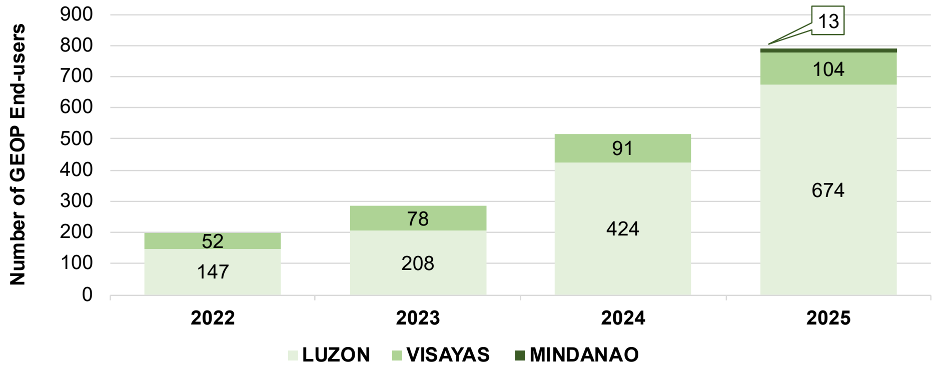
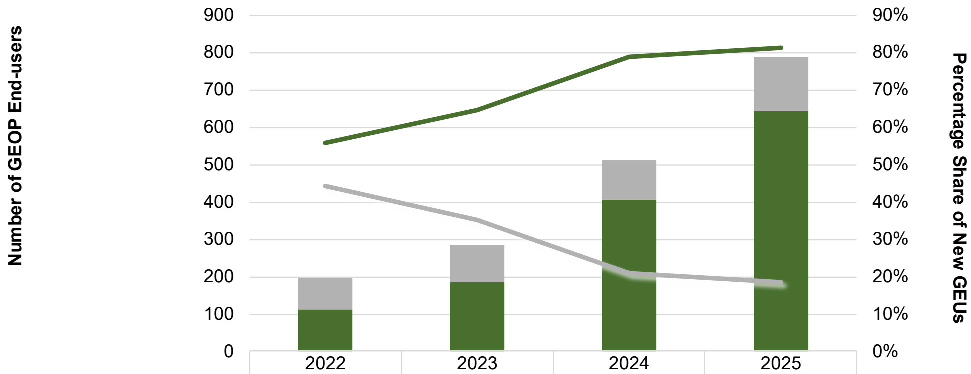


*Figure **21**. Cumulative Number of GEUs Per Region as of the Period for 2022-2025*

When considered alongside Figure 20, these regional dynamics align with the concentration of GEUs within the 100–499 kW segment, which comprises approximately 95% of total participants in 2025. In Visayas, the observed pattern reflects a steady but more limited number of end-users, corresponding to a growing yet less dense pool of customers within the same capacity range. Meanwhile, Mindanao's initial entries suggest the early formation of a participation pipeline, with both suppliers and end-users still in the beginning stages of engaging with the green retail electricity market.

2.1.1.3. Per Retail Activity

An industry-level view of GEOP participation indicates that the program's expansion from 2022 to 2025 has been driven primarily by commercial customers. The number of commercial GEUs increased markedly from 111 in 2022 to 644 by the end of 2025, representing nearly a six-fold growth over the period. In comparison, industrial GEUs rose from 88 to 147 in 2025, reflecting a steady but more moderate pace of expansion compared to the commercial segment. Consequently, the share of commercial participants grew significantly from 56% in 2022 to 81% in 2025, while the industrial share declined from 44% to 19% over the same period.



	2022	2023	2024	2025
Industrial	88	101	108	147
Commercial	111	185	407	644
Industrial (percent share)	44%	35%	21%	19%
Commercial (percent share)	56%	65%	79%	81%

Figure **22**. *Cumulative Number GEUs Per Industry as of the Period for 2022-2025*

Taken together, these trends are consistent with the patterns observed in Figures 20 and 21. As shown in Figure 20, approximately 95% of GEUs in 2025 fall within the 100–499 kW capacity band, an eligibility threshold range that is largely populated by commercial establishments and smaller-load facilities. Meanwhile, Figure 21 highlights that Luzon accounts for 85% of total GEUs in 2025, which may reflect differences in the level of market development and participation across regions.

Overall, the three figures suggest that GEOP has become increasingly accessible to smaller-load customers, particularly within commercial segments. Industrial participation continues to grow in absolute terms, but its relative share within the total participation has declined over time.

2.1.1.4. Average Consumption

Figure 23 indicates that GEOP participation in 2025 is largely driven by customers with relatively low energy consumption. Specifically, 61.69% of GEUs fall within the average consumption range of 100 kWh–500 kWh, while 34.84% are within the lower range of below 100 kWh consumption. Within these segments, Luzon accounts for most of the consumption, with a smaller contribution from the Visayas and minimal participation from Mindanao. Similarly, the 500 kWh–1 MWh and 1–5 MWh segment remains limited in size and is also predominantly concentrated in Luzon.

