



Retail Market Assessment Report for 1st Quarter of 2026

26 December 2025 to 25 March 2026

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EXECUTIVE SUMMARY

During the first quarter of 2026 (26 December 2025 to 25 March 2026), the retail market—covering the Competitive Retail Electricity Market (CREM), Retail Aggregation Program (RAP), and the Green Energy Option Program (GEOP)—continued to show steady growth in participation, improved customer engagement, and sustained price competitiveness, although it remained within a highly concentrated market structure. The period was marked by increasing participation across threshold segments, continued growth in renewable energy adoption, and stable market operations, supported by an evolving regulatory framework.

Competitive Retail Electricity Market (CREM)

CREM participation continued to grow, as reflected in the increasing number of registered CREM end-users (CEUs) and the gradual decline in the share of captive customers. By the end of the review period, CREM penetration reached a larger share of eligible customers, reflecting continued migration toward competitive supply arrangements. Growth was observed across all demand thresholds, although the market remained predominantly anchored by customers with demand of 1 MW and above. At the same time, the 500–999 kW segment showed relatively stronger growth, indicating a gradual broadening of participation beyond traditionally large contestable customers.

Electricity consumption under CREM remained broadly stable on a quarter-on-quarter basis, with industrial customers continuing to account for the majority of demand. However, recent growth was increasingly driven by smaller customers, including those participating through Retail Aggregation Groups (RAGs), which continued to expand during the period. This points to a progressively more diversified customer base, even as overall demand remains concentrated among large users.

Market transactions likewise remained largely contract-based, with bilateral contracts making up the majority of supply. While spot market exposure increased during first quarter of 2026—reaching around 10%—it remained relatively limited compared with contracted volumes. This suggests that suppliers are increasingly adopting more flexible procurement strategies while still maintaining supply stability.

Retail electricity rates under CREM remained relatively stable, while average distribution utility (DU) generation rates increased over the same period. As a result, the price gap in favor of CREM widened further, reinforcing its competitive advantage. Estimated savings¹ for CEUs likewise increased significantly during first quarter of 2026, reaching the highest levels observed during the review period. Industrial customers accounted for the largest share of these savings, driven by their higher consumption levels.

Despite these positive developments, customer switching activity remained relatively limited, with monthly switching rates generally staying below 2%. While switching activity increased at the start of 2026 due to contract expirations, most customers chose to remain with their existing suppliers. This suggests that competition within the market remains largely contract-driven and selective, contributing to overall market stability.

¹ For this report, savings were estimated by calculating the difference between the WARGR and the top 5 DU average generation rates, multiplied by the monthly consumption of CEUs and then aggregated quarterly.

At the market structure level, concentration remained moderate to high, particularly at the market participant group (MPG) level, as reflected in Herfindahl-Hirschman Index (HHI) and Four-Firm Concentration Ratio (C4) indicators. However, gradual decline in these concentration measures suggests a slow but steady dispersion of customers across suppliers.

Green Energy Option Program (GEOP)

GEOP continued to expand steadily, with the number of registered end-users increasing across all quarters. Participation remained largely driven by customers within the 100–499 kW threshold, highlighting GEOP's role as an entry point for smaller customers into the retail electricity market. Although participation continued to grow during the quarter, the pace of expansion moderated relative to earlier quarters.

Renewable energy consumption under GEOP likewise continued to rise, reaching higher levels in early 2026. Commercial customers accounted for the majority of demand, while industrial participation, although smaller in overall share, continued to grow steadily, indicating gradually increasing adoption of renewable energy among larger users.

Geographically, GEOP participation remained highly concentrated in Luzon, particularly within the MERALCO franchise area, which accounted for the majority of both end-users and energy consumption. Although Visayas and Mindanao recorded gradual increases in participation, their shares remained relatively small, indicating continued regional concentration while also suggesting potential opportunities for future expansion.

At the supplier level, the GEOP market remained highly concentrated, with the Ayala and FGEN Groups accounting for the majority of both customers and consumption. The HHI and C4 indicators further confirm the persistently concentrated market structure of the market, although both measures showed modest declines over time.

Customer switching activity in GEOP remained minimal, with switching rates consistently below 1% throughout the period. The gap between expected and actual switching behavior suggests that most customers continued to maintain existing supplier relationships rather than actively shifting between providers.

Load profile analysis shows that industrial GEOP customers maintained relatively stable and continuous demand patterns, while commercial customers exhibited more pronounced daytime demand peaks aligned with business operating hours. The increase in consumption levels from the fourth quarter of 2025 to the first quarter of 2026 across both customer segments further suggests a growing reliance on renewable energy supply.

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LIST OF ACRONYMS

BCQ	Bilateral Contract Quantity
CRMMDI	Catalogue of Retail Market Monitoring Data and Indices
CEU	CREM end-user
CREM	Competitive Retail Electricity Market
DCC	Directly Connected Customer
DU	Distribution Utility
GEOP	Green Energy Option Program
GEU	GEOP end-user
HHI	Herfindahl–Hirschman Index
LRES	Local Retail Electricity Supplier
MPG	Major Participant Group
NCR	National Capital Region
RAG	Retail Aggregated Group
RAP	Retail Aggregation Program
RES	Retail Electricity Supplier
SOLR	Supplier of Last Resort
WARGR	Weighted Average Retail Generation Rate
WESM	Wholesale Electricity Spot Market

1.0 COMPETITIVE RETAIL ELECTRICITY MARKET (CREM)

This portion provides an assessment on the CREM program for the first quarter of 2026 (26 December 2025 to 25 March 2026), 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 end-user count, their threshold, location, retail activity, average consumption and number of suppliers under the CREM program.

1.1.1. Number of Participants

1.1.1.1. CREM End-Users (CEUs)

During the review period, early evidence of continued retail market deepening was observed, as reflected in the steady increase in CREM registrations and the corresponding decline in eligible end-users remaining under captive supply, as shown in Figure 1.

Between the end of the first quarters of 2025 and 2026, the cumulative number of registered CEUs grew from 2,216 to 2,676, representing growth of approximately 21%. Over the same period, the number of eligible but captive customers declined from 1,446 to 1,080, equivalent to a reduction of 25%. This inverse movement between CREM customers and captive eligible end-users indicates continued migration of contestable customers toward competitive retail supply arrangements.

This pattern is significant because it suggests that growth in CREM is not driven solely by changes in eligibility coverage, but also by actual customer migration into competitive market. In effect, the market appears to be progressing beyond formal eligibility toward more active customer participation.

By the end of the review period, registered CREM customers already comprised about 71% of all eligible end-users, indicating meaningful progress in market penetration, a 10% increase from the previous first quarter of 2025.

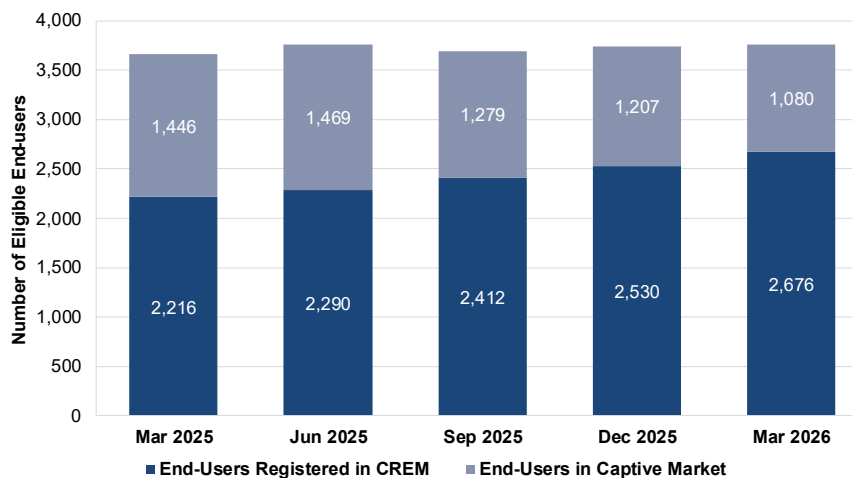


Figure 1. Cumulative Number of Eligible End-Users as of the End of Each Quarter, Q1 2025 to Q1 2026

Although a modest increase in captive customers was observed during the second quarter of 2025, the broader trend throughout the review period remained downward, consistent with continued migration toward CREM participation. This indicates that market growth was driven largely by switching behavior among already eligible customers rather than solely by the entry of newly eligible participants.

The continued expansion of the CREM customer based may encourage suppliers to compete through pricing, contract structures, service quality, and risk management strategies. However, increasing participation alone does not necessarily imply fully competitive outcomes. The extent of market benefits will continue to depend on the availability of credible switching options, sustained supplier participation, and market shares do not become excessively concentrated among a limited number of participants.

1.1.1.2. Per Threshold

This section provides a breakdown of the total number of CEUs by contestability threshold as of the end of each quarter. As shown in Figure 2, CREM participation continued to expand across all demand thresholds from the first quarter of 2025 to the first quarter of 2026.

The 1 MW and above segment remained the largest contributor, consistently accounting for 56% of total registered CEUs, posting an increase of about 10% from the first quarter of 2025 to the first quarter of 2026. This indicates that the retail market continues to be anchored by large contestable customers, consistent with the historical structure of customer participation under CREM.

At the same time, participation growth was not limited to the largest customer segment. The 500–749 kW and 750–999 kW segments likewise posted sustained increases, suggesting the gradual participation of market participation among smaller-demand customers. On a quarter-on-quarter basis, the 500–749 kW segment posted the strongest growth during first quarter of 2026, increasing by approximately 15% relative to fourth quarter of 2025, while the 750-999 kW and 1 MW and above

segments recorded increases of approximately 4% and 3%, respectively.

Overall, total registered CEUs increased by nearly 6% quarter-on-quarter during the review period, indicating continued market expansion rather than isolated or one-time growth. The relatively stronger increase among smaller-demand thresholds suggests that a broader range of eligible customers are increasingly participating in competitive supply arrangements and exercising their freedom of supplier choice.

Meanwhile, the higher 750–999 kW and 1 MW and above thresholds also registered visible quarter-on-quarter gains of 4% and 3%, respectively. This is an important development because it suggests that market participation is not becoming more narrowly concentrated at the top end. Instead, the customer base is gradually widening, with more small- to medium-sized users entering or remaining in competitive supply arrangements over time.

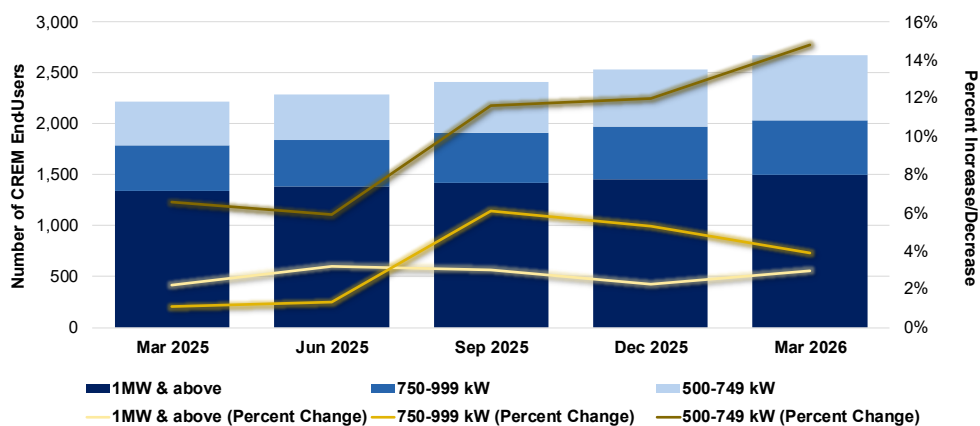


Figure 2. Cumulative Number of CEUs per Threshold as of the End of Each Quarter from Q1 2025 to Q1 2026

Figure 2 presents a pattern that is favorable for the development of the retail segment in the WESM. The continued dominance of the 1 MW and above segment provides a stable core of large customers capable of supporting supplier activity and competitive contracting, while the steady increase in the 500–999 kW range indicates improving market reach beyond the traditional large-load customer base.

These trends suggest that CREM participation is gradually becoming more diversified across eligible threshold bands, even if participation remains strongest among larger loads. Over time, this broadening of the customer base may contribute to improved market depth and resilience by reducing reliance on a relatively narrow group of very large consumers.

Nevertheless, participation remains weighted toward higher-demand customers, indicating that future market expansion will depend in part on the continued ability of the retail market to attract and retain customers within the lower eligibility thresholds.

1.1.1.3. Per Location

Participation in CREM continued to expand nationwide from March 2025 to March 2026, reaching a total of 2,676 registered CEUs by the end of the review period. As shown in Figure 3, the geographic distribution of CEUs remained highly concentrated in Luzon, which accounted for 85% of all registered customers. This was followed by the Visayas with 297 CEUs (around 12%), and Mindanao with 93 CEUs (about 3%) after its first full year of commercial operations under the retail market.

Across all quarters, Luzon consistently accounted for the overwhelming majority of CEUs and remained the primary driver of retail market growth. From March 2025 to March 2026, the region's cumulative CEU count increased by about 20%, reflecting sustained participation from highly urbanized and economically active areas. This corresponds to a 6% increase from the fourth quarter of 2025. This concentration is expected given Luzon's dominance in commercial and industrial activity, as well as the presence of major economic zones and densely populated load centers.

The geographic pattern shown in the accompanying map further reinforces this observation, with the highest concentration of contestable customers clustered in the National Capital Region (NCR) and nearby provinces.

In comparison, the Visayas recorded moderate but consistent growth throughout the review period, with a 2.41% quarter-on-quarter increase in CEU count and an overall growth of 9.59% from the first quarter of 2025 to the first quarter of 2026, which was the lowest among the regions. Although the total number of CEUs remained significantly lower than in Luzon, the continued upward trend indicates gradual expansion of retail participation across key urban centers within the region.

Mindanao, while still accounting for the smallest share of total CEUs by the end of the first quarter of 2026 recorded a notable increase to 93 CEUs, representing an approximately 11% increase compared to the fourth quarter of 2025, which registered 84 CEUs. Despite this increase, the region continued to account for only a relatively small share of total registrations at around 3%.

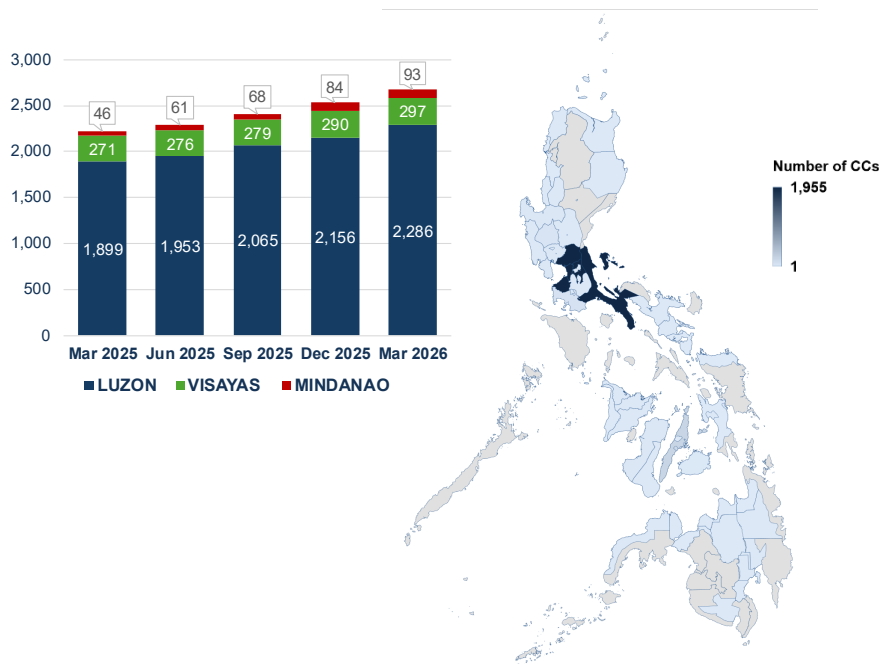


Figure 3. Cumulative Number of CEUs Per Region as of the End of Each Quarter from Q1 2025 to Q1 2026

On a quarter-on-quarter perspective, total CEUs across all regions increased by approximately 6% from the fourth quarter of 2025 to the first quarter of 2026, indicating continued overall market expansion. Luzon remained the main contributor to this increase, while the Visayas continued to post modest incremental gains. Notably, Mindanao recorded the highest relative growth rate during the quarter despite its smaller customer base, signaling early-stage expansion and potential for further development within the region.

