



NATIONAL POWER CORPORATION

Briefing for National Power Board Members

23 August 2022



Topic Outline



I. Overview of NPC's Operations

II. Background and History of NPC

III. National Power Board Members and Officers

IV. Financial Highlights

VI. Deliverables for the year

I. Overview of NPC's Operations



Missionary Electrification →

Perform missionary electrification
(Sec. 70, RA 9136)

Promote the utilization of indigenous and renewable energy sources
(RA 9513)

Watershed Management →

Undertake watershed management in 11 watershed areas covering 485,199 hectares in support of power generation

(RA 6395; EO. 224 s.1987; Sec. 34d, RA 9136)

Dams Management →

Continue to be responsible for 12 large dams and all other appurtenant structures necessary for the safe and reliable operation of hydropower plants

(RA 6395; Sec. 6d, Rule 23, RA 9136-IRR)

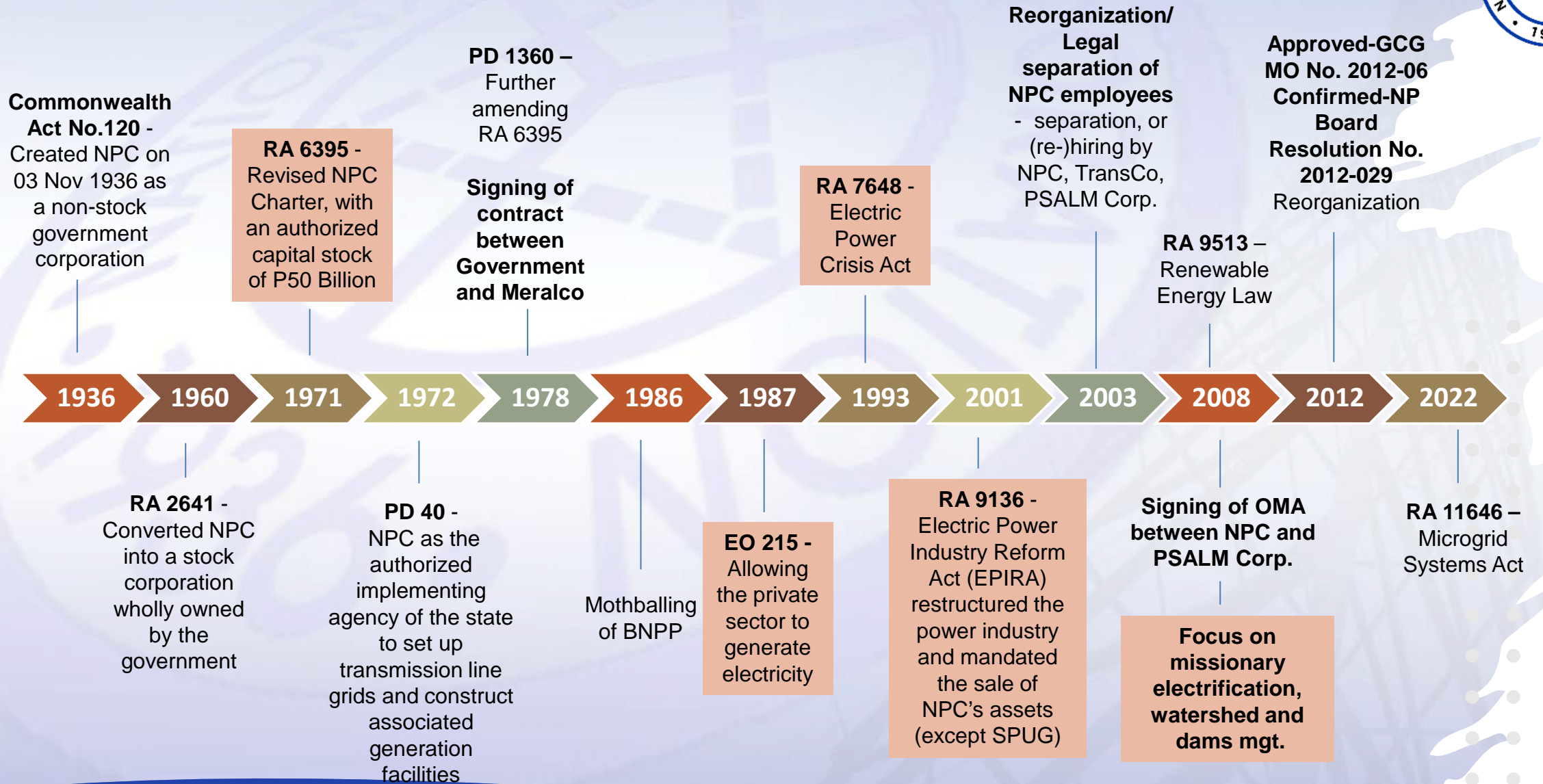
Management and Operation of Remaining Generating Assets (Main Grid) →