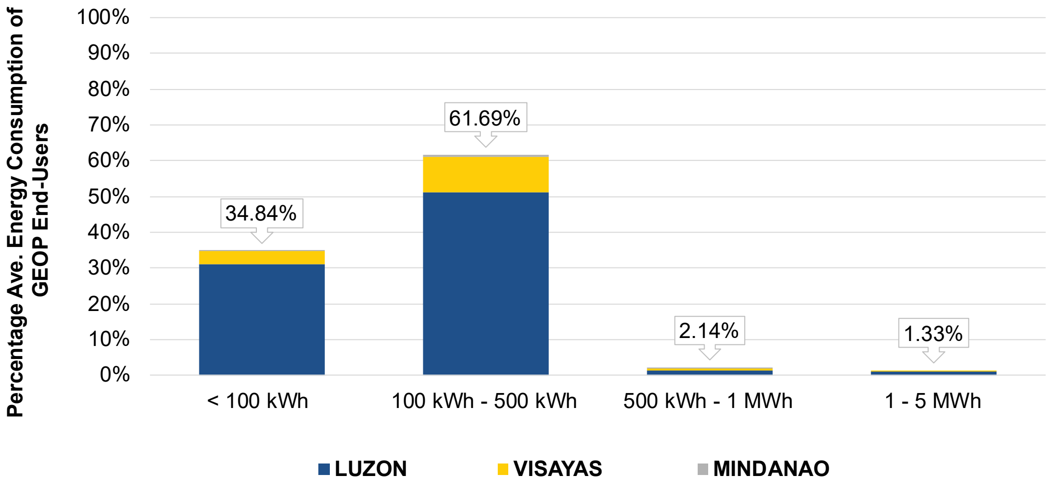


*Figure **23**. Distribution of GEUs based on Average Energy Consumption for 2025*

These results suggest that GEOP activity is predominantly associated with lower consumption customers. This pattern is consistent with earlier observations indicating that participation is concentrated among smaller-load segments. Regional differences may also reflect varying levels of market development and participation across areas.

While the average energy consumption per participating customer remains relatively low, the growing number of GEUs suggests aggregate demand under GEOP is expanding over time. This trend highlights how broader participation, even among smaller consumers, can contribute to a meaningful expansion of renewable energy uptake in the retail electricity market.

2.1.1.5. Suppliers

Within the GEOP framework, authorized RES are permitted to supply renewable energy, subject to obtaining the necessary approval from the Department of Energy (DOE) and Energy Regulatory Commission (ERC). These requirements ensure that participating entities meet regulatory standards and are qualified to operate as Renewable Energy (RE) Suppliers within the retail electricity market.

Figure 24 presents the monthly number of RE suppliers in 2025. The number of registered RE Suppliers remained steady at around 18 in the early months of the year, increased gradually through the middle of the year, and stabilized at a total of 21 by the fourth quarter. More notably, the number of RE suppliers with active contracts rose from 9 at the beginning of the year to 13 by year-end, representing 62% of the total registered suppliers. This indicates that a growing proportion of accredited suppliers are not only present in the market but are actively engaging in GEOP transactions. This is especially beneficial for small- to medium-sized consumers, who gain greater access to diverse and potentially more competitive renewable energy supply options under GEOP.

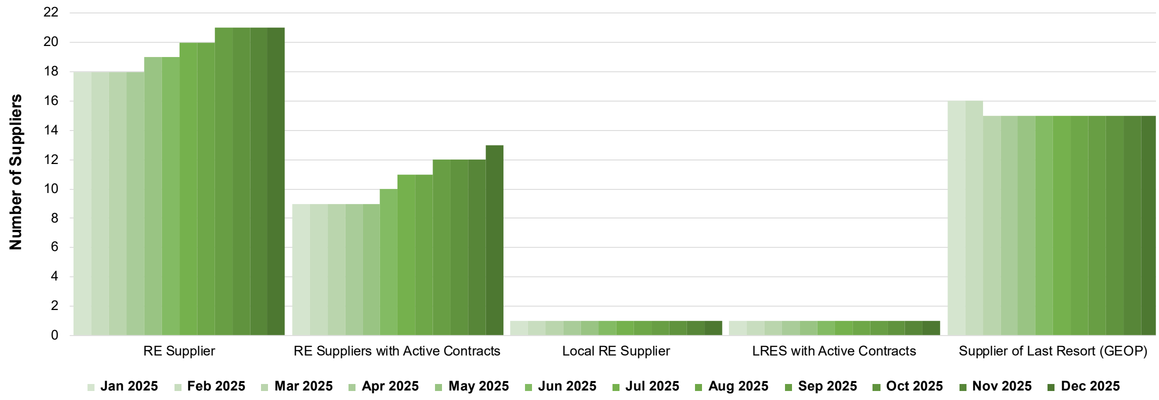


Figure **24***. Number of Suppliers for 2025*

In addition, the number of Local RE Suppliers and the designated Supplier of Last Resort remained consistent throughout the year. This indicates the continued availability of supporting mechanisms within the GEOP framework to ensure continuity of supply in cases where a supplier exits the program or GEUs experience an unexpected loss of service. Such safeguards help mitigate perceived risks for prospective participants and strengthen overall confidence in the program.

2.2. MARKET SHARE

2.2.1. Supplier Share

2.2.1.1. Share in terms of Number of GEOP End-users and Consumption

Figure 25 illustrates how GEUs participate across MPGs, particularly the Ayala Group, FGEN Group, Aboitiz Group, MERALCO Group, and Others—from 2022 to 2025.

Over the four-year period, the Ayala Group demonstrates the most significant expansion, increasing its share from 36% in 2022 to 48% in 2023, and further to about 64–65% in 2024–2025. By 2025, it has clearly emerged as the dominant group in terms of GEU count.