Overall, the regional distribution of CEUs reflects a retail market that remains structurally concentrated but gradually expanding across multiple regions. While participation continues to be heavily centered in Luzon, the steady growth observed in the Visayas and the relatively stronger percentage increase in Mindanao suggest that retail market development is extending beyond its traditional core areas.

1.1.1.4. Per Retail Activity²

Figure 4 presents the cumulative number of CEUs, disaggregated by retail activity—commercial and industrial, from the first quarter of 2025 to the first quarter of 2026. The data shows sustained growth in both segments, with commercial customers consistently accounting for the larger share of participation throughout the review period.

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.

Total CEU participation increased steadily across all quarters, rising from 2,216 customers in March 2025 to 2,676 customers in March 2026, representing a 21% increase. This upward trajectory reflects the continued expansion of the retail market and sustained migration of eligible end-users into competitive supply arrangements.

Across all reporting periods, commercial customers remained the dominant segment. By March 2026, the number of commercial CEUs reached 1,444, accounting for approximately 54% of total participation, while industrial CEUs reached 1,232, or about 46%. This relative distribution remained relatively stable over time, indicating that while both segments continued to expand, the market continues to be driven slightly more by commercial establishments.

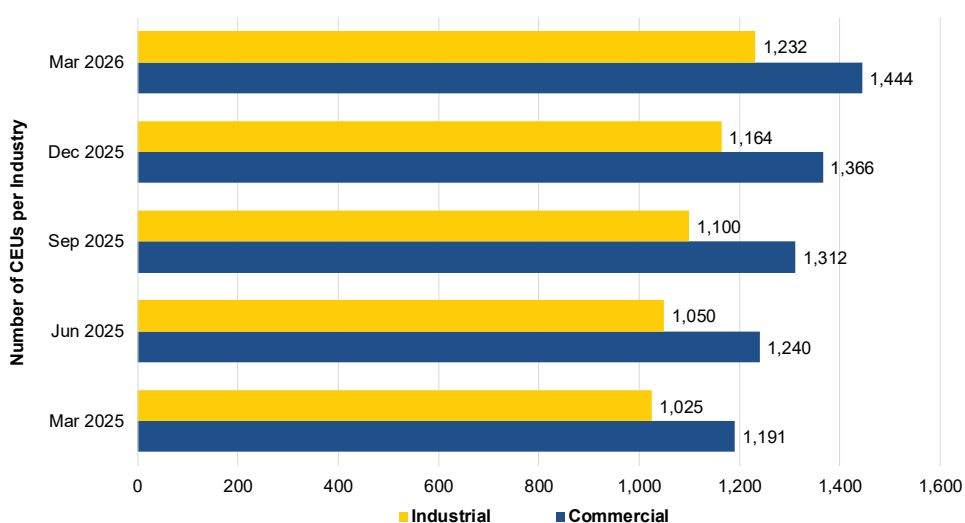


Figure 4. Cumulative Number of CEUs Per Retail Activity as of the End of Each Quarter from Q1 2025 to Q1 2026

The observed trends further suggest that the growth of CREM is broad-based across both the commercial and industrial sectors, rather than being concentrated within a single customer type. The broadening participation across both customer categories may encourage suppliers to further differentiate their offerings, particularly in terms of pricing structures, contract flexibility, and service quality tailored to varying customer profiles.

1.1.1.5. Average Consumption

This section illustrates the distribution in percentage share of the total number of end-users based on the range of their average energy consumption among CEUs and Retail Aggregation Groups (RAGs) for the first quarter of 2026, highlighting the structure of demand across consumption bands and the evolving role of smaller customers in the retail market, as shown in Figures 5 and 6 as of March 2026.

For the first quarter of 2026, the majority of registered CEUs was concentrated within the lower consumption bands, with customers consuming below 1 MWh accounting for approximately 73% of

total CEUs, followed by the 1–5 MWh segment at around 23%. In contrast, customers within the higher consumption bands collectively represented only a marginal share of total CEU consumption.

This pattern reflects that the market continues to be characterized by a large population of relatively smaller customers, while higher-consumption consumers remain fewer in number despite their likely larger contribution to aggregate electricity demand. The observed pattern is broadly consistent with the previous quarter, during which the relative share of smaller-consumption customers continued to increase gradually, while the proportional share of higher-consumption customer groups declined modestly over time.

Although large customers remain significant contributors to total electricity demand within the retail market, recent participation growth appears to be increasingly driven by smaller and mid-sized participants. This suggests a gradual broadening of market reach and increasing accessibility of competitive retail supply arrangements across a wider customer base.

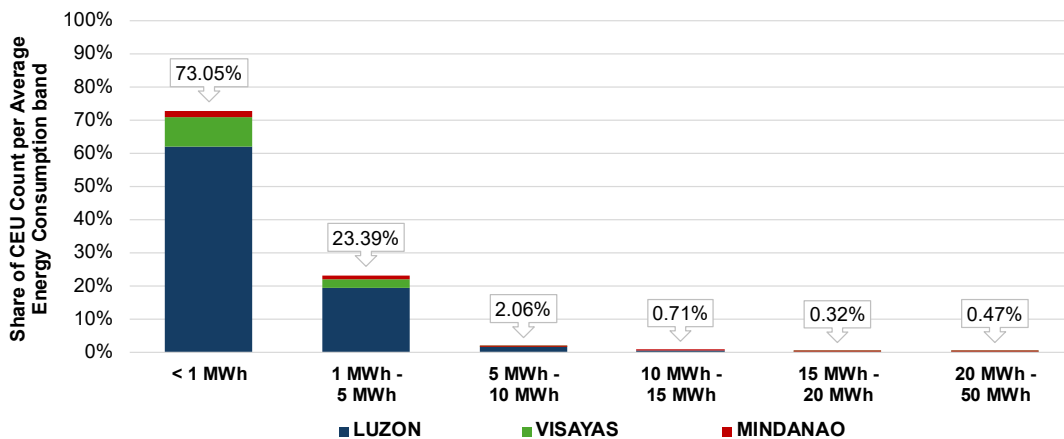


Figure 5. Share of Total No. of CEUs based on Average Energy Consumption, per region, for Q1 2026

A more pronounced concentration was observed in the RAG segment, where approximately 90% of participating aggregated groups were clustered within the below 1 MWh average consumption band, while the remaining share was largely concentrated within the 1–5 MWh range. This distribution remained broadly consistent with the previous quarter and reflects the role of aggregation as an entry mechanism for smaller customers that would otherwise be unable to participate directly in CREM or GEOP.

Compared with CEUs, RAGs exhibited a substantially narrower consumption profile, underscoring that aggregation continues to primarily serve low-demand customers rather than functioning as a mechanism for consolidating larger loads.

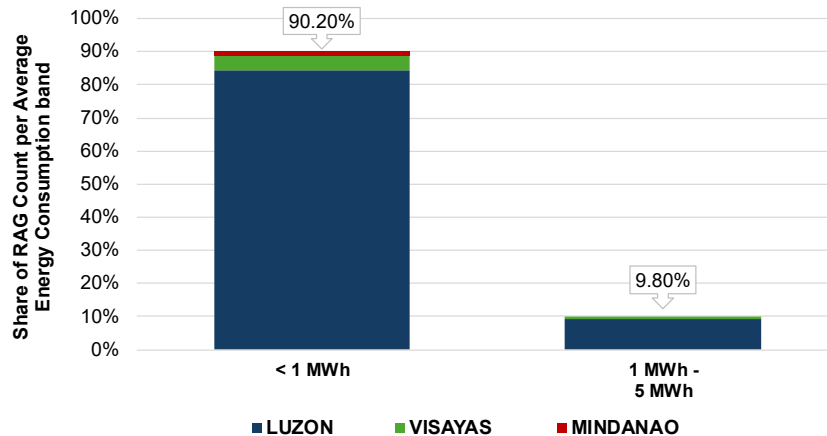


Figure 6. Share of Total No. of RAGs based on Average Energy Consumption, per region, for Q1 2026

The continued reliance on RAG arrangements further highlights the importance of aggregation as a key mechanism for market expansion, particularly in enabling participation from customers below traditional contestability thresholds.

Overall, the pattern observed across both programs suggest that retail market participation continues to be driven largely by customers with relatively modest average consumption levels, with only a small proportion of CEUs occupying the higher consumption bands.

1.1.1.6. Suppliers

Table 1 presents the cumulative number of suppliers under the CREM as of the end of the first quarter of 2026, providing insight into supplier participation across different categories—Retail Electricity Suppliers (RES), Local Retail Electricity Suppliers (LRES), and Suppliers of Last Resort (SOLR)—and their level of engagement in serving contestable customers.

As of March 2026, there were 59 ERC-licensed RES, of which 56 were registered and 40 were actively serving CEUs, indicating that approximately 71% of registered RES were operationally active in the market. This suggests that most suppliers completing the registration process were able to secure customer contracts and compete within the retail market.

In contrast, participation among Local Retail Electricity Suppliers (LRES) remained comparatively limited. Although 30 LRES had been licensed, only 15 were registered and just 2 were actively serving CEUs. This indicates that LRES participation continues to be constrained both in terms of registration and actual market engagement.

Meanwhile, Suppliers of Last Resort (SOLR), despite 49 entities being licensed and 27 registered, recorded no active service to CEUs during the period. This remains consistent with the intended function of SOLRs as contingency suppliers rather than regular sources of supply, indicating that market conditions during the quarter did not necessitate emergency supplier intervention.

Table 1. Cumulative Number of Supplier under CREM as of the end of Q1 2026

	Licensed/Authorized ⁴	Registered	Serving CEUs
RES	59	56	40
LRES	30	15	2
SOLR	49	27	0

Overall, Table 1 reflects a supplier landscape that remains stable but continues to gradually strengthen. Most registered RES were actively participating in the market, while additional capacity remains among registered but inactive suppliers.

The absence of SOLR engagement further indicates that existing commercial supply arrangements remained sufficient to meet customer demand during the quarter. Moving forward, the effectiveness of competition will depend not only on the number of licensed and registered suppliers, but also on the extent of their active participation and ability to differentiate their offerings, particularly as the retail market continues to expand toward smaller and more diverse customer segments.

Figure 7 complements the information presented in Table 1 by providing a more detailed breakdown of supplier participation across MPGs, specifically distinguishing between RES actively serving CEUs and those without active customer contracts as of the end of the first quarter of 2026.

Consistent with Table 1, which indicates that 40 out of 56 registered RES—approximately 71%—were actively serving CEUs, Figure 7 shows that active supplier participation is distributed across multiple MPGs, albeit with varying levels of engagement.

Among the MPGs, several large and established groups—including Aboitiz Power, MERALCO, Ayala Corporation, and San Miguel—accounted for multiple active RES entities, reflecting their continued presence within the retail market. At the same time, these groups also maintained a number of registered but inactive suppliers, indicating the existence of additional potential supply capacity within their respective portfolios.

Notably, the “Others” group⁵ accounted for the largest combined number of RES entities, including both active and inactive suppliers. This suggests that the market continues to include a relatively broad range of smaller or independent suppliers, which may contribute to overall market depth and supplier diversity even if not all registered participants are currently operationally active.

⁴ Based on ERC Statistical Report of the Customer Choice Programs in the Retail Market for March 2025

⁵ Based on the Retail Electricity Supplier Group Information from the ERC Monthly Statistical Report as of March 2026.

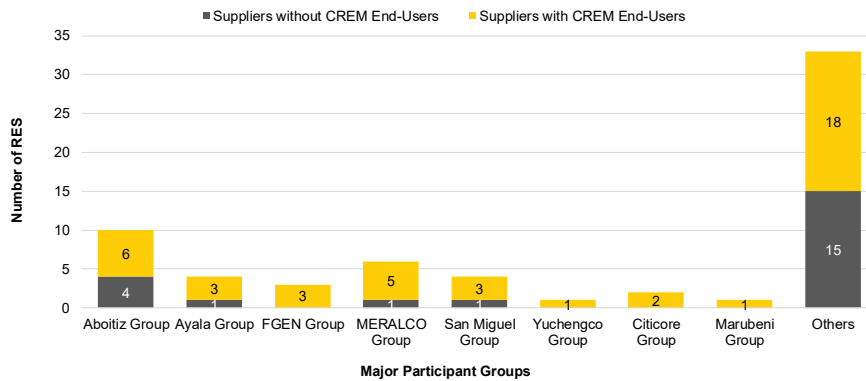


Figure 7. Number of RES With and Without CEUs, as of end of Q1 2026

Overall, the results suggest that the retail market maintains a sufficiently large pool of suppliers to support competitive activity. However, the effectiveness and intensity of competition will continue to depend on the extent to which currently inactive suppliers are able to secure customers and transition into active market participants.

1.2. MARKET SHARE

1.2.1. Supplier Share

1.2.1.1. Share in terms of Number of CEUs and Consumption

This section presents the distribution of market share among MPGs, as determined by the ERC, measured both by the number of CEUs and by total electricity consumption for the quarter, from the first quarter of 2025 to the first quarter of 2026. The results show that while the overall structure of the retail market remains broadly stable, important differences persist between customer distribution and energy demand across MPGs, as shown in Figure 8.

Based on the number of CEUs, the MERALCO Group consistently maintained the largest share, accounting for approximately one-third of all retail customers throughout the period. However, its share slightly declined from around 34%–35% in early 2025 to about 32% by the first quarter of 2026.

The Aboitiz Group and Ayala Group remained the next largest participants, maintaining relatively stable shares with only minor quarter-on-quarter movement. Other MPGs, including the San Miguel Group, FGEN Group, and smaller participant groups, accounted for comparatively smaller shares, with the “Others” group gradually increasing over time.

Although total CEUs increased across all MPGs during the review period, relative market shares shifted only marginally. This suggests that customer base has been distributed across multiple suppliers rather than concentrated within a single group. This suggests a gradually maturing market structure characterized by broader participation rather than rapid consolidation.

A somewhat different pattern emerges when examining shares based on total electricity consumption. While the MERALCO Group continued to account for a significant portion of consumption, its consumption share (around 27%–29%) remained consistently lower than its share in terms of CEU count. In contrast, groups such as San Miguel, FGEN, and Aboitiz exhibited relatively higher shares of consumption compared with their customer shares, indicating that these groups serve customers with higher average loads or more energy-intensive operations.

Consumption shares across MPGs remained relatively stable, with only slight quarter-on-quarter movements. This indicates that the distribution of electricity demand among MPGs has remained consistent, even as the number of customers has increased.

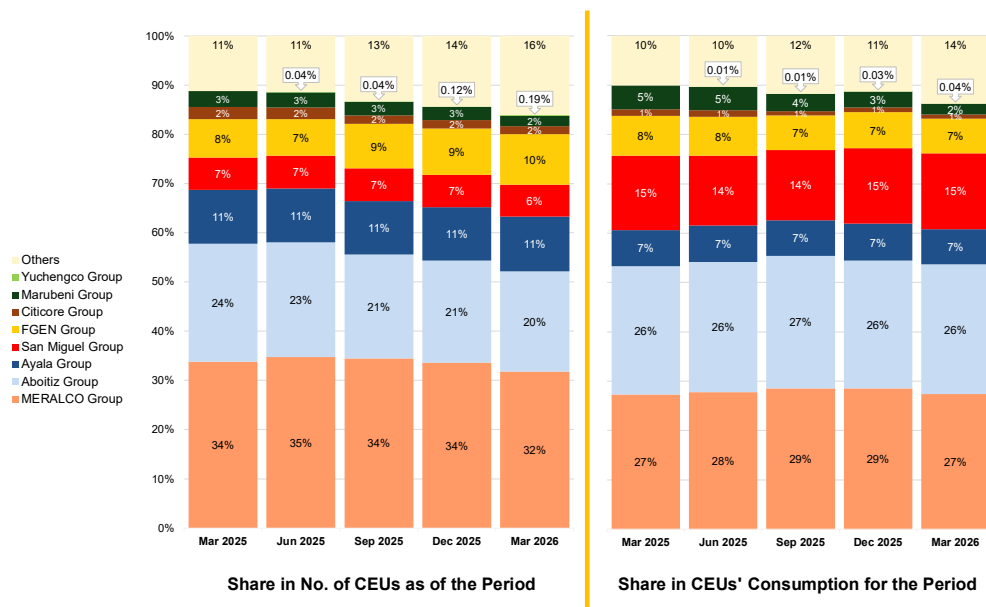


Figure 8. Share in the Cumulative Number of CEUs per MPG as of the end of Q1 2025 to Q1 2026, and the Share in CEUs' Consumption Per MPG for Q1 2025 to Q1 2026

The divergence between customer share and consumption share further suggests that many of the newly participating CUEs are relatively smaller in size. This is consistent with earlier observations on the growing participation of lower-consumption customers and the continued expansion of aggregation mechanisms.