Operate and maintain the undisposed main grid generating assets including the seven (7) hydroelectric plants of Agus and Pulangi in Mindanao
(Section 47 (f) & (j) of RA 9136);

Contract Management of 7 Independent Power Producers (IPPs) for and in behalf of PSALM Corp. (Section 47 (j) of RA 9136; NPC-PSALM M&O Agreement)

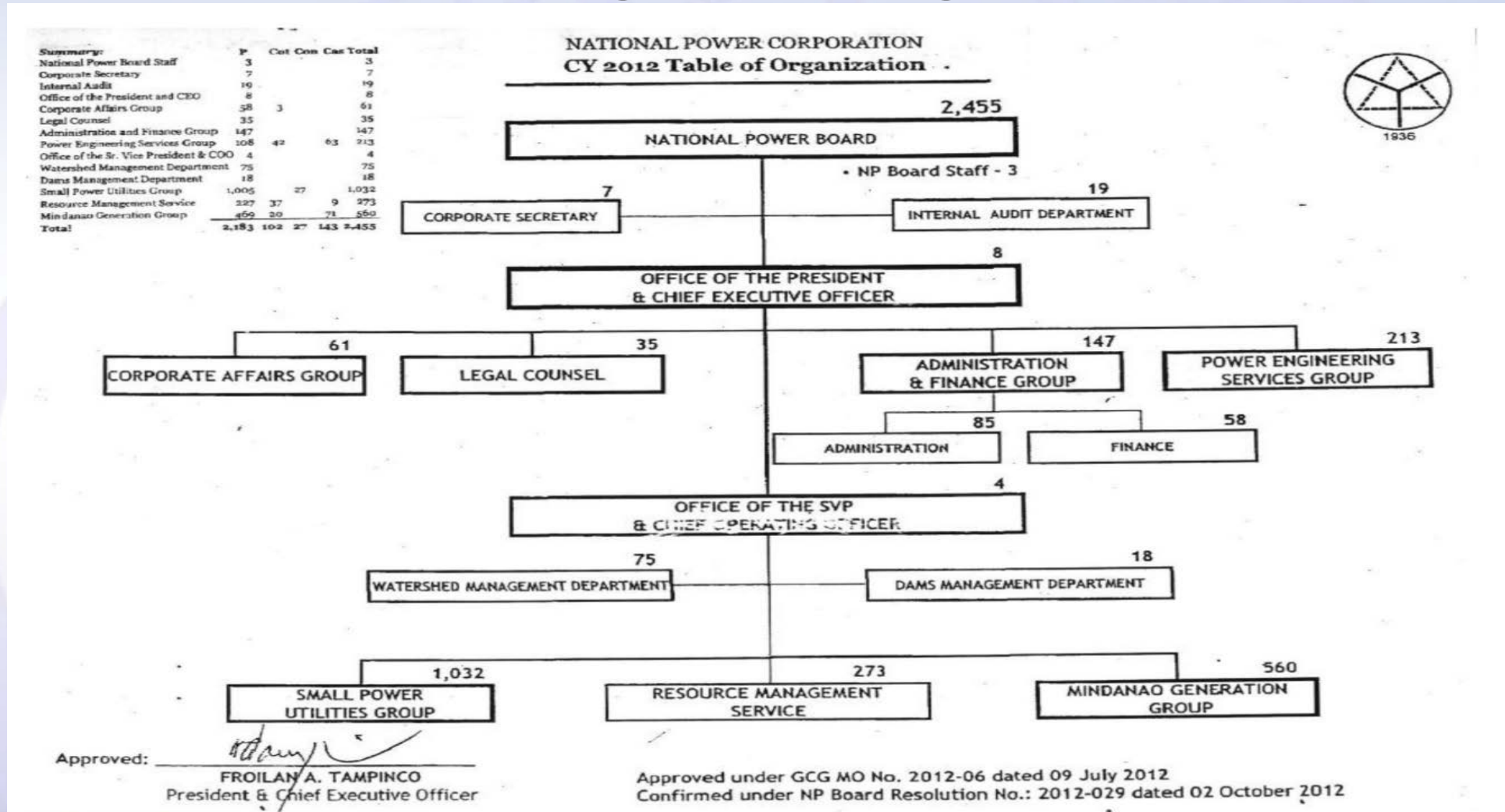
Caretaker of the Bataan Nuclear Power Plant (BNPP) (412 ha.)
(EO. 55 s.1986; EO. 265 s.1995)

II. Background and History of NPC



III. National Power Board Members and Officers

Existing Table of Organization



- Variance in Staffing of 2,260 vs 2,455 (2012 T.O.) is attributed to the privatization of Power Barges 101, 102, 103 and Angat Hydro Electric Power Plant.