In contrast, both the FGEN Group and “Others” category, while initially holding substantial shares during the early stage of GEOP implementation, show an overall decline. FGEN’s share decreased from 38% in 2022 to 17% in 2024, before slightly increasing to 20% in 2025, while the “Others” category declined steadily from 20% to 12%. These declines are due to the higher number of cumulative GEUs that participate in Ayala Group rather than the other groups.

The MERALCO Group shows a relatively stable but modest presence following its entry in 2024, while the Aboitiz Group likewise reflects a gradual decline over time. Overall, the trend points to an increasing concentration of GEUs under the Ayala Group, with FGEN maintaining a clear second position and the remaining groups occupying smaller but consistent shares.

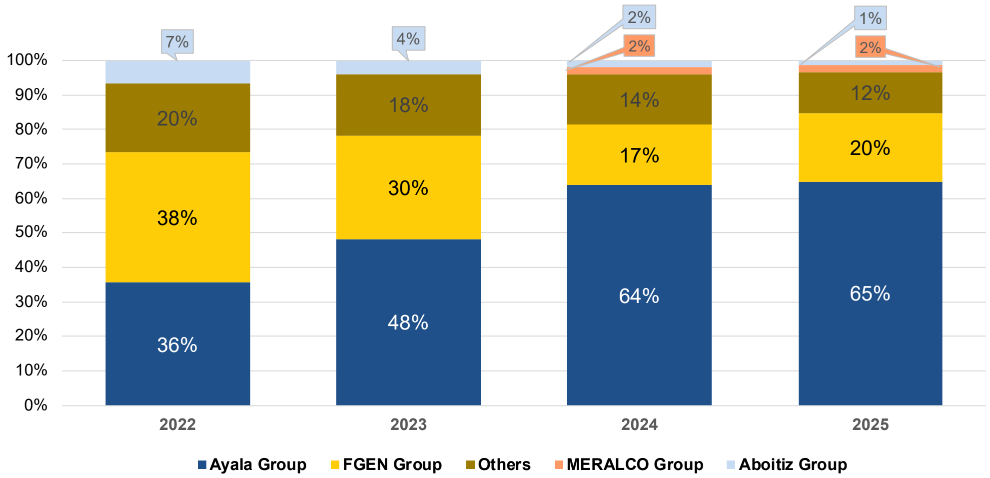


Figure **25**. *Share in Cumulative Number of GEUs Per Major Participant Grouping as of the Period for 2022-2025*

Figure 26 shows the distribution of GEOP energy consumption across the same groups where GEU count continues to accumulate differing the percentage share for each period. The Ayala Group's share of total energy consumption rose from 31% in 2022 to 39% in 2023, before increasing sharply to 65% by 2025. Meanwhile, the FGEN Group, although still the second-largest contributor, saw its share decline from 44% in 2022 to 20% in 2025. The "Others" category followed a similar downward trend, decreasing from 20% to 14% over the same period. Both the MERALCO and Aboitiz Groups maintained relatively small contributions, generally within the 0–3% range, with only minor increases observed in 2024–2025.

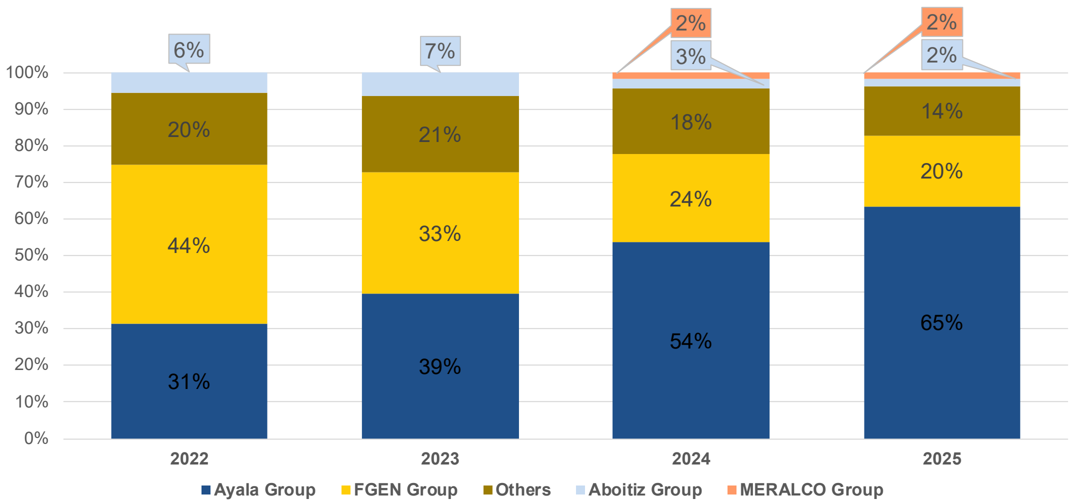


Figure **26**. *Share in GEUs' Energy Consumption Per Major Participant Grouping for the Period for 2022-2025*

When Figures 25 and 26 are considered together, a clear structural pattern emerges: it seems that the group that leads in the number of GEUs also leads in total energy consumption. For the Ayala Group, the growth in GEU share, from 36% in 2022 to 65% in 2025, is closely mirrored by its increase in energy share. This suggests that its customer base is not only large in number but also meaningful in terms of aggregate energy demand. Even within a program largely composed of small-consumption sites (typically below 1 MWh), the scale of participation translates into a substantial share of total energy.