Despite the gradual broadening of customer participation, the persistence of relatively large market shares among a limited number of MPGs indicates that the market remains moderately to highly concentrated at the participant-group level, consistent with the results of the HHI and C4 indicators.

While no single MPG exhibits outright dominance, a small number of major participant groups continue to maintain strong market positions. This suggests that substantial shifts in market share may remain relatively difficult in the near term, particularly given established supplier relationships, customer retention dynamics, and access to large contestable loads.

1.2.1.2. Consumption Per Franchise Area Location

Looking at the market by franchise area, most registered CEUs are located within distribution utility franchise areas that host major economic zones and business districts.

Figures 9(a) and 9(b) present the distribution of average CEUs’ energy consumption by franchise area and, within the MERALCO franchise area, by supplier group for the first quarter of 2026. The results show a highly concentrated geographic structure of retail electricity demand. The MERALCO franchise area accounted for approximately 66% of total CEU consumption, followed by “Other” franchise areas collectively representing around 21%, VECO at about 7%, and NGCP-connected customers (directly connected customers) at roughly 6%.

Consistent with the previous quarter, the geographic distribution remained broadly stable, with no material shifts in the dominant position of the MERALCO franchise area. It should likewise be noted that not all CEUs within the MERALCO franchise area were served by the MERALCO Group.

The continued concentration of consumption within the MERALCO franchise area highlights the central role of Luzon as the primary driver of retail market activity. This is consistent with the concentration of high-load customers, major business districts, and industrial hubs, which collectively shape demand patterns. Meanwhile, the comparatively smaller shares accounted for by VECO, NGCP-connected customers, and other franchise areas indicate that retail market development outside Luzon remains gradual, although opportunities for expansion continue to exist in the Visayas and Mindanao.

Figure 9(b) provides a more detailed view of supplier dynamics within the MERALCO franchise area, where demand is most concentrated. The results show that no single supplier group completely dominates the market, although a few major groups account for a significant share of consumption. The MERALCO Group holds the largest share at approximately 34%, followed by the Aboitiz Group at around 23% and the San Miguel Group at about 11%, while the remaining share is distributed among the “Others” group (12%), Ayala Group (9%), FGEN Group (7%), and other smaller participants.

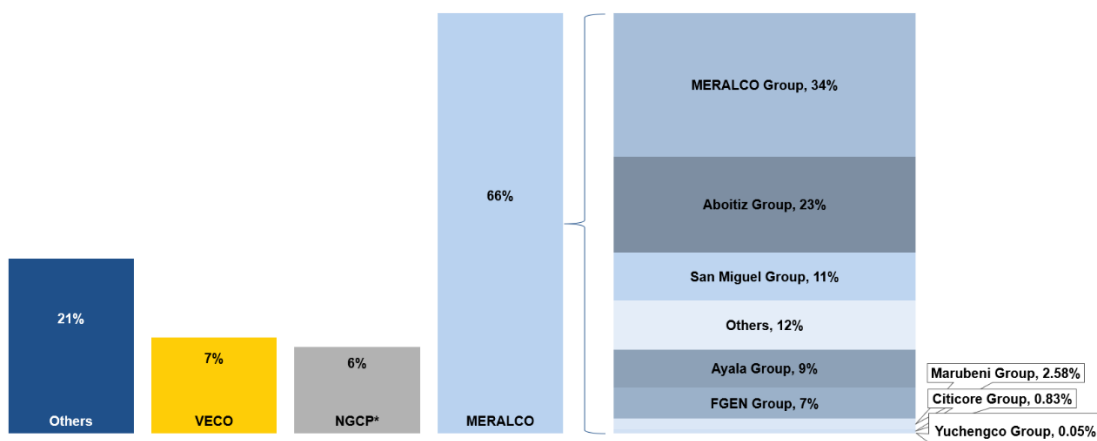


Figure 9. (a)

Figure 9. (b)

* For Directly Connected Customers (DCCs)

Figure 9. (a) Share in Average CEUs' Energy Consumption by Franchise Area for the Q1 2026; (b) Share in Average CEUs' Energy Consumption by Supplier within MERALCO Franchise Area for the Q1 2026

The relatively balanced distribution of shares among multiple large supplier groups suggests that competition within the MERALCO franchise area remains active despite the highly geographic concentration of demand. The fact that a substantial portion of CEUs within the MERALCO franchise area are served by suppliers other than the MERALCO Group further demonstrates the continued presence of competitive supply arrangements, where customers are able to contract with alternative suppliers. However, the persistence of significant shares among a limited number of major participant groups also indicates that market concentration at the MPG level remains moderate to high, consistent with the HHI and C4 observations discussed elsewhere in the report.

1.2.2. Market Concentration

1.2.2.1. Herfindahl–Hirschman Index (HHI) ⁶

This section assesses market concentration based on both the number of CEUs and total energy consumption. The analysis is conducted at two levels: by MPG and by individual supplier. Figure 10 shows the level of concentration using the HHI, which is calculated from the market shares discussed in Section 1.2.1.1. In general, lower HHI values indicate a less concentrated and more competitive market, while higher HHI values reflect greater concentration among fewer players.

Based on the number of CEUs, HHI values at the MPG level remained within or near the threshold for a highly concentrated throughout the period. However, it declined from around 1,968 in March 2025 to 1,727 by March 2026. A consistent downward movement was observed from mid-2025 to the end of the review period, indicating a gradual but observable dispersion of customers across different MPGs.

The consistent downward movement observed from mid-2025 onward suggests that customer growth has become more broadly distributed rather than concentrated within a single participant group. While the market structure remains concentrated at the MPG level, the declining trend indicates that no major group has significantly strengthened its relative dominance during the period.

This trend is consistent with earlier observations regarding the increasing participation of smaller customers and the continued expansion of the retail market across a wider customer base.

At the individual supplier level, HHI values based on CEU count were substantially lower, ranging from approximately 1,169 in March 2025 to 1,074 in March 2026. Although these values remained within the concentrated range, the gradual decline suggests that customers are increasingly

⁶ HHI measures the degree of market concentration. Defined as the sum of the Suppliers' market share, the HHI threshold are as follows:

HHI < 1,000 - not concentrated
Greater than 1,000 up to 1,800 - concentrated
Greater than 1,800 - highly concentrated

distributed among a broader set of active suppliers, even where these suppliers belong to the same MPG.

The divergence between MPG-level and supplier-level HHI values indicates that while market participation remains clustered among a relatively limited number of large corporate groups, competition among individual suppliers within those groups has become relatively more dispersed.

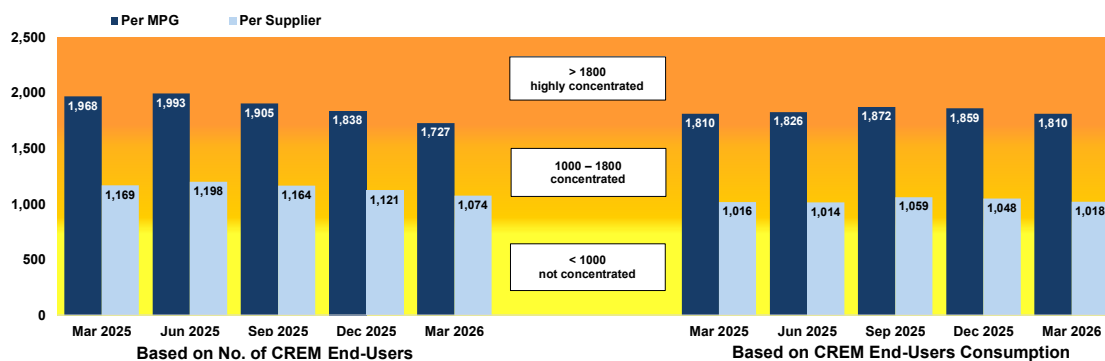


Figure 10. HHI Values for Q1 2025 to Q1 2026

A similar pattern is observed when HHI is evaluated based on electricity consumption. At the MPG level, consumption-based HHI values remained relatively stable within the highly concentrated range, fluctuating between approximately 1,810 and 1,872 throughout the review period.

Unlike the CEU-based HHI, the consumption-based index exhibited only limited movement over time, indicating that major MPGs continue to account for a substantial portion of total electricity demand despite the increasing participation of smaller customers.

At the supplier level, consumption-based HHI values remained lower, ranging from approximately 1,016 to 1,059 before declining slightly to around 1,018 in March 2026. These results suggest that electricity demand remains more evenly distributed across individual suppliers than across broader MPGs.

Overall, the results shown in Figure 10 indicate that the CREM continues to exhibit characteristics of moderate to high concentration, particularly at the MPG level. Nevertheless, the gradual decline in HHI values based on customer count suggests incremental improvements in customer dispersion and supplier participation over time.

The findings further indicate that while structural concentration among major participant groups remains significant, competitive conditions at the supplier level appear to be gradually strengthening as retail market participation broadens.

1.2.2.2. Four-Firm Concentration Index (C4)⁷

⁷ C4 measures the percentage of 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%.

Figure 11 presents the Four-Firm Concentration Index (C4) for the CREM from the first quarter of 2025 to the first quarter of 2026, providing an assessment of the degree of market concentration based on both the number of CEUs and total energy consumption, evaluated at both the Market Participant Group (MPG) and individual supplier levels.

The results indicate that the CREM remained moderately concentrated throughout the review period, with concentration consistently higher at the MPG level than at the individual supplier level.

Based on the number of CEUs, C4 values at the MPG level declined from approximately 76.2% in March 2025 to 73.4% in March 2026. Although the four largest MPGs continued to account for the majority of retail customers, the gradual quarter-on-quarter decline suggests a modest dispersion of customers across other participant groups over time.

This trend indicates that incremental customer growth is increasingly being distributed among a wider range of MPGs rather than being concentrated solely among the largest groups.

At the supplier level, CEU-based C4 values declined more noticeably, from approximately 55.7% in March 2025 to 52.1% in March 2026. This suggests a clearer trend toward customer dispersion across a broader set of individual suppliers, even where these suppliers remain affiliated with larger corporate groups.

A somewhat different pattern emerges when concentration is evaluated based on electricity consumption. At the MPG level, consumption-based C4 values remained relatively stable, fluctuating within the upper end of the moderately concentrated range between approximately 76.4% and 77.2% throughout the review period.

The relative stability of the consumption-based index indicates that electricity demand continued to remain concentrated among the largest MPGs despite the gradual broadening of customer participation.

At the supplier level, consumption-based C4 values remained comparatively lower, ranging from approximately 55.5% to 56.9%, with only minor quarter-on-quarter fluctuations. This suggests that electricity demand remains more evenly distributed among individual suppliers than across broader participant groups.

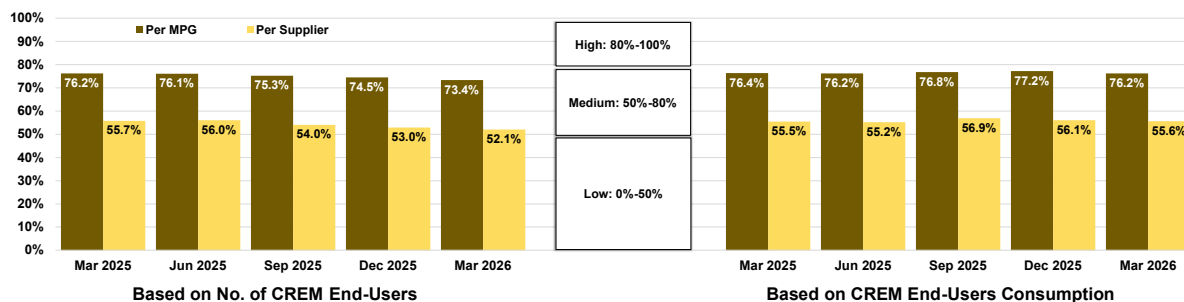


Figure 11. Four-Firm Index for Q1 2025 to Q1 2026

Overall, the results indicate that while structural concentration among major participant groups

remains relatively significant, customer participation and supplier activity continue to become gradually more dispersed at the individual supplier level. This suggests incremental improvements in competitive conditions within the retail market, particularly in terms of customer distribution and supplier participation.

1.3. MARKET PERFORMANCE

1.3.1. Energy Consumption

1.3.1.1. Total Energy Consumption

Figure 12 shows total quarterly energy consumption in gigawatt-hours (GWh) from the first quarter of 2025 to the first quarter of 2026, disaggregated by customer type: CREM End-Users, GEOP End-Users, Retail Aggregation Groups (RAGs), and Captive Customers. The figure illustrates both overall demand trends and the relative contribution of each customer segment.

At the aggregate level, total consumption increased from 26,510 GWh in the first quarter of 2025 to a peak of 30,902 GWh in the second quarter of 2025, before easing to 26,486 GWh in the first quarter of 2026. On a quarter-on-quarter basis, the most recent period—from the fourth quarter of 2025 to the first quarter of 2026—reflects a decline in total demand of around 6%, indicating a moderation in overall energy consumption.

Across all quarters, captive customers consistently accounted for the largest share of total electricity consumption, ranging from approximately 20,402 GWh in the first quarter of 2025 to 19,834 GWh in the first quarter of 2026. Despite quarter-on-quarter fluctuations, captive demand remained the dominant component of total system load across all periods. Notably, captive consumption declined steadily from the second quarter of 2025 to the first quarter of 2026. Nevertheless, the persistence of a large captive base highlights that the retail market, while expanding, still represents a relatively small portion of total electricity demand.

CREM End-User consumption remained relatively stable throughout the period, fluctuating within a relatively narrow range—from approximately 5,898 GWh in the first quarter of 2025 to 6,205 GWh in the first quarter of 2026. Quarter-on-quarter variation was likewise modest, with consumption decreasing slightly from 6,453 GWh in the fourth quarter of 2025 to 6,205 GWh in the first quarter of 2026.

The relative stability of CREM electricity demand, despite continued increases in customer participation, suggests that recent retail market growth is increasingly being driven by participation of smaller-load customers, whose individual consumption levels are lower compared than those of large industrial users. The trend further supports earlier observations that recent market growth is being driven more by smaller participants rather than by major industrial loads.

In contrast, RAG consumption exhibited the most pronounced growth trend, increasing steadily from negligible levels of around 1 GWh in the first quarter of 2025 to 149 GWh by the first quarter of 2026. This sustained upward trajectory indicates that aggregation mechanisms are gaining traction as an effective pathway for smaller customers to participate in the retail market, particularly those

below traditional CREM eligibility thresholds. Although RAG consumption remains small relative to overall demand, its rapid growth signals an important structural evolution in how demand is organized and accessed within the market.

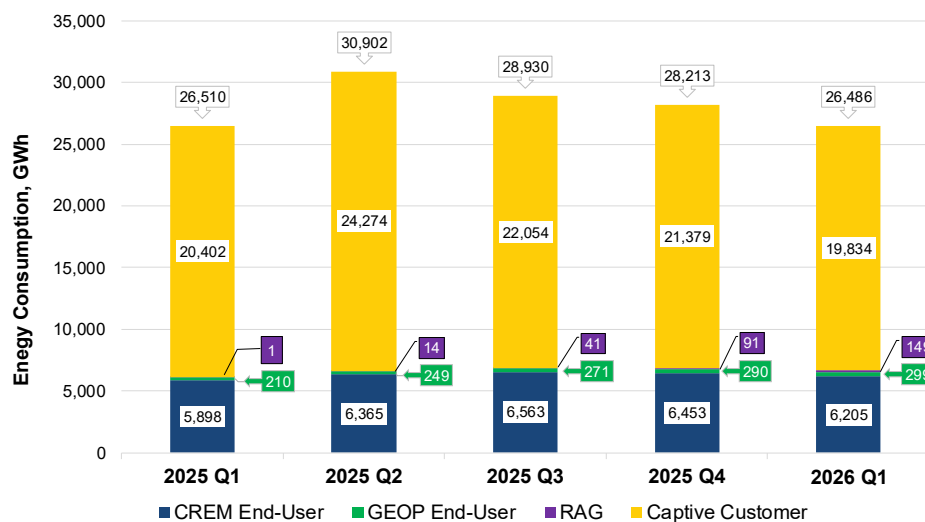


Figure 12. Total Energy Consumption (in GWh) for each Quarter from Q1 2025 to Q1 2026

Overall, Figure 12 shows that the WESM retail electricity market continues to evolve gradually through the increasing participation of retail supply arrangements, aggregation mechanisms, and renewable energy programs. While these segments have not yet materially altered the overall demand structure, the steady growth suggests that a progressively more diversified and accessible retail market over time.