NATIONAL POWER BOARD



HON. BENJAMIN E. DIOKNO
DOF Secretary
Ex – Officio Chairman

Immediate Past Alternates
USEC. BAYANI H. AGABIN
ASEC. DANIELLE MARIE S. RIEZA –
CULANGEN, CESO II



HON. RAPHAEL PERPETUO M. LOTILLA
DOE Secretary
Ex – Officio Member ;
*NP Board-elected Vice Chairman**

Immediate Past Alternate
ASEC. REDENTOR E. DELOLA



HON. AMENAH F. PANGANDAMAN
DBM Secretary
Ex – Officio Member

*Newly Designated Alternates***
DIR. RYAN S. LITA, CESO III (Legal Service)
DIR. MA. GRACE M. DELOS SANTOS (BMB-C)



HON. ARSENIO M. BALISACAN
NEDA Director General and Socio-
Economic Planning Secretary
Ex – Officio Member

*Newly Designated Alternate***
USEC. JOSEPH J. CAPUNO, PhD (Primary)
Immediate Past Alternates
ASEC. RODERICK M. PLANTA (Secondary)
ASEC. JONATHAN L. UY (Secondary)



HON. ALFREDO E. PASCUAL
DTI Secretary
Ex – Officio Member

*Newly Designated Alternates***
USEC. CEFERINO S. RODOLFO
EXEC. DIR. MA. VERONICA F. MAGSINO, CESO II
EXEC. DIR. MA. CORAZON HALILI-DICHOSA, CESO II



HON. BENJAMIN D. ABALOS, JR.
DILG Secretary
Ex – Officio Member

*Newly Designated Alternate***
USEC. LORD A VILLANUEVA



HON. MA. ANTONIA YULO-LOYZAGA
DENR Secretary
Ex – Officio Member

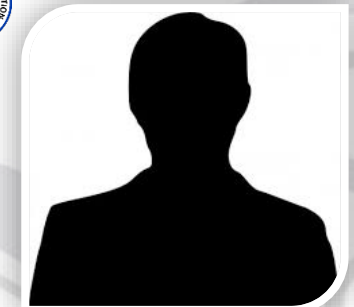
*Newly Designated Alternate***
USEC. ANALIZA REBUELTA-TEH, CESO I



**HIS EXCELLENCY
FERDINAND R. MARCOS, JR.**
DA Secretary
Ex – Officio Member



*Newly Designated Alternates***
USEC. LEOCADIO S. SEBASTIAN, PhD, CESO I (Primary)
USEC. RODOLFO V. VICERRA (Secondary)