By comparison, the FGEN Group's energy share exceeded its GEU share in earlier years, indicating that its portfolio may have consisted of relatively higher consuming customers on average. However, this difference narrows over time as the Ayala Group expands both its customer base and total load. The "Others" category shows a decline in both GEU and energy shares, suggesting slower growth or reduced competitiveness in attracting and retaining customers within the small-load segment of GEOP.

2.2.1.2. Per Franchise Area Location

Figure 27 shows that the MERALCO franchise area continues to account for the majority of GEOP energy consumption, increasing from 70% in 2022 to 75% in 2025. VECO maintains a relatively steady share but ended at 12%, while other distribution utilities and electric cooperatives (DUs/ECs) collectively contribute the remaining 14%.

While VECO experienced an increase in share in 2023, its share declined to 12% by 2025 as MERALCO's share increased over the same period. Meanwhile, other DUs/ECs continue to represent a smaller but relatively stable portion of GEOP energy consumption. This suggests that, although participation outside the major urban centers is still at an earlier stage, it remains steady and shows signs of gradual development.

The increase in MERALCO's share to 75% in 2025 is consistent with earlier observations on the profile of GEOP participants. As highlighted in earlier figures, the program is largely composed of customers within the 100–499 kW range with 95% of GEUs, and about 98.7% having average consumption at or below 1 MWh, and a strong majority coming from the commercial sector. Given that this customer profile is heavily concentrated in Luzon, particularly within the MERALCO franchise area, the continued expansion of GEOP participation naturally leads to a higher concentration of energy demand in this region.

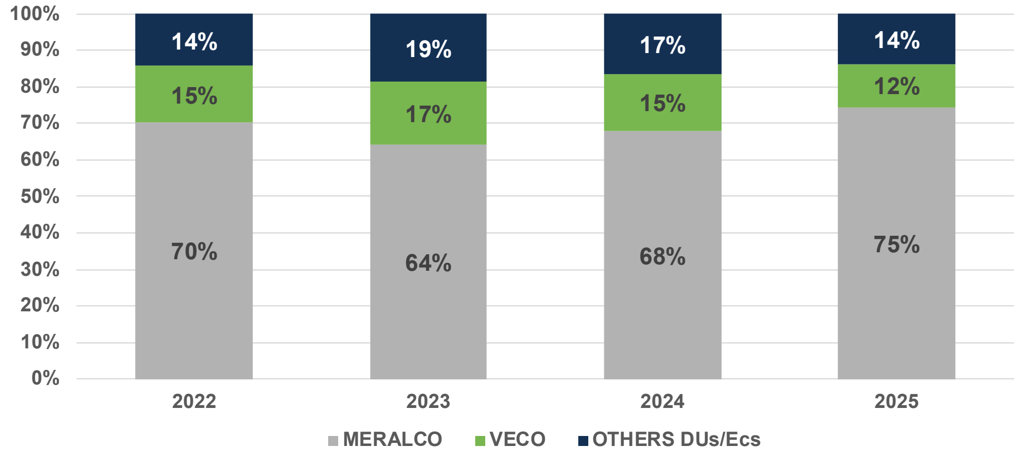


*Figure **27**. Share in GEUs' Total Energy Consumption for the Period, by Franchise Area for 2022-2025*

At the same time, the continued contributions from VECO and other DUs/ECs indicate that regional retail electricity markets are gradually taking shape. However, these areas remain smaller in relative share compared to Luzon, suggesting a more limited level of participation. As such, while GEOP is beginning to establish a broader geographic footprint, its growth remains anchored in the more mature and densely populated markets of Luzon.

Figure 28 presents the distribution of total GEOP energy consumption within the MERALCO franchise area, disaggregated by MPGs. From 2022 to 2025, the data show a clear and sustained consolidation of GEOP load under a dominant group, the Ayala Group, which expanded its share significantly from 39% in 2022 to 71% in 2025. This sustained increase aligns with the earlier trend observed in Figure 25, where the same group steadily grew its share in GEU counts, reaching 65% of total participants by 2025.

Other major groups show relatively stable but declining positions in comparison. The FGEN Group, which initially held a strong presence in GEOP, saw its share of energy consumption decrease from 47% in 2022 to 17% in 2025, consistent with the declining trend in its share of GEU counts, as previously illustrated in Figure 25. The "Others" category remained modest but stable, maintaining a share of around 7–8% over the period. Meanwhile, the MERALCO Group and the Aboitiz Group maintained relatively small shares, generally within the 2–3% range. This may reflect either a strategic focus on other market segments or relatively limited engagement with the small-load, green energy customer base that currently characterizes GEOP. Notably, the data also suggest that RE suppliers under the MERALCO Group have a comparatively limited share of energy served within their own franchise area.