1.3.1.2. Monthly Energy Consumption

The monthly energy consumption of CREM End-Users (CEUs) and Retail Aggregation Groups (RAGs), disaggregated by industry type—commercial and industrial—from March 2025 to March 2026, is presented in Figure 13. The figure provides a more granular view of demand behavior over time and allows for an assessment of underlying trends in retail market participation and consumption patterns.

Over the review period, CEU consumption exhibited relative stability, particularly when compared with the more dynamic growth observed in RAG consumption. Commercial CEU consumption fluctuated within a relatively narrow range, approximately between 700 GWh and 830 GWh per month, while industrial CEU consumption remained consistently higher, ranging from around 1,218 GWh to 1,413 GWh. This clear and persistent difference highlights that industrial customers continue to be the primary drivers of electricity demand within the CREM, reflecting the energy-intensive and continuous nature of industrial operations compared with the more activity-driven load profile of commercial users.

On a quarter-on-quarter basis, CEU consumption showed only moderate variation, with a slight

decline observed toward the first quarter of 2026. Industrial consumption peaked during the third quarter of 2025 before gradually easing into early 2026, while commercial consumption followed a similarly stable but mildly declining trend. These movements are consistent with the broader decline in total system consumption observed in Figure 12.

In contrast, RAG consumption demonstrated a pronounced and sustained upward trajectory throughout the period, particularly during the second half of 2025 and into the first quarter of 2026. Commercial RAG consumption increased from minimal levels—below 1 GWh in early 2025—to approximately 34 GWh by March 2026, while industrial RAG consumption rose from near zero to around 20 GWh over the same period.

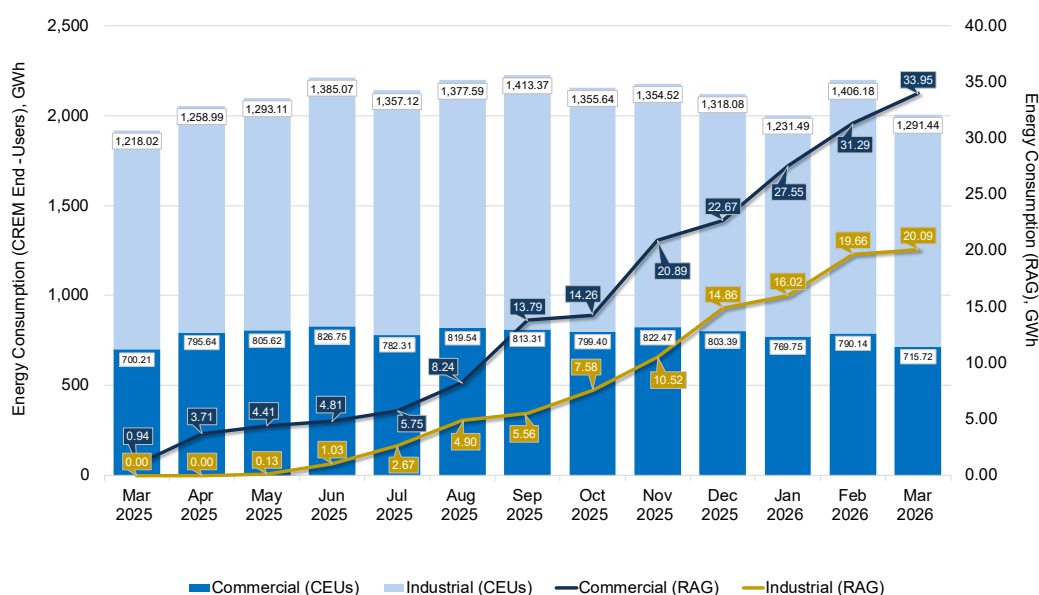


Figure 13. Total Energy Consumption by Industry Type (in GWh) for each Period from March 2025 to March 2026

The stronger growth observed among commercial RAG participants suggests that aggregation mechanisms are increasingly enabling smaller commercial customers to participate in the retail market. By pooling demand, these customers are able to access retail supply arrangements that may not have been economically or operationally viable on an individual basis.

Overall, Figure 13 highlights the emergence of a dual market structure within the CREM: a relatively stable base of large, directly participating customers alongside a rapidly growing segment of smaller aggregated users. While overall electricity demand remains anchored by industrial CEUs, the continued expansion of RAG participation suggests a gradual broadening of the retail market, with potential implications for supplier strategies, competition, and long-term market development.

1.3.2. Load Profile

1.3.2.1. Hourly Energy Consumption Profile

Figure 14 presents the hourly average energy consumption profile of industrial CREM end-users from October 2025 to March 2026, providing insight into daily load behavior and short-term variations in demand across the review period.

The figure shows that industrial electricity consumption remained consistently high and relatively stable throughout the 24-hour cycle, generally ranging between approximately 1,700 MWh and 2,000 MWh, with only modest hour-to-hour fluctuations. This pattern reflects the continuous and baseload-oriented nature of industrial operations, where facilities typically operate on extended or near round-the-clock schedules, resulting in a flatter and more sustained load profile compared with other customer segments.

Across all months, the hourly demand profile remained generally consistent, with only limited variation between peak and off-peak periods. Consumption declined slightly during the early afternoon hours, around 1200h to 1500h, before gradually increased again toward the evening and late-night periods. Although these intraday variations were relatively modest, the pattern was consistently observed throughout the review period, suggesting that it may be associated with regular operational activities such as maintenance schedules, production cycles, or reduced midday operations.

The industrial load profile remained relatively stable and predictable, thereby supporting system reliability and supply planning. The relatively limited variation in hourly demand, even across quarters, further suggests that industrial consumption is generally less sensitive to short-term fluctuations in weather, holidays, or business-hour effects than overall system demand. This reinforces the role of industrial customers as a stable anchor of electricity consumption within the CREM framework.

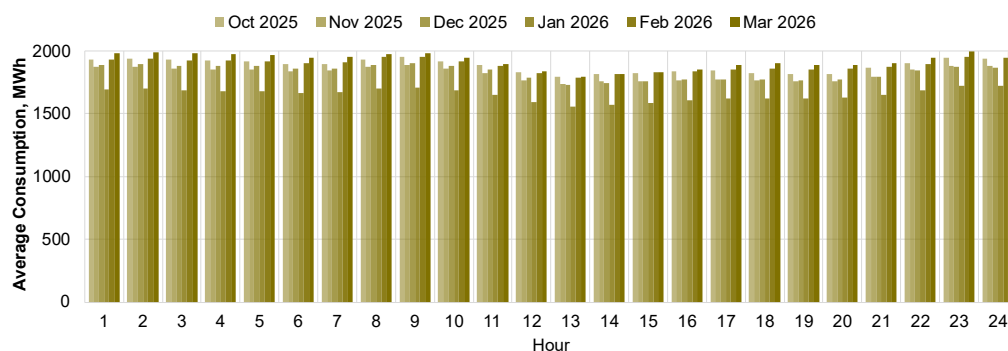


Figure 14. CREM Hourly Average Energy Consumption (in MWh), Industrial, October 2025 to March 2026

Meanwhile, Figure 15 presents the hourly average energy consumption profile of commercial CREM end-users from October 2025 to March 2026, providing insight into daily demand behavior and short-term consumption dynamics within the retail market. The figure shows a distinct and consistent “business-hours” load pattern, characterized by relatively low consumption during overnight periods, followed by a sharp increase beginning in the early morning at 0700h, peaking during the midday and early afternoon hours from 1100h to 1700h, and gradually declining toward

the evening. Across the six-month period, this structural pattern remained broadly stable, indicating that commercial electricity consumption continues to be closely aligned with daytime business operations and economic activity.

A comparison between the fourth quarter of 2025 and the first quarter of 2026 shows that the overall shape of the load curve remained largely unchanged, indicating that the underlying consumption behavior of commercial customers remained structurally stable. However, modest differences in demand levels were observed across the months. During the fourth quarter of 2025, average hourly demand during peak daytime hours was generally higher, reaching around 1,400 MWh to 1,500 MWh. This likely reflects increased commercial activity and consumer spending typically associated with the year-end period. In comparison, the first quarter of 2026 showed a modest decline in daytime peak demand, with peak levels slightly lower than those recorded in the previous quarter.

Despite the slight decline in peak demand levels, the intraday consumption pattern remained consistent and predictable. Peak demand continued to occur between approximately 1000h and 1600h across all observed months, reflecting the strong influence of standard commercial operating hours. Electricity consumption during these periods was largely driven by daytime business activities such as office operations, retail services, and the use of commercial facilities.

Meanwhile, overnight demand remained relatively low and stable, generally staying below 800 MWh, indicating reduced activity outside normal business hours. The pronounced difference between daytime peak demand and nighttime off-peak demand highlights the inherently cyclical nature of commercial loads. This behavior differs from industrial demand profiles, which tend to exhibit flatter and more continuous consumption patterns throughout the day.

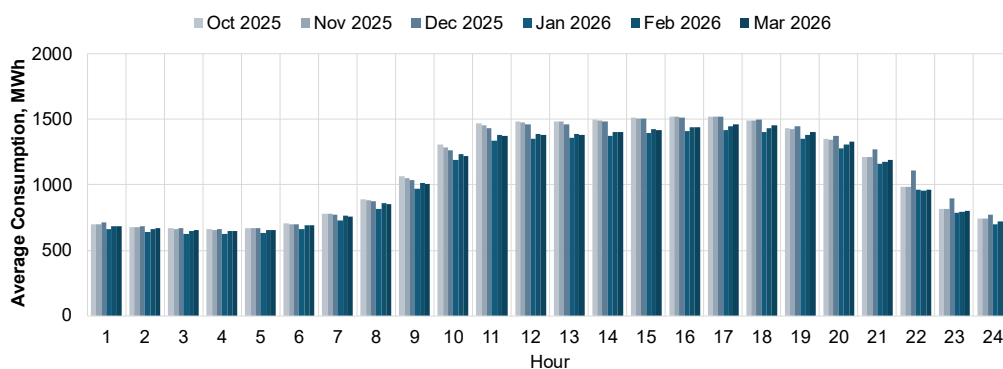


Figure 15. CREM Hourly Average Energy Consumption (in MWh), Commercial, October 2025 to March 2026

On the other hand, Figure 16 presents the hourly average energy consumption profile of industrial customers participating under the Retail Aggregation Program (RAP) from October 2025 to March 2026, highlighting the evolving demand characteristics of aggregated industrial loads. The figure shows a relatively stable but moderately variable daily load profile, with consumption generally ranging between approximately 20 MWh and 35 MWh across the 24-hour cycle.

Compared with traditional industrial CREM loads, which typically exhibit flatter and more continuous baseload demand patterns, the aggregated industrial profile displays a slightly more pronounced

daytime increase in consumption, particularly between approximately 0800h and 1800h. Peak consumption levels were generally observed during late morning to afternoon hours, after which demand gradually tapered during the evening period.

Despite these variations, the overall load profile remained relatively stable across the observed months, indicating that aggregated industrial customers continue to maintain sustained operational demand throughout the day. The comparatively smoother decline during nighttime hours further suggests that many participating customers operate beyond standard business hours, although with lower intensity relative to daytime operations.

The observed demand pattern also indicates that aggregated industrial customers may represent a more diverse mix of medium-sized facilities and operational schedules compared with larger directly participating industrial CREM customers. As a result, their combined load profile exhibits greater variability while still retaining characteristics of relatively continuous industrial consumption.

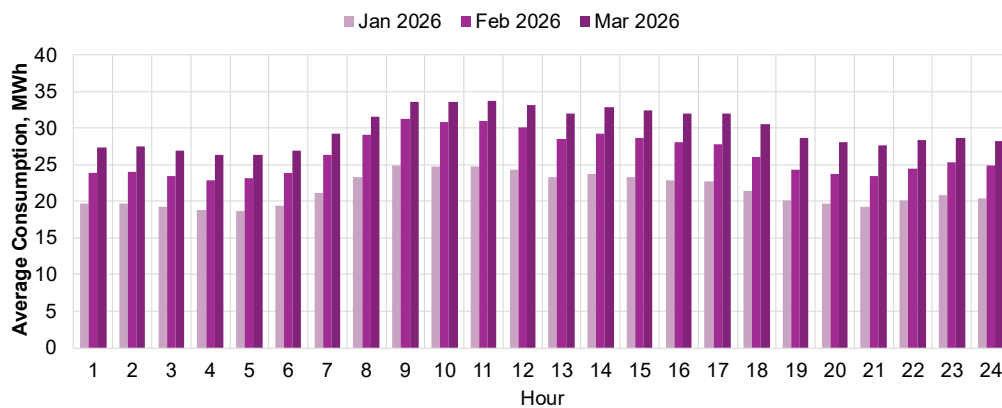


Figure 16. RAG Hourly Average Energy Consumption (in MWh), Industrial, October 2025 to March 2026

Continuing with the RAG hourly average energy consumption profiles, Figure 17 presents the profile of commercial customers participating under RAP from October 2025 to March 2026, providing insight into the demand behavior of aggregated commercial loads.

Similar to directly participating CREM commercial customers, the figure shows a well-defined diurnal consumption pattern characterized by relatively low demand during nighttime hours, followed by a steady increase beginning in the early morning at 0600h, reaching peak levels during the midday to early afternoon hours from 1100h to 1700h, and gradually declining toward the evening.

This pattern is consistent with the typical operating schedules of commercial establishments, indicating that aggregated commercial customers, like directly participating commercial CEUs, exhibit demand profiles closely tied to business hours and daytime economic activity.

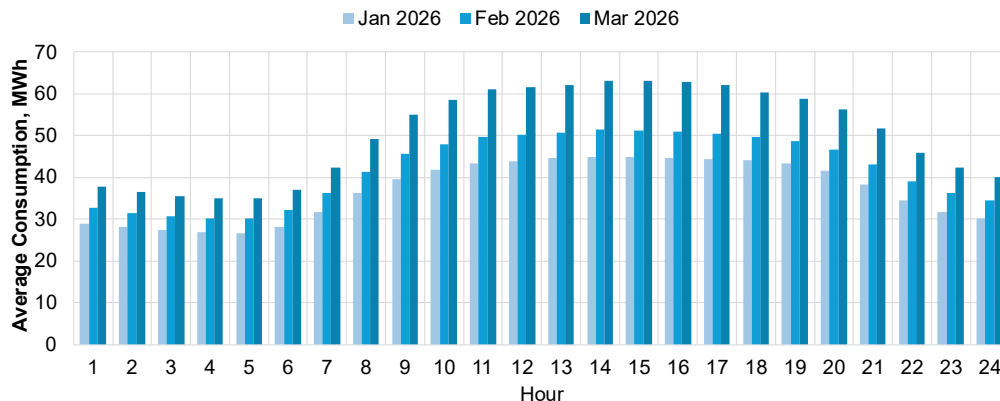


Figure 17. RAG Hourly Average Energy Consumption (in MWh), Commercial, October 2025 to March 2026

Figures 16 and 17 show that both industrial and commercial customers under the RAG continue to demonstrate stable and predictable daily load patterns closely linked with their respective operating activities. In general, demand increases during daytime hours and declines during nighttime periods, reflecting the continued growth and strengthening of aggregation within the retail market.

Industrial RAG loads (Figure 16) maintained a relatively stable demand profile with only moderate fluctuations, suggesting that many aggregated industrial facilities operate on extended or relatively continuous schedules. On the other hand, commercial RAG loads (Figure 17) exhibited a more noticeable daytime peak, indicating a stronger connection to standard business operations and economic activity.

Despite these differences in load behavior, both figures show a gradual upward shift in demand levels across most hours of the day. This trend suggests that growth is being driven not only by increasing customer participation, but also by higher levels of electricity usage among aggregated customers.