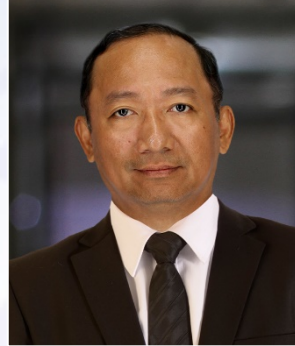


President and CEO
(Appointive Director)
National Power Corporation

NPC MANAGEMENT COMMITTEE



ATTY. MELCHOR P. RIDULME
Officer-In-Charge



RENE B. BARRUELA
Vice-President
Corporate Affairs
Group



ALEXANDER P. JAPON
Vice-President
Administration &
Finance



LARRY I. SABELLINA
Vice-President
Small Power Utilities
Group



EDMUNDO A. VELOSO JR.
Vice-President
Mindanao Generation



ATTY. ROGEL T. TEVES
Vice-President
Power Engineering
Services



ATTY. DELFIN L. BUENAFE II
Officer-In-Charge
Office of the Legal Counsel



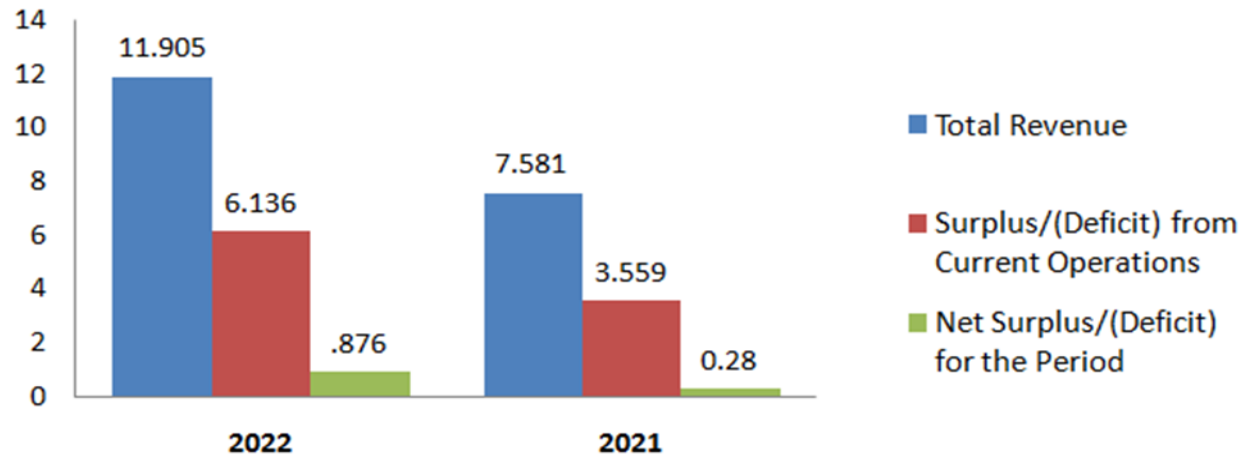
ATTY. MANUEL LUIS B. PLOFINO
Sr. Department Manager
Resource Management Services

IV. Financial Highlights

Financial Highlights – 1st Semester 2022



	1 st Semester, Bn Pesos	
	2022	2021
Total Revenue ^{1/}	11.905	7.581
Surplus/(Deficit) from Current Operations ^{2/}	6.136	3.559
Net Surplus/(Deficit) for the Period ^{2/}	.876	.280



^{1/} Actual UCME received from PSALM for the 1st Semester CY 2022 is ₱6.8 Bn only.

^{2/} ₱0.652 Bn is still payable to Fuel Suppliers as of June 2022

^{3/} ₱1.225 Bn is still payable to NPPs as of June 2022.

Notes:

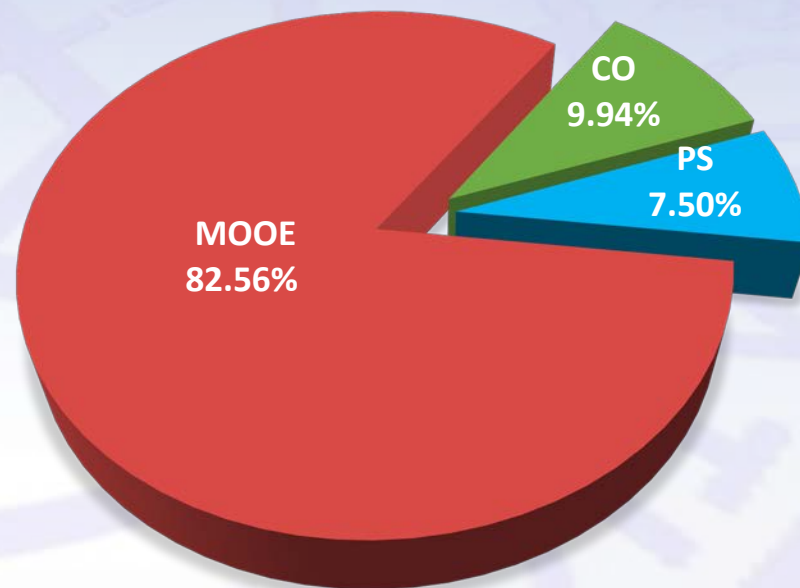
^{1/} Total Revenue includes the following:

	1 st Semester, Bn Pesos	
	2022	2021
Total Business Income	2.103	1.756
Total Shares, Grants and Donations	9.802	5.825
- Share in Universal Change	9.537 ^{1/}	5.821
- Income from Donations in Kind	-	0.004
- Grants in Cash (ASEP)	0.265	-
Total Revenue	11.905	7.581