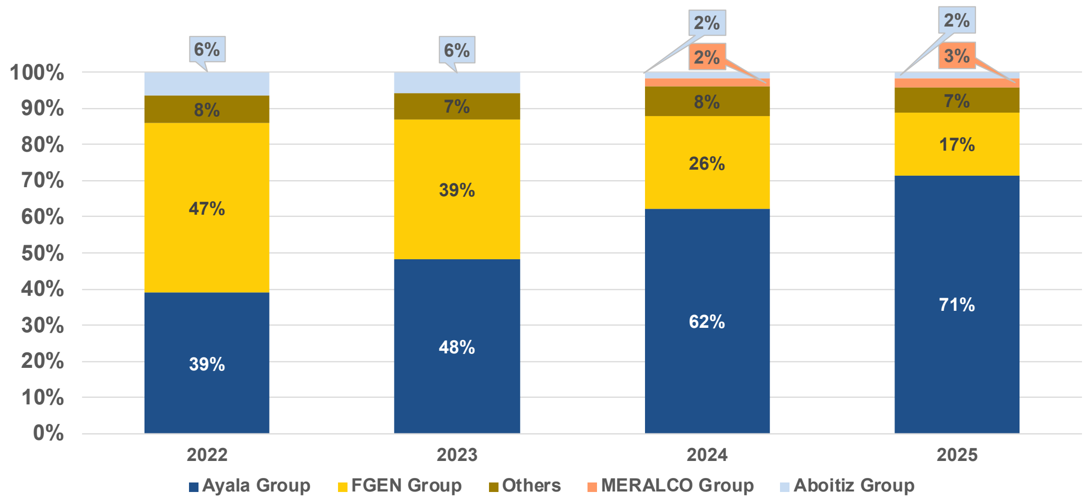


Figure **28**. *Share in GEUs' Total Energy Consumption for the Period, within MERALCO Franchise Area by Supplier for 2022-2025*

Furthermore, considering that 75% of total GEOP energy consumption in 2025 is concentrated within the MERALCO franchise area, as shown in Figure 27, any consolidation within this geographic market tends to amplify the position of leading MPG. As a result, the dominant group's share of energy consumption appears more evident within the MERALCO area than in the overall national GEOP landscape. This highlights how geographic concentration, combined with strong number of customers served, can significantly influence market share dynamics within the program.

2.2.2. Market Concentration

2.2.2.1. Herfindahl–Hirschman Index (HHI)

This section presents the HHI calculated using both the number of GEUs and their corresponding energy consumption, assessed by MPG and by RE Supplier for the period 2022–2025, as shown in Figure 29. Overall, the results convey a consistent narrative where the GEOP market remains highly concentrated, with concentration levels increasing over time.

Across all four years, and from both perspectives, GEU counts and energy consumption, the HHI per MPG consistently exceeds 1,800, which is considered as highly concentrated market. By 2025, the HHI based on GEU counts reaches 4,672, while the energy consumption-based HHI stands at 4,538, both representing peak levels within the observed period. While concentration measured at the RE Supplier level is comparatively lower, it still shows a marked upward trend. For GEU counts, the HHI increases from 1,452 in 2022 to 3,434 in 2025, and for energy consumption, from 1,583 to 3,345 over the same period. These values likewise indicate a transition toward high concentration at the supplier level.

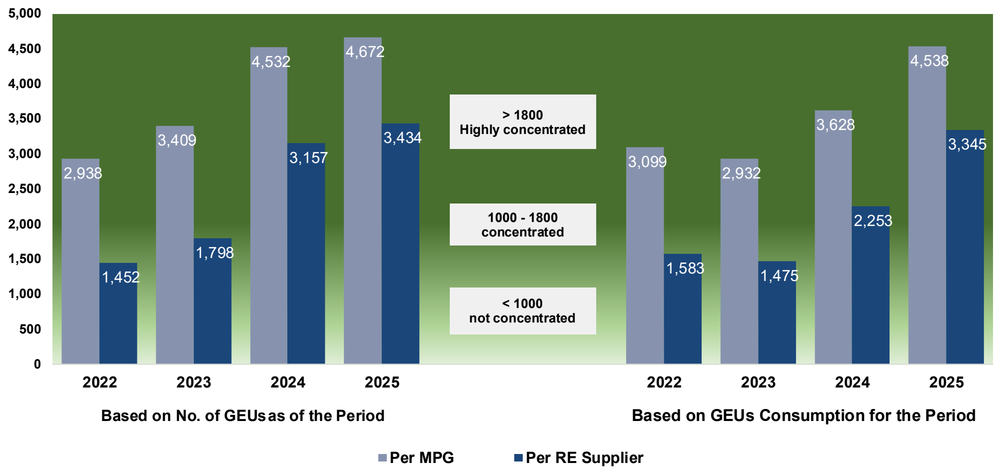


Figure 29. HHI Based on No. of GEUs and GEU Consumption for 2022-2025

This pattern closely reflects the structural developments highlighted in Figure 25, which showed a significant consolidation of GEU participation under the Ayala Group, reaching 65% of total GEUs by 2025. Figure 29 reinforces that this dominance is not limited to the number of customers but extends to energy consumption as well.

Taken together, this indicates that the GEOP market has entered a phase characterized by strong consolidation, where one major group has achieved substantial share. At the same time, other MPGs continue to play a role in the market, although with gradually declining shares. This suggests that while competition remains present, it is increasingly shaped by the scale, reach, and efficiency of leading participants, particularly in serving the growing base of small- to medium- load GEOP customers.

2.2.2.2. Four-Firm Concentration Index (C4)

Figure 30 presents the C4 for the GEOP market from 2022 to 2025, using both the number of GEUs and their corresponding energy consumption. The analysis is shown at both the MPG level and the individual RE Supplier level. Across all four years, C4 values consistently fall within the 80%–100% range, clearly indicating that GEOP operates as a highly concentrated market—regardless of whether concentration is assessed by customer count, energy volume, MPG grouping, or supplier.