1.4. RETAIL ACTIVITY

1.4.1. Market Transactions

Figure 18 presents the sourcing behavior of electricity supply for CEUs and RAGs from October 2025 to March 2026, distinguishing between Bilateral Contract Quantities (BCQ) and spot market purchases, alongside the corresponding levels of spot exposure. Over the review period, the supply structure remained predominantly contract-based, with bilateral contracts consistently accounting for the majority of total energy consumption. This indicates that suppliers continued to rely primarily on long-term contractual arrangements to ensure supply stability and mitigate exposure to short-term price volatility.

Despite the continued dominance of bilateral contracts, gradual shift in procurement behavior can be observed when comparing the fourth quarter of 2025 with the first quarter of 2026. During the fourth quarter of 2025, total monthly energy consumption remained relatively stable, ranging from

about 1.99 million MWh to 2.05 million MWh. In comparison, the first quarter of 2026 recorded a modest decline in demand, with total consumption falling to around 1.85 million MWh by March 2026.

Notwithstanding the decline in overall demand, spot market purchases increased in relative terms, suggesting a shift in sourcing behavior.

A more noticeable trend can be seen in the movement of spot market volumes and exposure levels. During fourth quarter of 2025, spot purchases ranged from around 156,922 MWh to 180,850 MWh, while spot exposure remained between approximately 7.11% and 8.31%. In the first quarter of 2026, both spot quantity and exposure levels increased more significantly. Spot purchases exceeded 200,000 MWh in both February and March 2026, while spot exposure gradually rose from about 8.77% in January 2026 to around 10.00% by March 2026, representing the highest level recorded during the review period.

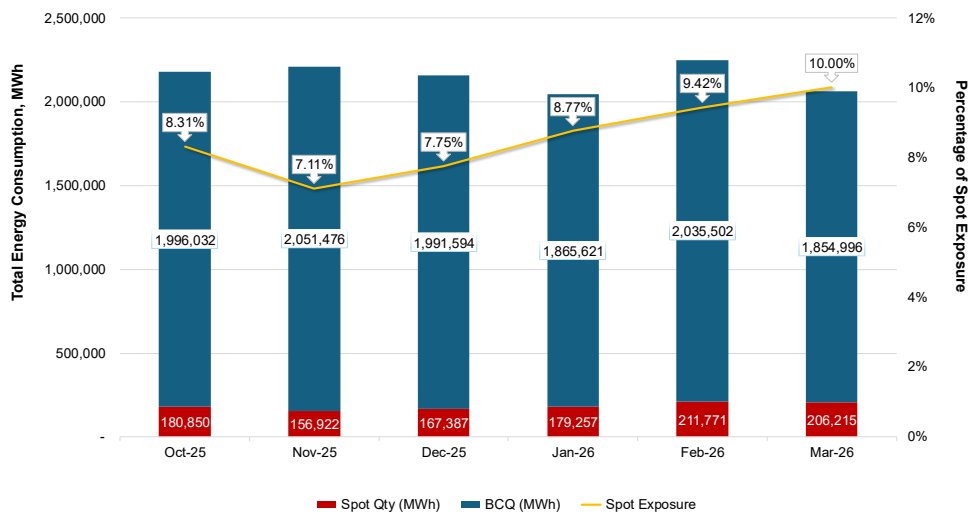


Figure 18. CREM and RAP Market Transaction, Q4 2025 to Q1 2026

Overall, Figure 18 indicates that the CREM and RAP in first quarter of 2026 remained stable and predominantly contract-based, while showing early signs of increasing flexibility in sourcing behavior. This suggests that suppliers continued to manage supply requirements primarily through bilateral contracting arrangements, with spot purchases serving mainly as a supplementary balancing mechanism rather than a primary source of supply.

1.4.2. Customer Switching Rate

Customer switching in the CREM refers to the process by which CEUs transfer from one RES to another. Under the WESM Rules, switching is permitted once a customer’s contract expires or when both parties agree to an early termination. This mechanism ensures that customers retain the freedom to choose their preferred supplier, thereby promoting competition and encouraging more efficient market outcomes.

This section examines customer switching activity within the CREM during 2025 and the first quarter of 2026, as shown in Figure 19. The figure provides insight into the extent to which CEUs actively exercise supplier choice, as well as the broader dynamics of customer mobility. Overall, switching activity remained generally limited, with monthly switching rates consistently below 2%.

A comparison between the fourth quarter of 2025 and the first quarter of 2026 shows a noticeable increase in switching activity at the beginning of the year. During the fourth quarter of 2025, switching volumes declined toward year-end, with monthly switches recorded at 15 in October, 6 in November, and 7 in December.

In contrast, the first quarter of 2026 recorded a temporary uptick in switching activity, particularly in January, when 33 switches were recorded. This corresponded to a switching rate of 1.28%, the highest observed during the review period. Switching activity moderated in the succeeding months, with 13 switches (0.50%) in February and 21 switches (0.78%) in March. The spike in January 2026 indicates a concentration of contract expirations at the beginning of the year, creating opportunities for customers to reassess their supply arrangements and exercise supplier choice.

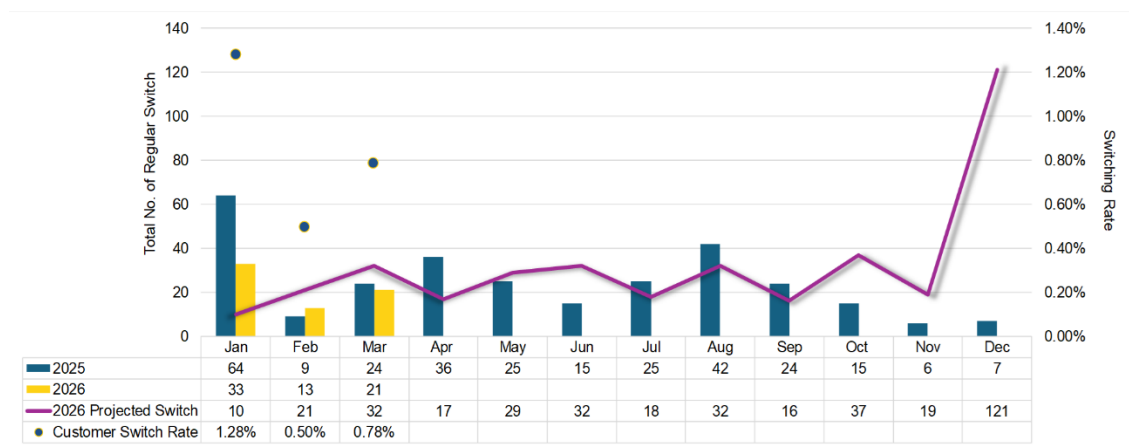


Figure 19. Switching Rate, 2025 to Q1 2026

**Projected Switch – CEUs with projected contract expiration during the billing period⁸*

Despite the increase, switching activity observed during first quarter of 2026, overall customer mobility remained relatively low in proportion to the total number of CEUs. This suggests that while the switching mechanism remains functional and accessible, most customers continue to maintain their existing supplier relationships. Although projected switches, representing customers with expiring contracts, were relatively high in several months, actual switching consistently fell short of projections, particularly in February and March 2026. This gap indicates that contract expiration does not necessarily lead to a supplier change, as many customers choose to renew or renegotiate contracts with their incumbent suppliers.

Meanwhile, Figure 20 presents the distribution of customer switching activity across MPGs, distinguishing between switches originating from another MPG (inter-MPG switching) and those

⁸ Based on the Monthly IEMOP Summary Report for RCOA and GEOP

occurring within the same MPG (intra-MPG switching).

A comparison between the review period and the previous quarter indicates a clear increase in overall switching activity during first quarter of 2026, consistent with the trends observed in Figure 19. In fourth quarter of 2025, switching volumes across MPGs were generally low and dispersed, with most groups recording only minimal movements. In contrast, first quarter of 2026 showed a more pronounced level of activity, with several MPGs registering higher switching counts, particularly in inter-MPG switches. This increase reflects a seasonal concentration of contract expirations at the beginning of the year, which created more opportunities for customers to reconsider their supplier arrangements.

In first quarter of 2026, the distribution of switching activity shifted more noticeably toward inter-MPG movements. The FGEN Group recorded a substantial increase in switches originating from other MPGs, making it one of the primary recipients of customer transfers during the period. Similarly, the Aboitiz Group also exhibited higher levels of inter-MPG switching, indicating more active competition for customers across corporate groups. Meanwhile, some customers transferred their supply contract from other independent suppliers, which are collectively categorized under the “Others” group⁹. The increase in inter-MPG switching suggests that, during periods of contract renewal, customers are more willing to explore alternative suppliers outside their current MPG, particularly when there are perceived advantages in pricing or service offerings.

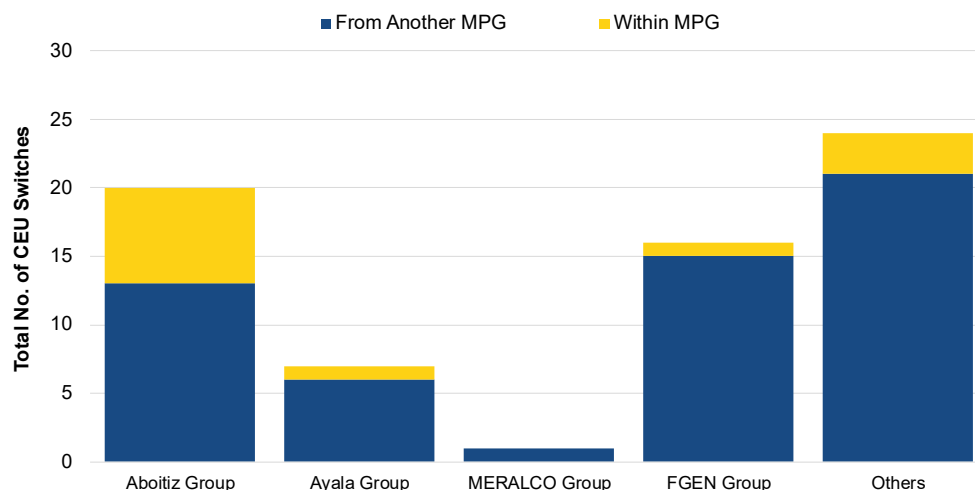


Figure 20. Total No. of CEU Switches in the Major Participant Groups for Q1 2026

At the same time, intra-MPG switching remained present but was generally less pronounced in first quarter of 2026 compared to fourth quarter of 2025. This indicates that while customers continue to adjust their contractual arrangements within affiliated groups, a larger share of switching activity is now driven by cross-group competition.

The presence of both inter- and intra-MPG switching highlights the multi-layered nature of

⁹ Based on the Retail Electricity Supplier Group Information from the ERC Monthly Statistical Report as of March 2026.

competition within the CREM. Inter-MPG switching reflects direct competition among major participant groups, where customers move between suppliers possibly based on factors such as pricing, contract terms, and quality of service. Meanwhile, intra-MPG switching may indicate internal portfolio adjustments, with customers transferring among affiliated suppliers to improve or optimize their contractual arrangements without fully changing their broader supplier group. Together, these forms of switching provide a clearer and more comprehensive view of how competition and customer choice operate within the market.

1.4.3. Retail Rate

Figure 21 compares the Weighted Average Retail Generation Rate (WARGR)¹⁰ of Retail Electricity Suppliers (RES and Local RES) under the CREM against the average generation rates of the top five Distribution Utilities (DUs)¹¹ based on consumption, covering the period from October 2025 to March 2026. The chart provides a benchmark for retail supply prices in the competitive market relative to the regulated generation rates typically paid by customers remaining under DU supply.

Over the review period, retail generation rates under the CREM exhibited relative stability, remaining within a narrow range compared to the more pronounced upward trend observed in DU generation rates. During fourth quarter of 2025, CREM rates were recorded at PHP 5.71/kWh in both October and November before declining to PHP 5.33/kWh in December. In contrast, average DU generation rates during the same period fluctuated at generally higher levels, recorded at PHP 5.45/kWh in October, increasing to PHP 5.79/kWh in November, and slightly rising further to PHP 5.80/kWh in December. While October showed a marginal pricing advantage for DU rates, the succeeding months demonstrated a clear price advantage for CREM participants.

A quarter-on-quarter comparison between the fourth quarter of 2025 and first quarter of 2026 reveals a divergence in pricing trends between the competitive retail market and regulated DU supply. In the first quarter of 2026, CREM rates remained relatively stable, with rates of PHP 5.33/kWh in January and February, followed by a slight increase to PHP 5.41/kWh in March. This indicates that retail pricing remained comparatively stable despite changing market conditions. On the other hand, DU generation rates exhibited an overall upward trend, increasing from PHP 6.12/kWh in January, easing slightly to PHP 5.92/kWh in February, and rising further to PHP 6.43/kWh in March. This widening gap between CREM and DU rates underscores the sustained price competitiveness of retail supply during the quarter.

The observed price difference has important implications for market outcomes. The lower average rates under the CREM indicate that contestable customers continued to benefit from competitive supply arrangements, particularly during periods when DU generation costs are increasing. The wider gap recorded during the first quarter of 2026 suggests that the financial benefits of participating in the retail market became even more evident, which may further encourage eligible customers to shift from captive supply to retail supply. This trend is also consistent with other findings in the report showing continued growth in CREM participation alongside a decline in captive customer counts.

¹⁰ Based on the Monthly ERC Statistical Report of the Customer Choice Programs in the Retail Market

¹¹ Top 5 Distribution Utilities based on CREM energy consumption for each period from the Monthly Retail Market Statistics

Although Figure 18 shows an increase in spot market exposure, retail rates remained generally stable and did not experience the same level of volatility. This indicates that suppliers were able to absorb short-term market fluctuations without significantly passing these costs on to end-users.

The increase in DU generation rates during first quarter of 2026 may have been driven by higher underlying supply costs, including changes in fuel prices, shifts in the generation mix, or the pass-through of contract costs under regulated pricing mechanisms. In comparison, CREM suppliers were generally able to keep rates relatively stable, reflecting the flexibility of competitive supply arrangements in which pricing can be negotiated over longer contract periods and tailored to customer needs.

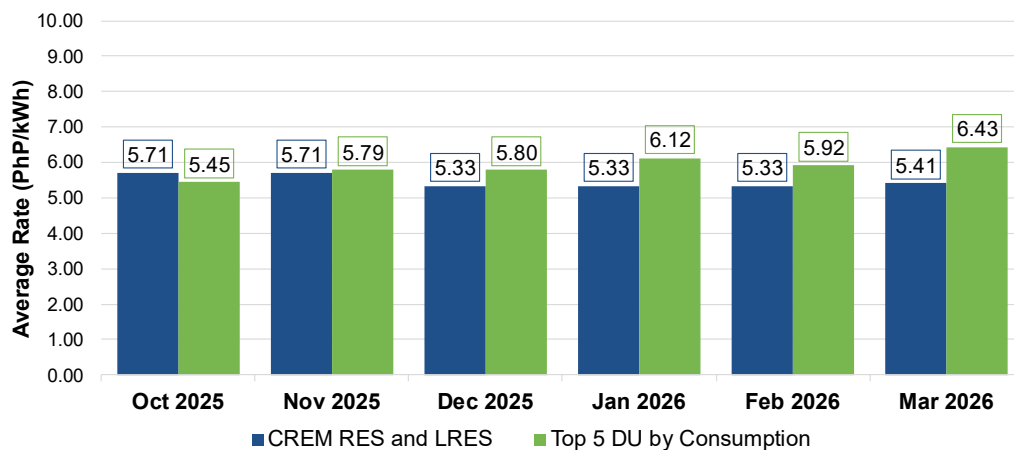


Figure 21. CREM (RES & Local RES) Weighted Average Rate and Top 5 DU Average Generation Rate (by Consumption) for Q4 2025 to Q1 2026

Overall, Figure 21 shows that CREM continues to offer a competitive pricing alternative to regulated DU supply. The wider price gap in favor of the CREM during first quarter of 2026 highlights the increasing economic advantage of participating in the retail market. While retail rates remained relatively stable, the rise in DU generation rates made competitive supply more attractive, which could further encourage customers to transition to the retail market.

However, the price advantage of the CREM relative to DU generation rates may vary from month to month. Changes in DU generation charges, as well as movements in retail contract pricing, can influence the size of the price difference at any given time.