	1 st Semester, Bn Pesos	
	2022	2021
Total Revenue	11.905	7.581
Total Operating Expenses	(5.769) ^{2/}	(4.022)
Net Operating Income	6.136	3.559
Other Non-Operating Income/(Expense)	.016	.020
Income Tax and Net Subsidy	(5.276)	(3.299)
- NG Subsidy	.244	0
- Subsidy to NPPs	5.315 ^{3/}	3.156
- Financial Assistance to LGU	0.002	0.002
- Income Tax	.203	.141
Net Income	.876	.280



FY 2022 CORPORATE OPERATING BUDGET (COB) WITH AUGMENTATION (In Million Pesos)



PARTICULARS	Approved Budget	Budget Augmentation*	Budget with Augmentation
PERSONNEL SERVICES	2,855		2,855
MOOE	22,600	8,811	31,411
CAPITAL OUTLAY	3,782		3,782
TOTAL	<u>29,237</u>	<u>8,811</u>	<u>38,048</u>

* Based on DBCC assumed Mid Price @ \$100/Bbl or ₱64.9812/ Liter, net of ₱1,294 Mn cost cutting and ₱810 Mn 2021 dividend relief.

IMPACT OF INCREASING FUEL PRICES (In Million Pesos)



PARTICULARS	NPC-SPUG FUEL REQUIREMENTS	NPP/QTP SUBSIDY	TOTAL
CY 2022 GAA Level	6,385 ^{a/}	10,047	16,432
Augmentation due to fuel price hike^{b/}	3,971	6,943	10,914
<i>Less : Cost Cutting/Savings</i>	1,204		1,204
<i>Dividend Relief</i>	810		810
Reduced Augmentation Requirement	1,868	6,943 ^{c/}	8,811
CY 2022 GAA Level with Augmentation	8,253	16,990	25,243

a/ Direct fuel cost for NPC-SPUG Operations at ₱37.99/Liter.

b/ At DBCC Mid Price assumption of \$100/Bbl or ₱64.98/Liter.

c/ Exclusive of the P2,624 Mn additional requirement for NPP due to impact of the ERC newly approved rate adjustments

DIVIDEND PAYMENTS



Dividend Year 2020		Dividend Year 2021		Dividend Year 2022	
Target	Actual ¹	Target	Actual ²	Target ³	Actual ⁴
1.581 Billion	4.0 Billion	452.7 Million	904.5 Million	809.58 Million	-0-

¹ Pursuant to Republic Act No. 11469 known as the “Bayanihan to Heal as One Act” and Republic Act No. 7656, known as “Dividend law”.

² Represents 75% of NPC’s Net Earnings for CY 2020.

³ Represents 50% of NPC’s Net Earnings for CY 2021.

⁴ Endorsed by DOF to the Philippine President for approval on the rate adjustment from 50% to zero percent (0%). However, it was returned pending confirmation and submission by NPC of additional information and supporting documents.

On 27 July 2022, NPC confirmed and submitted its compliance thereto.

VI. Deliverables for the year



PROJECTS	2022 TARGETS
A. TRANSMISSION LINES, Ckt kms	51.10
B. SUBSTATIONS, MVA	25.00
C. RENEWABLE ENERGY HYBRID PROJECTS, kWp	85.00
D. CAPACITY ADDITION, MW	14.74
E. DAMS MAINTENANCE, No. of Activities	12
F. ENERGY GENERATION (Agus-Pulangi HEPPs), GWh	3,162.37

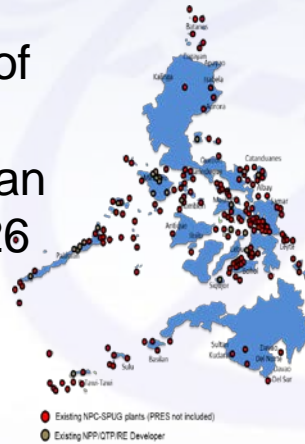


2022 and Beyond



MAJOR PROJECTS

1. Implementation of Missionary Electrification Plan (MEP) 2022-2026



2. Agus-Pulangi HEPPs Rehabilitation Project (APRP)



3. Access to Sustainable Energy Project (ASEP) Implementation funded by World Bank/EU



OPERATIONAL

1. 100% electrification of all Missionary Areas (Based on 2015 Census)
2. 24/7 operation of all SPUG plants
3. Use of Renewable Energy in Missionary Areas
4. Support to private sector participation



FINANCIAL

1. Secure fund source and improve corporate liquidity
2. Manage costs
3. Pursue UCME Rationalization



ORGANIZATIONAL

1. More responsive and efficient organization
2. Succession Plan
3. "Needs-focused" training and development



THANK YOU!!

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