At the MPG level, concentration based on GEU counts increased slightly from 93% in 2022 to 95% in 2025. At the supplier level, concentration ranged from 67% to 85%, reflecting a gradual consolidation of active participation among a smaller group of RE suppliers. A similar pattern is observed for energy consumption where MPG-level concentration remains very high at 94%–96%, indicating that the four largest MPGs collectively supply almost the entire GEOP load. Meanwhile, supplier-level concentration based on energy rose from 69% in 2022 to 82% in 2025, suggesting that the delivery of renewable energy under GEOP has become increasingly concentrated over time. The high percentage of C4 in GEOP is expected as fewer RE suppliers participate under the MPGs compared to CREM.

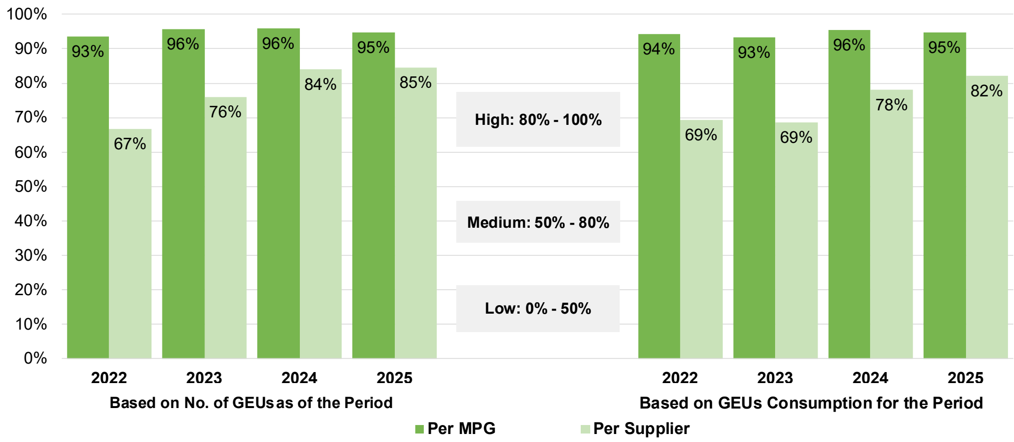


Figure **30***. Four-Firm Index Based on No. of GEUs and GEU Consumption for 2022-2025*

2.3. MARKET PERFORMANCE

2.3.1. Energy Consumption

2.3.1.1. Monthly Energy Consumption

The monthly GEOP energy consumption from January to December 2025, disaggregated between commercial and industrial GEUs is illustrated in Figure 31. Over the course of the year, total GEOP demand followed a steady upward trajectory, increasing from 67 GWh in January to approximately 97–98 GWh by November–December. This trend indicates that GEOP's expansion in customer participation has translated into sustained growth in renewable energy consumption.

Commercial GEUs consistently account for the majority of GEOP energy usage across all months and its energy consumption increased from about 55–58 GWh in the first quarter to approximately 77–79 GWh toward the end of the year. Industrial consumption, while smaller in absolute terms, remained stable within the range of 13–19 GWh per month and exhibited gradual growth. By late 2025, industrial demand reached its highest levels at around 18–19 GWh, suggesting that although GEOP participation is still largely driven by commercial customers, industrial engagement is beginning to expand in terms of energy volume, even if not yet in customer count.

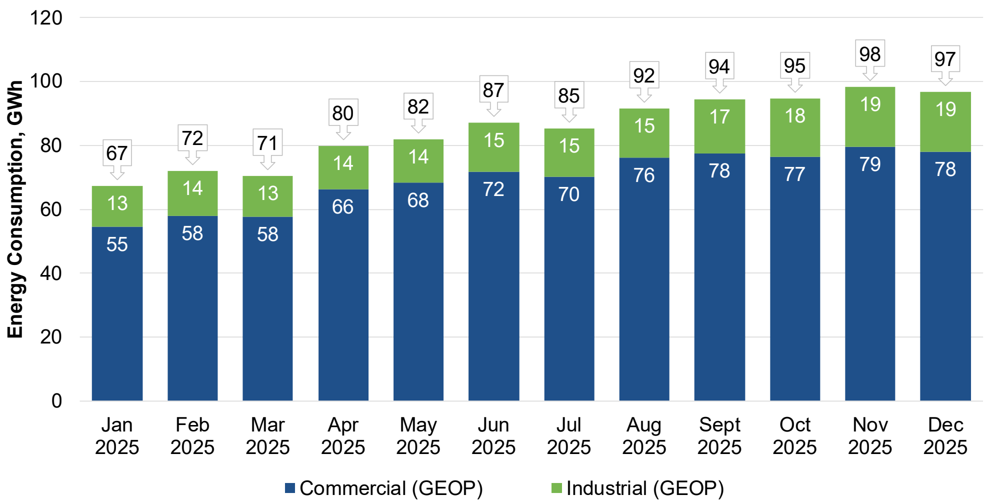


Figure **31**. *Total Energy Consumption per Industry Type (in GWh), Jan to Dec 2025*

Figure 31 reflects the load-weighted outcome of this customer profile: GEOP remains predominantly commercial in nature, with a steady increase but with proportionally smaller contribution from industrial renewable energy demand.

2.3.2. Load Profile

2.3.2.1. Hourly Energy Consumption Profile

Figures 32 and 33 present the hourly average energy consumption patterns of industrial and commercial GEOP end-users (GEUs) across all months of 2025, offering a clear and complementary view of how demand behaves within the retail market under GEOP. Taken together, the figures highlight a structurally distinct yet interdependent demand profile: a stable, continuous industrial load alongside a larger, more variable commercial load that is concentrated during daytime hours.