1.4.4. Estimated Savings

Continuing from the previous section, Figure 22 shows CREM's estimated quarterly savings (in million pesos) for commercial and industrial end-users. The stacked bars illustrate the combined total for each quarter.

For this report, savings were estimated by calculating the difference between the WARGR¹² and the

¹² Based on the Monthly ERC Statistical Report of the Customer Choice Programs in the Retail Market

top 5 DU¹³ average generation rates¹⁴, multiplied by the monthly consumption of CEUs and then aggregated quarterly. These figures are based on available data and should be considered indicative rather than definitive.

Over the review period, the data shows a transition from relatively minimal savings in early 2025 to significantly higher gains by the first quarter of 2026, although with some volatility during the intervening quarters. The fourth quarter of 2025 showed a partial recovery in estimated savings, with commercial savings increasing to around PHP 238.14 million and industrial savings rising to approximately PHP 379.74 million.

A more pronounced increase in estimated savings is evident in the first quarter of 2026, when commercial savings reached approximately PHP 1.80 billion and industrial savings surged to about PHP 3.11 billion. This represents the highest level of savings observed across the review period. The sharp increase is consistent with the widening gap between CREM rates and DU generation rates discussed in Figure 21, where DU rates rose significantly while retail rates remained relatively stable. This divergence in pricing created favorable conditions for CREM participants, resulting in substantial estimated financial gains.

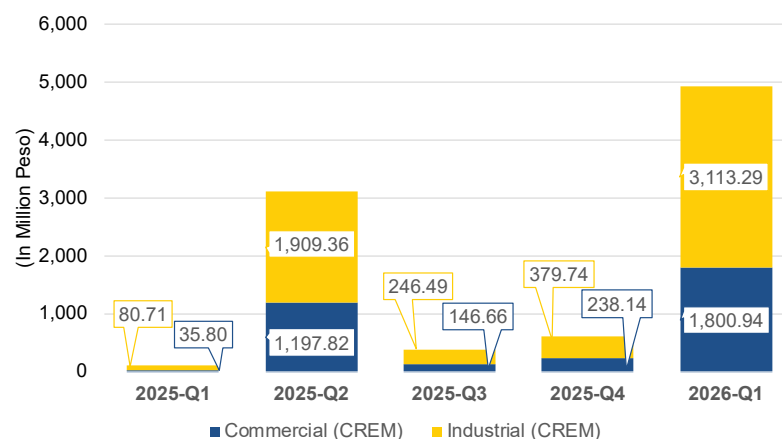


Figure 22. CREM's Quarterly Estimated Savings for Q1 2025 to Q1 2026

Total estimated savings increased significantly, supported by wider price differentials and continued strong electricity consumption among CEUs.

Across all quarters, industrial customers consistently accounted for the larger share of total savings compared to commercial customers. This is mainly attributable to their higher electricity consumption, which amplifies the peso impact of any difference between retail supply rates and DU generation rates.

It is important to note that savings are not guaranteed each quarter. While the retail market can yield substantial benefits under favorable market conditions, the level of savings depends largely on the

¹³ Top 5 Distribution Utilities based on CREM energy consumption for each period from the Monthly Retail Market Statistics

¹⁴ Average generation rates based on published rates of each DU in their website

relative movement of retail supply rates and DU generation rates.

2.0 GREEN ENERGY OPTION PROGRAM

This portion provides an assessment on the implementation of the Green Energy Option Program (GEOP) for the covered period, utilizing the CREM indices for the review of activities under this program.

2.1 MARKET STRUCTURE

This section presents an overview of the market structure of GEOP during the review period. It provides a breakdown of the composition of participants and suppliers in the program. These components describe how participation in GEOP is distributed across different customer segments and supply-side entities.

2.1.1 Number of Participants

This subsection focuses on the number of end-users participating in the GEOP. It outlines the total registered participants and examines their distribution across different categories, including demand threshold, geographic location, and retail activity classification. The discussion provides a view of how GEOP participation is composed in terms of customer size, location, and type of business activity.

2.1.1.1 GEOP End-Users (GEUs)

Figure 23 presents the number of end-users registered under the GEOP relative to the total number of eligible end-users within the 100–499 kW threshold from March 2025 to March 2026. The figure highlights both the level of participation in the program and the size of the remaining eligible but unregistered customer base, providing a clear view of market uptake and expansion potential within this segment. Given the difference in the eligibility threshold between GEOP and CREM, the 100–499 kW segment may serve as an entry point for small-demand customers to participate in the program.

Over the review period, GEOP participation exhibited a steady and sustained upward trend. The cumulative number of registered GEOP end-users increased from 562 in March 2025 to 877 by March 2026, based on end-of-quarter figures, representing a cumulative increase of approximately 56%. This consistent growth across all quarters indicates the continued expansion in the adoption of renewable energy supply options among eligible customers, particularly within the lower-demand threshold segment. The upward trajectory suggests increasing awareness of the program, as well as growing customer confidence in sourcing electricity from renewable energy suppliers.

In contrast, the number of eligible end-users not registered under GEOP showed a gradual decline over the same period. From 11,713 in March 2025, the number decreased to 10,921 by March 2026. While the reduction is modest relative to the total eligible base on a quarter-on-quarter comparison, the consistent downward trend reflects the gradual conversion of eligible customers into actual participants in the program. This inverse relationship between registered and unregistered customers provides clear evidence that growth in GEOP is highly driven by the

migration of eligible end-users into renewable energy participation, aside from the eligibility criteria.

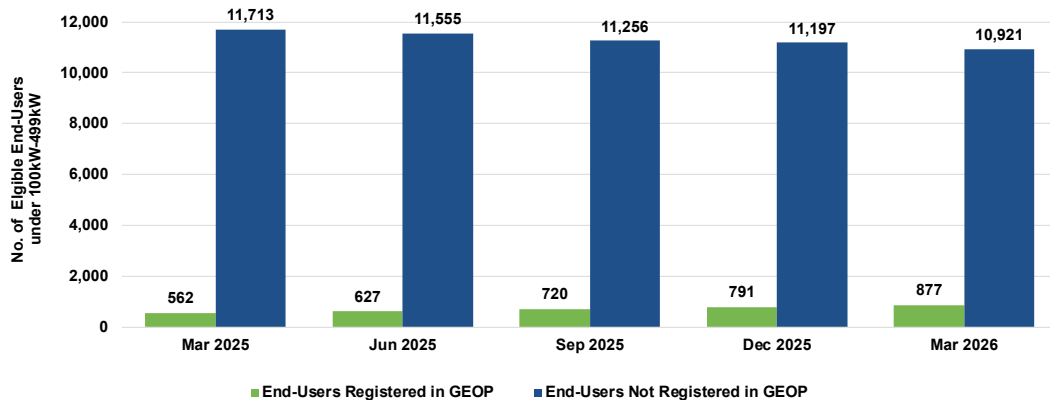


Figure 23. Cumulative Number of Eligible End-Users under 100-499kW Threshold¹⁵, as of end of each Quarter for Q1 2025 to Q1 2026

Despite this progress, the figure also shows that most eligible customers within the 100–499 kW range are still not participating in the GEOP. By March 2026, only a small share of the total eligible population had registered, with approximately 93% of customers remaining unregistered. This suggests that while the program is gradually gaining traction, a large portion of the potential market has yet to be reached. The gap between eligible and registered customers points to considerable room for further growth, as well as the need for continued efforts to expand awareness and participation.

2.1.1.2 Per Threshold

This section presents the cumulative number of end-users registered under the GEOP, disaggregated by demand threshold, from the first quarter of 2025 to the first quarter of 2026. The thresholds include 100–499 kW, 500–749 kW, 750–999 kW, and 1 MW and above, alongside the corresponding quarter-on-quarter percentage changes. Figure 24 provides a clear view of how participation in GEOP is evolving across different customer segments and highlights the pace at which the program is expanding.

A closer look at the quarter-on-quarter movements shows that growth remained positive throughout the review period, although the pace varied across the quarters. Registrations increased by about 9.13% from first to second quarter of 2025 and by 11.57% from second to third quarter of 2025. The highest growth was recorded between third and fourth quarters of 2025, when participation rose by around 14.83%, indicating a period of faster market uptake.

Growth moderated thereafter, with the increase slowing to approximately 10.87%. Although participation continued to grow, the moderation in growth rates may suggest the early stages of market maturation, where the initial surge in adoption begins to stabilize as the program reaches a

¹⁵ Based on the available data from ERC's Monthly Statistical Report of the Customer Choice Programs in the Retail Market for March 2025

wider portion of the eligible customer base.

Across all periods, the 100–499 kW threshold consistently accounted for the largest share of GEUs, comprising the bulk of total participation. This reflects the structural difference between GEOP and CREM, where GEOP serves as an entry point for smaller-demand customers that fall below the traditional CREM eligibility threshold of 500 kW.

The higher demand thresholds—500–749 kW, 750–999 kW, and 1 MW and above—contributed relatively smaller shares in absolute terms but also showed consistent increases over time. This indicates that while GEOP participation is primarily driven by smaller customers, there is also gradual uptake among larger end-users. The presence of growth across all thresholds suggests that the program is not limited to a specific customer segment but is gradually expanding across a broader range of demand levels.

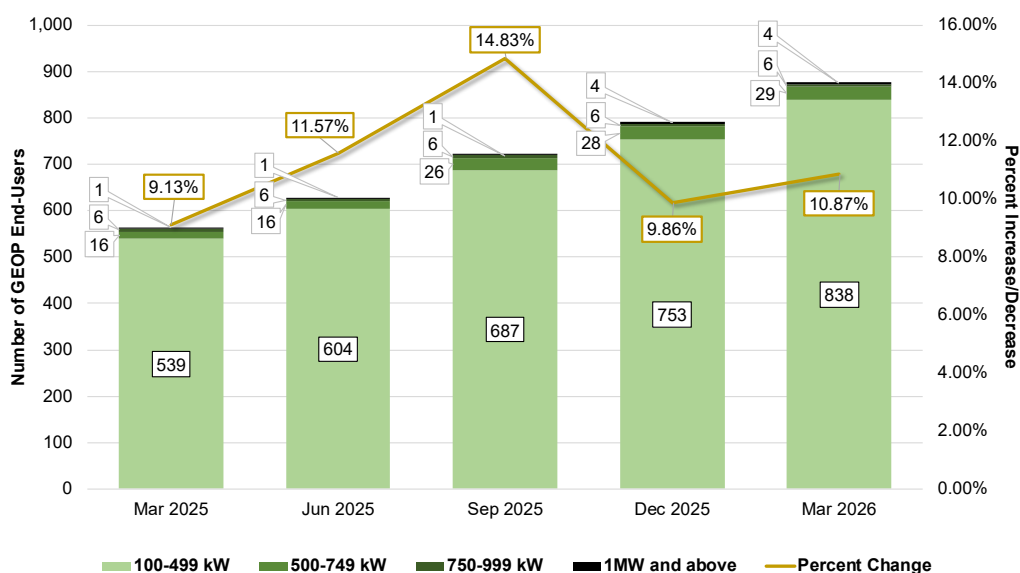


Figure 24. Cumulative Number of GEUs per Threshold as of the End of Quarters from Q1 2025 to Q1 2026

In addition, recent regulatory developments, including ERC issuances related to the expansion of eligibility thresholds, are expected to further influence participation trends. In particular, the recent move to lower the GEOP eligibility threshold to 50 kW¹⁶ represents a significant structural development for the program. While no participation under this revised threshold was recorded during first quarter of 2026, the policy change is expected to substantially expand the pool of eligible customers in succeeding periods. By allowing smaller end-users to directly participate in renewable energy sourcing, this adjustment is likely to accelerate growth in the lower-demand segments and further strengthen the role of GEOP as a pathway for broader retail market participation.

¹⁶ DOE Department Circular No. DC2026-01-0002 Promulgating the Revised Rules and Guidelines Governing the Implementation of the Green Energy Option Program

2.1.1.3 Per Location

The cumulative number of GEOP end-users across the three major regions—Luzon, Visayas, and Mindanao—from the first quarter of 2025 to the first quarter of 2026 is presented through a combination of a quarterly stacked bar chart and a geographic heat map, as shown in Figure 25.

Together, these visuals provide a clearer picture of how participation in the GEOP has grown over time and how adoption is distributed across different regions by the end of each quarter. The steady upward trend in cumulative counts reflects continued market expansion and increasing adoption of renewable energy supply options among eligible customers. This trend is consistent with the broader patterns observed in Figure 24, where participation increased across all demand thresholds.

From a regional perspective, Luzon consistently accounted for the largest share of GEOP participants throughout the review period and remained the primary driver of overall growth. The number of end-users in Luzon increased steadily each quarter, reflecting the concentration of commercial and industrial activity in highly urbanized and economically active areas. The geographic heat map further reinforces this observation, showing the highest density of GEOP participants in the National Capital Region (NCR) and nearby provinces. This concentration is expected, as Luzon hosts most of the country's major business districts, economic zones, and high-load customers, which are more likely to participate in renewable energy programs.

In comparison, the Visayas region showed gradual but consistent growth over the same period. While the total number of participants remained significantly lower than in Luzon, the steady increase suggests growing awareness and adoption of the GEOP among eligible customers in key urban centers within the region.

Meanwhile, Mindanao continued to account for the smallest share of GEOP participants throughout the review period. Although participation increased modestly, particularly in the latter quarters, the total number of end-users remained limited relative to Luzon and the Visayas.

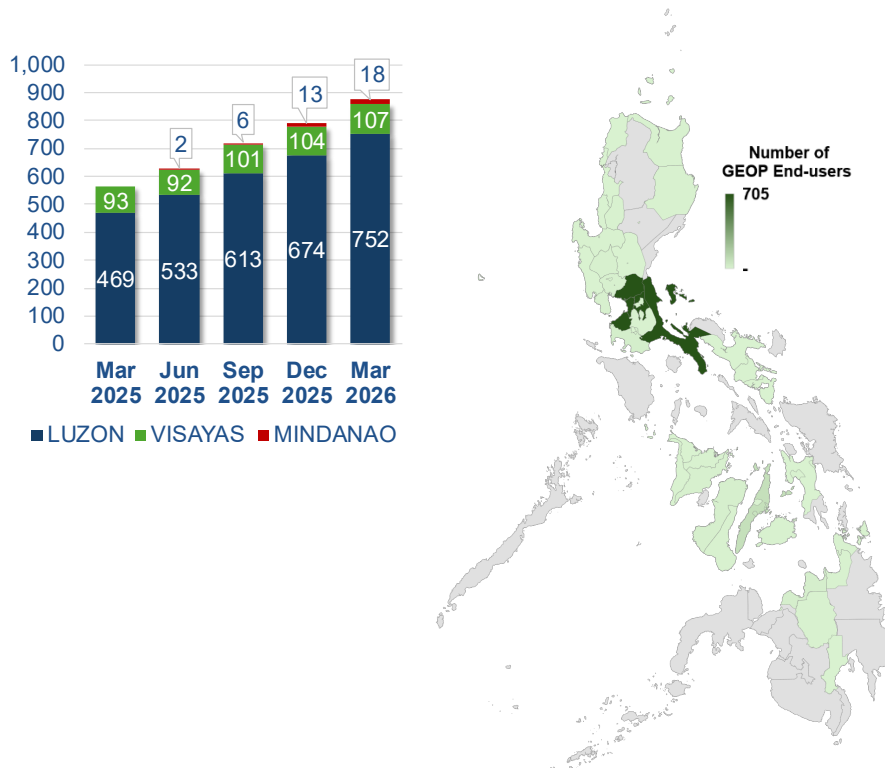


Figure 25. Cumulative Number of GEOP End-users Per Region, Q1 2025 to Q1 2026

Note: Retail market is fully operational in the three major grids (Luzon, Visayas, and Mindanao) where WESM is operating¹⁷.

Overall, the data shows steady growth in GEOP participation nationwide during the review period. The cumulative number of registered end users increased every quarter, reflecting sustained interest in renewable energy options.

2.1.1.4 Per Retail Activity

The cumulative number of GEUs by retail activity—commercial and industrial—from the first quarter of 2025 to the first quarter of 2026 is shown in Figure 26, illustrating how participation has evolved across these two major customer segments. The horizontal bar format highlights both the total number of participants in each category and the growth in participation over time.