Industrial GEUs (Figure 32) exhibit a relatively stable consumption pattern throughout the day, with demand generally ranging from low demand at approximately 18 to 25 MW across all hours. The hourly curves show slight intraday variation and are closely aligned across months, indicating limited seasonality and high degree of predictability.

This pattern is consistent with the operational characteristics of industrial facilities, which typically run continuous processes with limited sensitivity to business hours or short-term external factors. As a result, industrial GEOP demand demonstrates a baseload-like behavior within the retail market.

Although industrial participants represent a smaller share of total GEUs, their stable and predictable consumption may provide a consistent demand component that supports supplier planning and portfolio management.

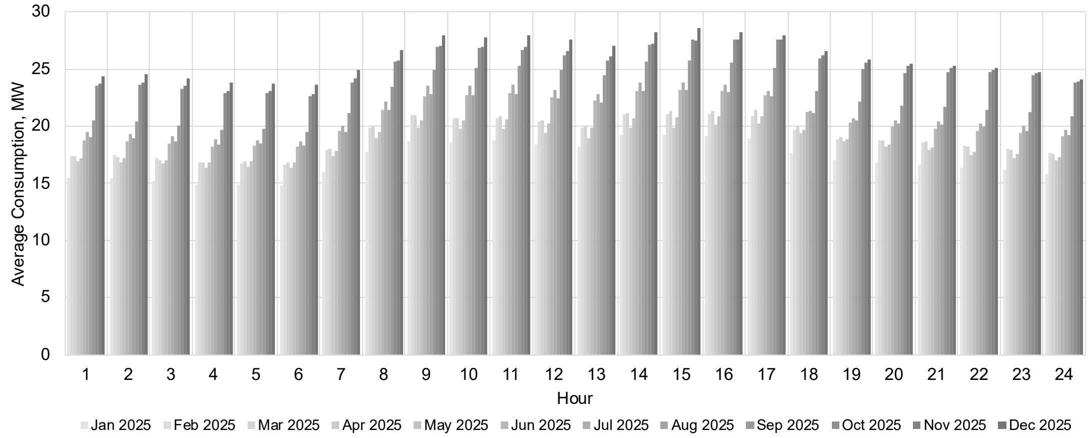


Figure **32**. *Hourly Average Energy Consumption (in MWh), Industrial, Jan to Dec 2025*

In contrast, commercial GEUs (Figure 33) display a pronounced diurnal pattern that aligns with typical business operating hours. Demand increases sharply from around 0700h to 0800h, peaks during the midday to early afternoon period between 1100h and 0500h, reaching approximately 110 to 135 MW depending on the month, and gradually declines into the evening, with nighttime levels falling to around 60–75 MW.

Compared to industrial loads, commercial demand shows greater variability both within the day and across months, with slightly higher consumption observed during mid-year periods. This reflects the activity patterns of commercial establishments such as offices, retail centers, and service-oriented businesses, which dominate GEOP participation. Consequently, the overall GEOP load profile is largely shaped by these daytime-intensive consumption patterns.

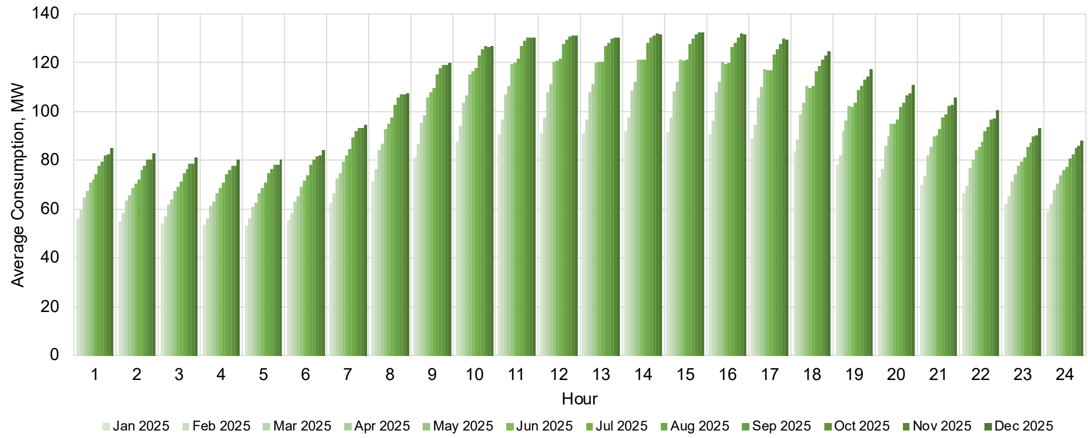


Figure **33**. *Hourly Average Energy Consumption (in MWh), Commercial, Jan to Dec 2025*

From a market perspective, the interaction between these two load types is significant. The stable industrial baseload helps offset the variability introduced by commercial demand, contributing to a more balanced and manageable aggregate load profile. This dual structure may support more efficient utilization of renewable energy resources, particularly when combined with appropriately designed supply portfolios.

However, the dominance of commercial, daytime-driven demand also means that GEOP load is more exposed to intra-day variability and may require greater flexibility in supply sourcing, including time-matched renewable products or complementary balancing mechanisms.

Overall, the combined insights from Figures 32 and 33 suggest that GEOP is evolving into an increasingly dynamic retail market segment, characterized by a balance between stable industrial demand and an expanding, activity-driven commercial customer base.