Over the review period, GEOP participation showed sustained growth across both the commercial and industrial sectors, with the total number of registered end-users increasing steadily each quarter. Commercial customers consistently accounted for the majority of GEOP participants, rising from 455 in March 2025 to 706 by March 2026, representing an increase of about 55%. Similarly,

¹⁷ Department of Energy (DOE) Department Circular No. DC2024-03-0009 and Energy Regulatory Commission (ERC) Resolution No. 06, Series of 2024

industrial participation grew from 107 to 171 over the same period, reflecting a cumulative increase of around 60%. While both segments posted meaningful growth, the dominance of commercial customers remained evident throughout the review period.

Despite the comparable growth rates, the gap between commercial and industrial participation remained substantial. By March 2026, commercial customers accounted for the vast majority of GEOP end-users, reflecting their stronger presence within the eligible 100–499 kW threshold. This pattern aligns with the structural characteristics of the GEOP, which primarily caters to smaller-demand customers that are more commonly found within the commercial sector.

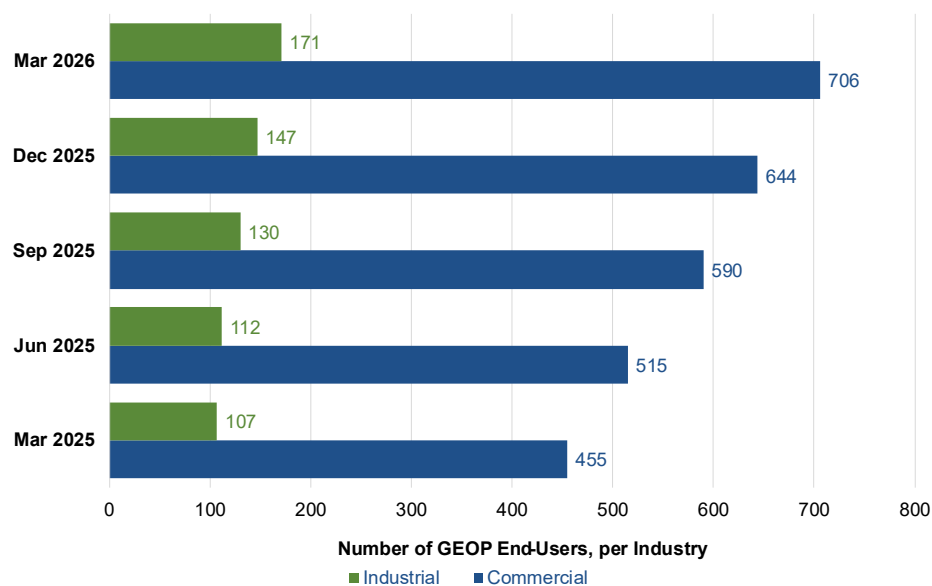


Figure 26. Cumulative Number GEOP End-users Per Retail Activity for Q1 2025 to Q1 2026

The observed distribution of participation carries important implications for the retail market. The strong and sustained growth in commercial participation suggests that GEOP may serve as an entry point for smaller customers to participate in the retail electricity market and gain access to renewable energy options. This is particularly important in promoting broader market inclusivity, as it allows customers below the traditional CREM eligibility threshold to participate in competitive supply arrangements.

At the same time, the gradual increase in industrial participation points to a growing, though still developing interest in renewable energy among larger customers within the GEOP threshold. Industrial customers often have more complex operational requirements and may require more tailored contract structures, which could help explain the relatively slower pace of adoption.

2.1.1.5 Suppliers

Within the GEOP framework, authorized RESs are allowed to supply energy, contingent with the possession of an operational permit from the Department of Energy (DOE) and proper authorization or licensing from the ERC, which will then allow them to become an RE Supplier.

Table 2 presents the cumulative number of suppliers participating in the GEOP as of the end of the first quarter of 2026, categorized into Renewable Energy (RE) Suppliers, LRES, and SOLRs. The table provides an overview of supplier readiness and actual market participation by distinguishing between entities that are licensed or authorized, those that are registered, and those actively serving GEUs.

As of March 2026, RE Suppliers remained the most active segment within the GEOP supplier landscape. Out of 22 licensed or authorized RE Suppliers, 21 were registered, and 12 were actively serving GEUs. This reflects a high conversion rate from licensing to registration, as well as a relatively strong transition from registration to actual market participation. More than half of the registered RE Suppliers were actively serving customers, suggesting that many suppliers entering GEOP can operate their participation and secure contracts with end-users.

In contrast, participation among LRES remained significantly limited. While 30 LRES entities were licensed or authorized, only one supplier was registered, and that same entity was the only one actively serving GEUs.

Meanwhile, SOLRs continued to fulfill their intended role as a contingency mechanism rather than as active market participants. Of the 49 licensed SOLRs, 15 were registered, but none were actively serving GEUs during the review period. This is consistent with the design of the retail market, where SOLRs are expected to provide supply only under exceptional circumstances, such as supplier default or service disruption.

Table 2. Cumulative Number of Supplier under GEOP as of Q1 2026

	Licensed/Authorized ¹⁸	Registered	Serving GEUs
RE Supplier	22	21	12
LRES	30	1	1
SOLR	49	15	

Generally, the table shows that GEOP is supported by a core group of active RE suppliers, ensuring market stability, while also indicating significant potential for broader supplier engagement as the program continues to evolve.

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 27 presents the distribution of market share among MPGs using two key measures: (1) share

¹⁸ Based on ERC Statistical Report of the Customer Choice Programs in the Retail Market for March 2026

in the number of GEOP end-users (GEUs), and (2) share in total GEU energy consumption, covering the period from the first quarter of 2025 to the first quarter of 2026. Looking at both customer count and energy consumption provides a more complete picture of market concentration and competition within the GEOP segment.

Throughout the review period, the Ayala Group consistently held the largest share of GEUs, accounting for approximately 64% to 67% of total participation. Although its share remained dominant, a gradual decline can be observed toward the first quarter of 2026, decreasing from around 67% in mid-2025 to about 64% by March 2026. This suggests that while the Ayala Group continues to lead in terms of customer count, new participation growth is increasingly being shared by other MPGs.

The FGEN Group consistently ranked second in customer share, with its participation increasing from around 17%–18% in early 2025 to approximately 22% by the end of first quarter of 2026. Meanwhile, the shares of the Aboitiz Group, MERALCO Group, and other participants remained relatively small, generally staying within the low single-digit range, with only minor quarter-on-quarter changes.

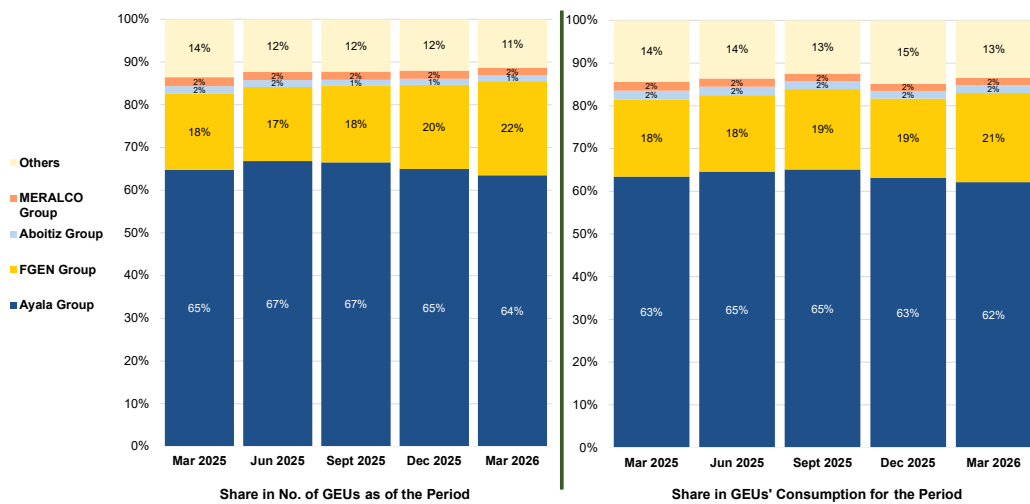


Figure 27. Share in the Cumulative Number of GEUs per MPG as of the end of Q1 2025 to Q1 2026, and the Share in GEU’s Consumption per MPG for Q1 2025 to Q1 2026

A similar pattern can be observed when market shares are analyzed based on energy consumption, although some notable differences emerge. The Ayala Group continued to account for the largest share of total GEOP consumption, ranging from approximately 62% to 65% during the review period. However, its share in energy consumption was consistently slightly lower than its share in customer count.

In contrast, the FGEN Group’s share in energy consumption was generally aligned with, or slightly higher than, its share in customer participation, ranging from around 18% to 21%. The remaining MPGs, including the Aboitiz and MERALCO Groups, accounted for relatively modest shares of total consumption, with only slight fluctuations over time.

Comparing the fourth quarter of 2025 with first quarter of 2026, consumption-based market share remained relatively stable, with only small shifts across MPGs. The Ayala Group recorded a slight decline in consumption share, while the FGEN Group and the “Others” group posted modest increases. These movements suggest that while total GEOP demand continues to grow, the additional consumption is being distributed across multiple participants rather than being absorbed entirely by the dominant group.

2.2.1.2 Area Location

To illustrate energy consumption across franchise areas, Figures 28(a) and 28(b) show the distribution of average GEU energy consumption from two complementary perspectives: by distribution utility (DU) franchise area, and by supplier group within the MERALCO franchise area for the first quarter of 2026. Taken together, these figures provide a clearer view of both the geographic concentration of renewable energy demand and the supplier dynamics within the most significant load center in the retail electricity market.

Figure 28(a) shows that GEOP average energy consumption remains highly concentrated within the MERALCO franchise area, which accounted for about 74.06% of average GEU consumption during the quarter. This is followed by the “Others” category at around 16.48% and the Visayan Electric Company (VECO) franchise area at approximately 9.46%.

The dominance of the MERALCO franchise area is consistent with earlier geographic patterns, particularly Figure 25, where Luzon—largely served by MERALCO—accounts for most GEOP participants. This concentration reflects the distribution of economic activity, where major commercial and industrial hubs are primarily located within the MERALCO service area.

Figure 28(b) provides a more detailed breakdown of supplier shares within the MERALCO franchise area, where GEOP consumption is most heavily concentrated. The data shows that the Ayala Group holds the largest share at around 70%, followed by the FGEN Group at approximately 20%. The remaining share is split among the “Others” group at 7%, while both the MERALCO Group and Aboitiz Group account for about 2% each.

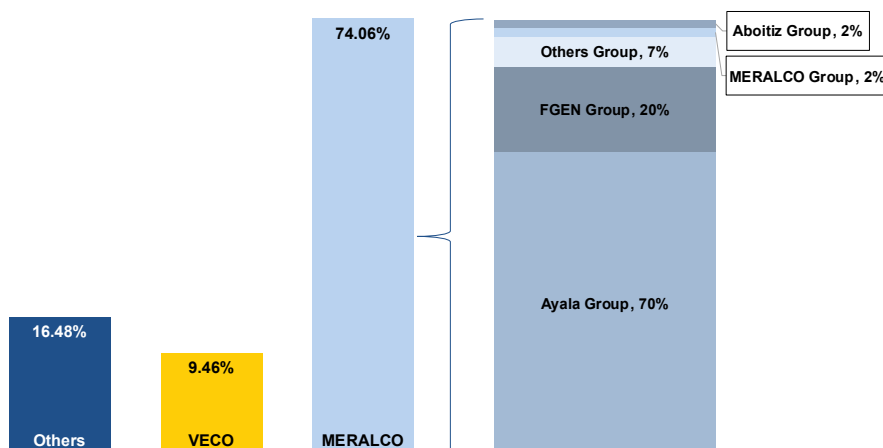


Figure 28 (a)**Figure 28 (b)**

Figure 28 (a) Share in Average GEU's Energy Consumption by Franchise Area for the Q1 2026; (b) Share in Average GEU's Energy Consumption by Supplier within MERALCO Franchise Area for the Q1 2026

This distribution highlights a strong level of concentration within the largest franchise area, where just two supplier groups—Ayala and FGEN—together account for roughly 90% of GEOP energy consumption. This pattern is broadly consistent with earlier observations in Figure 27, where the Ayala Group maintained a dominant position with only minor quarter-on-quarter variations.

Overall, the figures show that GEOP energy consumption is concentrated both geographically and across a small number of supplier groups. The strong dominance of the MERALCO franchise area means that supplier dynamics within it have a significant influence on overall GEOP outcomes.

2.2.2 Market Concentration

2.2.2.1 Herfindahl–Hirschman Index (HHI)

This section discusses the market concentration in GEOP, using the major participant grouping determined by the ERC. GEOP is currently considered a highly concentrated market. The calculation of HHI¹⁹ was based on the number of GEUs and the corresponding energy consumption as shown in Figure 29. For each approach, values are shown at two levels—by Market Participant Group (MPG) and by individual supplier.

When measured by the number of GEUs, HHI values at the MPG level ranged from about 4,617 in March 2025 to around 4,572 in March 2026, with intermediate peaks in June and September 2025. Despite some fluctuations, the index remained consistently high, indicating that a large share of customers continues to be served by only a few MPGs.

At the supplier level, HHI values based on GEU counts were lower than those at the MPG level but still firmly within the highly concentrated range, moving from approximately 3,269 in March 2025 to about 3,387 in March 2026. While there is a slight downward trend compared to earlier peaks, the overall pattern suggests that even when looking at individual suppliers rather than groups, participation remains concentrated among a relatively small number of entities.

¹⁹ HHI measures the degree of market concentration. Defined as the sum of the Suppliers' market share, the HHI threshold are as follows:

HHI < 1,000 - not concentrated
Greater than 1,000 up to 1,800 - concentrated
Greater than 1800 - highly concentrated

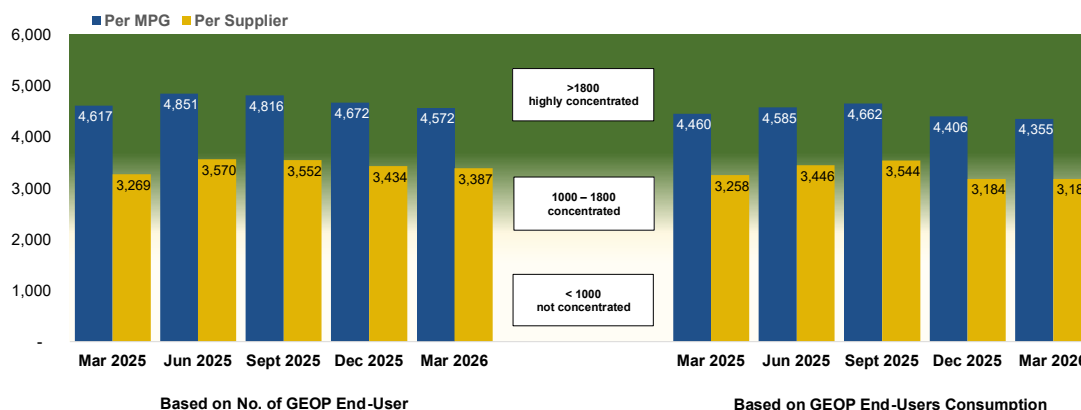


Figure 29. HHI Values for Q1 2025 to Q1 2026

A similar pattern is observed when HHI is calculated based on energy consumption. At the MPG level, consumption-based HHI values ranged from about 4,460 in the first quarter of 2025 to around 4,355 in the first quarter of 2026. Although there is a gradual decline over time, particularly from third quarter of 2025 to first quarter of 2026, the index remains well within the highly concentrated range, showing that most renewable energy demand is still served by a small number of dominant groups.

At the supplier level, consumption-based HHI values are again lower than at the MPG level but remain significantly above the threshold for high concentration, ranging from about 3,258 to 3,185 over the period.

From a quarter-on-quarter perspective, the data shows a slight but steady decline in HHI values toward first quarter of 2026, especially at the MPG level. This suggests a gradual widening of market share, likely driven by the entry of smaller suppliers and increased customer participation across multiple MPGs. However, the overall change remains limited, and the market structure continues to be highly concentrated.

Overall, Figure 29 shows that while GEOP participation and energy consumption continue to grow, the market remains highly concentrated at both the MPG and supplier levels. This is an important consideration for ongoing monitoring and assessment of competition in the renewable energy retail market.