2.3.2.2. Load Factor

Figure 34 presents the load factor performance of GEOP consumers from 2022 to 2025. The load factor, defined as the ratio of average consumption to peak consumption, serves as an indicator of how efficiently end-users utilize their contracted capacity and reflects the stability and predictability of demand within the program. Higher load factors indicate more uniform consumption patterns, while lower values suggest greater variability.

Over the four-year period, GEOP load factors exhibit a clear pattern of stabilization. In 2022 and 2023, monthly load factors generally ranged from about 70% to 76%. By 2024 and 2025, this range narrowed to around 68% to 73%, indicating reduced variability and a more consistent demand profile across months. This tightening band suggests that, as GEOP participation expanded, the composition of its customer base became more uniform, resulting in a more predictable aggregate load behavior.

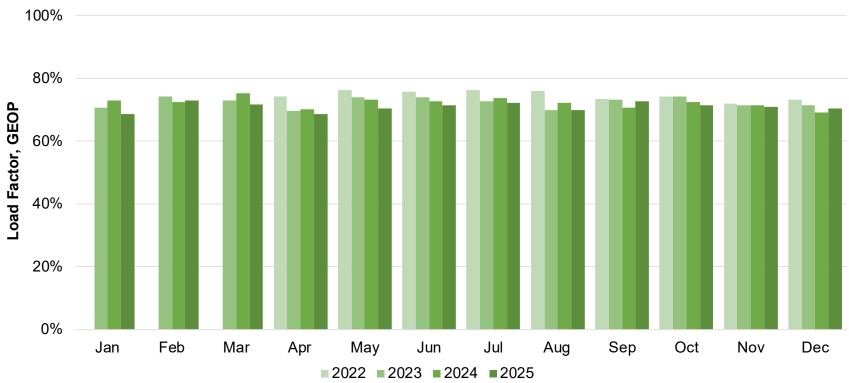


*Figure **34**. Load Factor for 2022-2025*

This trend is closely linked to the evolving structure of GEOP participation observed in earlier figures. In particular, the increasing dominance of commercial GEUs, especially within the 100–499 kW segment has played a central role in shaping the program's load characteristics. Commercial customers typically follow regular operating schedules, with well-defined daytime peaks and relatively consistent monthly patterns. As these customers have come to represent a larger share of GEOP participants, their consumption behavior has effectively set the overall load profile of the program.

2.4. RETAIL ACTIVITY

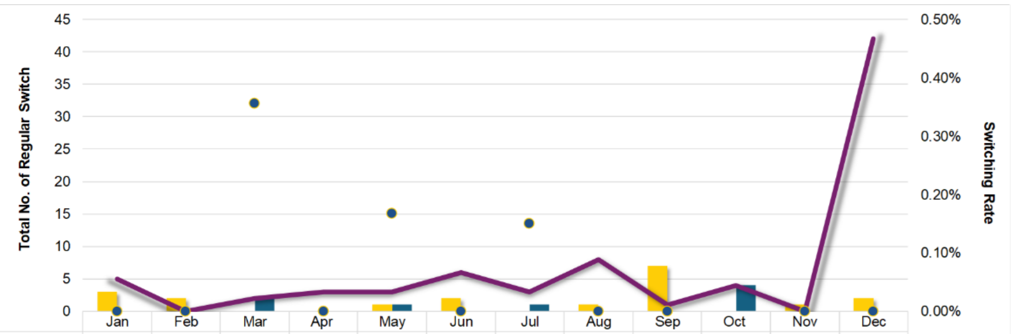
2.4.1. Customer Switching Rate

Figure 35 illustrates the monthly switching activity of GEUs for 2024 and 2025, along with projected switches based on contract expirations and the corresponding customer switch rate. Overall, the data shows that switching activity in 2025 remained relatively low. Most months recorded only a few regular switches, typically between zero and three. Slightly higher activity was observed in January and August, with two and three switches respectively, but even these remain modest in comparison to projected figures.

December 2025 stands out with a significant increase in projected switches, at approximately 42 due to year-end contract expirations. However, this did not result in a corresponding rise in actual switches within the same month. This may indicate that customers with expiring contracts either renewed with their existing supplier, deferred switching to subsequent periods, or extended their contracts.

Throughout the year, the customer switch rate remained very low, ranging mostly between 0.00% and 0.54%. Measurable switching activity was observed only in a few months in March, May, July, and October, while the remaining months showed virtually no movement. This pattern indicates a generally low level of supplier switching among GEOP participants.

These observations are consistent with broader trends in the GEOP market, where participation is concentrated among a limited number of supplier groups and customer segments. The relatively low switching activity may reflect stable customer supplier relationships, particularly among small-load commercial users who make up the majority of GEOP participants.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	3	2	0	0	1	2	0	1	7	0	1	2
2025	0	0	2	0	1	0	1	0	0	4	0	0
2025 Projected Switch	5	0	2	3	3	6	3	8	1	4	0	42
Customer Switch Rate	0.00%	0.00%	0.36%	0.00%	0.17%	0.00%	0.15%	0.00%	0.00%	0.54%	0.00%	0.00%

*Figure **35**. Switching Rate for 2024 and 2025*
**Projected Switch – CEUs with projected contract expiration during the billing period*[15]

[15] Based on the Monthly IEMOP Summary Report for RCOA and GEOP