2.2.2.2 Four-Firm Concentration Index (C4)²⁰

Figure 30 presents the C4 index for GEOP from the first quarter of 2025 to the first quarter of 2026. The index is shown at two levels: by MPG and by individual supplier. The C4 measures the combined market share of the four largest participants, where higher values indicate greater concentration. For reference, values between 80–100% indicate high concentration, 50–80% medium concentration, and below 50% low concentration.

²⁰ C4 measures the percentage of 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%.

Across the entire review period, C4 values remain within the high concentration range for both customer count and energy consumption, at both the MPG and supplier levels. When based on the number of GEUs, C4 at the MPG level ranges from about 96.09% in March 2025 to around 94.87% in March 2026. Although there is a slight downward movement over time, the index remains very high, indicating that nearly all GEOP participants continue to be served by the four largest MPGs. This reflects a market structure where customer participation is still heavily concentrated among a small number of dominant groups.

At the supplier level, C4 values based on GEU counts are slightly lower but still firmly within the high concentration range, fluctuating between 85.05% and 85.52% over the period. The relatively stable trend suggests that while customers are somewhat more spread across a broader set of suppliers, the majority of GEUs are still concentrated among the top four suppliers.

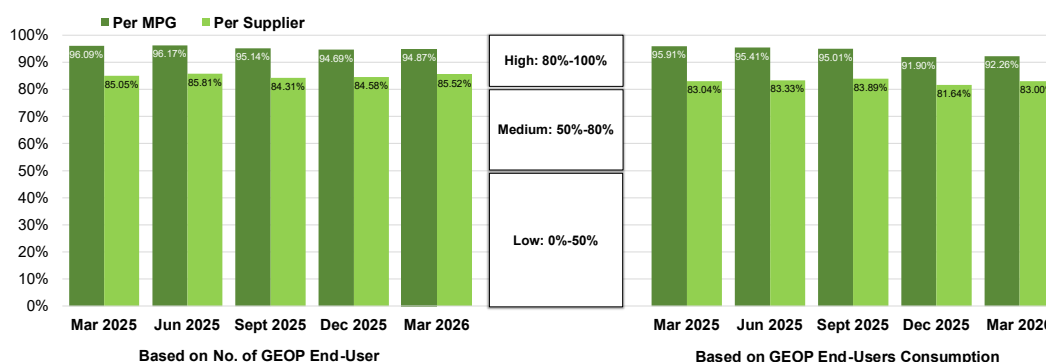


Figure 30. Four-Firm Index for Q1 2025 to Q1 2026

A similar pattern is observed when C4 is measured based on energy consumption. At the MPG level, consumption-based C4 values remain consistently above 90%, ranging from about 95.91% in March 2025 to around 92.28% in March 2026. Although there is a gradual decline, particularly towards the end of the period, the values remain well within the high concentration range. This indicates that most renewable energy demand under GEOP continues to be served by the same dominant MPGs, even as overall consumption grows.

At the supplier level, consumption-based C4 values range from about 83.04% to 83.00%, showing only minimal movement throughout the period. While slightly lower than the MPG-level figures, they still reflect a high degree of concentration, with most energy supply under GEOP coming from a small number of suppliers.

Overall, while GEOP participation continues to expand, the market remains dominated by the top four participants, with only limited changes in market share observed during the review period.

2.3 MARKET PERFORMANCE

2.3.1 Energy Consumption

2.3.1.1 Monthly Energy Consumption

Figure 31 presents the monthly total energy consumption of GEUs, broken down into commercial and industrial sectors, from the end of each period between the first quarter of 2025 and the first quarter of 2026. The stacked bar format shows both overall consumption levels and the relative contribution of each sector, offering a clearer view of demand trends and how renewable energy usage is evolving within the retail electricity market.

Over the review period, total GEOP energy consumption generally trended upward, rising from about 71 GWh in March 2025 to a peak of 106 GWh in February 2026, before easing slightly to 97 GWh in March 2026. This overall increase reflects continued growth in renewable energy adoption under GEOP, in line with the expansion in participation across thresholds and regions. Despite some month-to-month fluctuations, the trend points to a steady increase in the volume of energy supplied through renewable arrangements.

Commercial customers consistently accounted for the largest share of total GEOP consumption throughout the period. Monthly commercial consumption increased from around 58 GWh in March 2025 to approximately 85 GWh in February 2026, before slightly declining to 77 GWh in March 2026. This dominant share reflects the structure of GEOP participation, where many end-users fall within the commercial segment, particularly in the 100–499 kW threshold.

Industrial consumption, while smaller in absolute terms, also showed a steady upward trend. It increased from about 13 GWh in March 2025 to around 21 GWh in February 2026, before slightly easing to 20 GWh in March 2026.

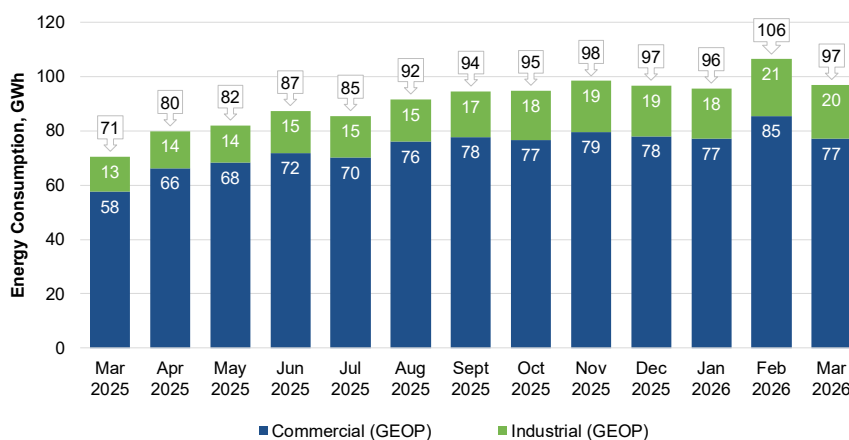


Figure 31. Total Energy Consumption Industry Type (in GWh) for each Period for March 2025 to March 2026

The modest reduction in energy consumption observed in March 2026 may be partly attributed to

the shorter billing period, covering only 26 February 2026 to 25 March 2026, which limits the total recorded volume. As such, the decline likely reflects a billing period timing effect rather than a material drop in demand.

The relative shares of commercial and industrial consumption remained broadly stable over the period, with commercial users accounting for roughly 75% to 80% of total consumption, and industrial users contributing around 20% to 25%. This stability suggests that growth in GEOP consumption is being driven by both sectors, with commercial customers leading due to their larger share within the eligible customer base.

In addition, recent policy changes—particularly the lowering of the GEOP eligibility threshold to 50 kW under updated DOE guidelines—are expected to influence future consumption trends. By expanding the pool of eligible customers, especially smaller commercial establishments, this change is likely to further boost both participation and energy consumption under GEOP.

2.3.2 Load Profile

2.3.2.1 Hourly Energy Consumption Profile

Figures 32 and 33 present the hourly average energy consumption profiles of GEUs, broken down into industrial and commercial sectors, covering the period from October 2025 to March 2026. These profiles show how electricity usage varies over a typical 24-hour cycle for each sector.

For industrial GEOP end-users, as shown in Figure 32, the hourly load profile remains relatively stable and flat throughout the day. Average consumption generally ranges from about 23 MWh to 32 MWh per hour, with only gradual increases during daytime hours. Demand typically starts to rise from around 0700h, peaks between mid-morning (around 0900h) and late afternoon (around 1700h), and then gradually tapers off into the evening and overnight hours. This pattern reflects the nature of industrial operations, which often run continuously, resulting in a more even and predictable demand profile compared to other customer segments.

A quarter-on-quarter comparison between the fourth quarter of 2025 and the first quarter of 2026 shows a slight upward shift in consumption levels across most hours. In the fourth quarter of 2025, hourly demand generally stayed at the lower end of the observed range, while in the first quarter of 2026—particularly in February and March—higher consumption levels are consistently seen throughout the day. This suggests a gradual increase in industrial activity or a higher level of utilization among GEOP participants during the first quarter of 2026.

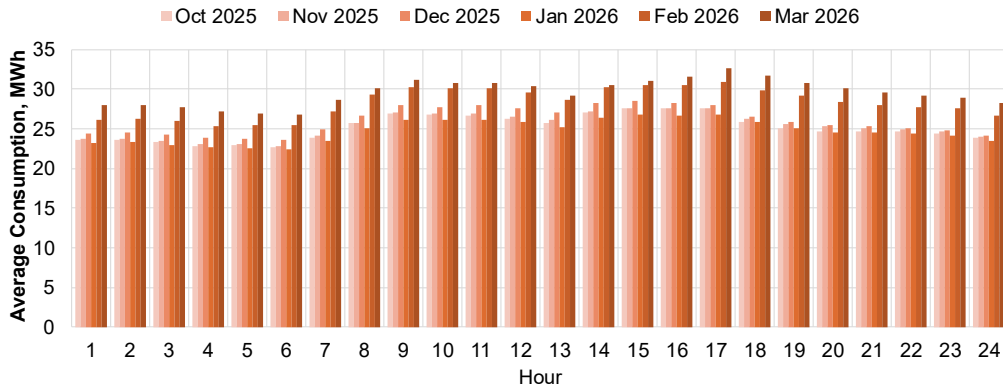


Figure 32. GEOP Hourly Average Energy Consumption (in MWh), Industrial, October 2025 to March 2026

On the other hand, Figure 33 shows that commercial GEOP end-users follow a more clearly defined daily pattern. Consumption remains relatively low in the early part of the day, typically between 70 MWh and 90 MWh, before rising sharply starting around 0600h to 0700h. Demand peaks from late morning (around 1100h) to mid-afternoon (up to 1700h), generally ranging between 100 MWh and 140 MWh, before gradually declining in the evening and nighttime hours. This pattern aligns closely with typical business operating hours, where use of electricity is tied to daytime commercial activity.

A quarter-on-quarter comparison also shows an increase in commercial consumption from the fourth quarter of 2025 to the first quarter of 2026, with higher peak levels observed in the latter period. February 2026 records the highest hourly consumption across most hours of the day, suggesting stronger commercial activity or increased participation in GEOP during this time. Although March 2026 shows a slight easing compared to February, consumption levels remain higher than earlier months, indicating that the overall upward trend is still sustained.

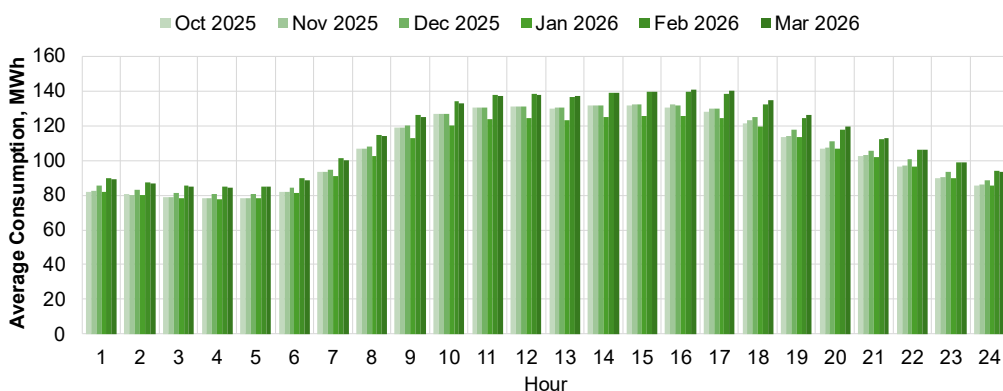


Figure 33. GEOP Hourly Average Energy Consumption (in MWh), Commercial, October 2025 to March 2026

2.3.2.2 Market Transactions

This section provides a detailed look at the share of energy supplied within GEOP. As shown in Figure 34, a small portion of the energy delivered under the program is sourced from the spot market. This indicates that the energy mix provided to end-users under GEOP may not be entirely composed of renewable sources at all times.

Over the review period, GEOP supply remained largely contract-based, with BCQ consistently accounting for most of the total energy consumption. Monthly BCQ volumes ranged from about 92,523 MWh to 103,417 MWh, reflecting a relatively stable supply base anchored on bilateral contracting. In contrast, spot market purchases were much smaller, ranging from roughly 2,155 MWh to 3,122 MWh per month. This difference highlights the continued reliance on long-term contractual arrangements as the main mechanism for delivering energy under GEOP.

On a quarterly comparison between the fourth quarter of 2025 and the first quarter of 2026, the figure shows a slight easing in spot market activity after a peak toward the end of 2025. During the fourth quarter of 2025, spot exposure increased from 2.28% to 3.23%, suggesting that suppliers relied more on the spot market toward the end of the year.

In contrast, the first quarter of 2026 shows a gradual decline in spot market reliance. Spot exposure decreased from 3.04% in January to 2.78% in February and further down to 2.50% in March. This trend indicates a shift back toward a more contract-based supply structure, with reduced dependence on spot market transactions.

In GEOP, the RE suppliers are expected to source their energy from pure renewable energy²¹.

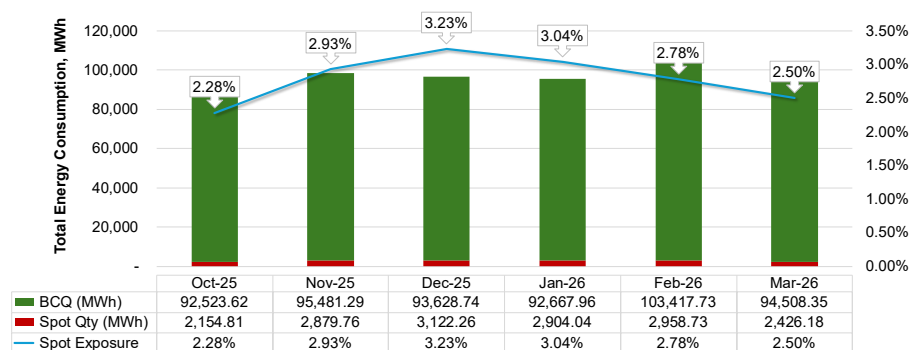


Figure 34. GEOP Market Transaction, Q4 2025 to Q1 2026

2.4 RETAIL ACTIVITY

²¹ ERC Resolution No. 08, Series of 2021, Section 3. (u)

2.4.1 Customer Switching Rate

Monthly switching activity and customer switching rates from January to December of 2025 and first quarter of 2026 show a clear drop in customer movement in 2025 as shown in Figure 35. It compares actual switches recorded in 2025 and first quarter of 2026, projected switches for 2026, and the corresponding switching rate expressed as a percentage. Together, these indicators provide a clear picture of how often GEOP end-users changed suppliers and how actual switching behavior compared with projected opportunities, typically linked to contract expirations.

Over the review period, regular switching²² activity under GEOP remained consistently low, with actual switching volumes limited across most months and switching rates remaining below 1% throughout the period. This indicates that while the mechanism for switching is operational and accessible, customer movement between suppliers is relatively infrequent.

Projected switches²³, which represent the number of customers with expiring contracts during each billing period, were consistently higher than actual switches throughout most of the year.

The switching rate remained close to zero in most months and peaked only marginally in isolated instances.

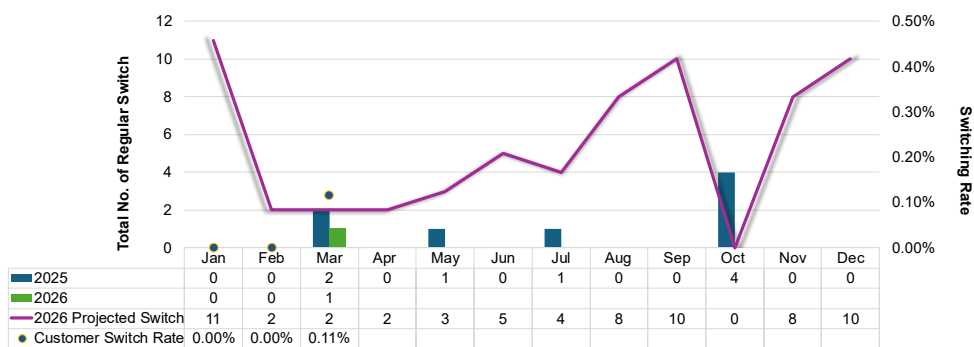


Figure 35. Switching Rate, January 2025 to March 2026

²² Commercial transfer of a Contestable Customer from one Supplier to another.

²³ Contestable Customers with projected contract expiration during the billing period based on the monthly IEMOP Report for RCOA and GEOP

