Power Supply Procurement Plan [2026]

SOUTH COTABATO II ELECTRIC COOPERATIVE

Historical Consumption Data

	Coincident Peak MW	MWh Offtake	WESM	MWh Input	MWh Output	MWh System Loss	Load Factor	Discrepancy	Transm'n Loss	System Loss
2000	68.30	377,844	0	377,844	299,343	0	63%	-20.78%	0.00%	0.00%
2001	71.73	407,239	0	407,239	322,695	0	65%	-20.76%	0.00%	0.00%
2002	77.72	425,412	0	425,412	332,188	0	62%	-21.91%	0.00%	0.00%
2003	83.62	453,362	0	453,362	363,646	0	62%	-19.79%	0.00%	0.00%
2004	89.94	488,425	0	488,425	399,165	0	62%	-18.28%	0.00%	0.00%
2005	87.95	497,716	0	497,716	401,277	0	65%	-19.38%	0.00%	0.00%
2006	94.48	510,856	0	510,856	414,368	0	62%	-18.89%	0.00%	0.00%
2007	92.91	540,193	0	540,193	439,406	76,065	66%	-4.58%	0.00%	14.08%
2008	99.08	562,341	0	562,341	456,451	81,156	65%	-4.40%	0.00%	14.43%
2009	106.24	593,326	0	593,326	474,433	89,926	64%	-4.88%	0.00%	15.16%
2010	111.56	597,581	0	597,581	480,701	78,333	61%	-6.45%	0.00%	13.11%
2011	112.74	629,280	0	629,280	530,179	68,002	64%	-4.94%	0.00%	10.81%
2012	136.64	688,430	0	688,430	579,102	78,597	58%	-4.46%	0.00%	11.42%
2013	139.79	767,752	0	767,752	647,686	89,422	63%	-3.99%	0.00%	11.65%
2014	151.32	816,330	0	816,330	727,105	89,467	62%	0.03%	0.00%	10.96%
2015	155.25	839,799	0	839,799	747,992	91,902	62%	0.01%	0.00%	10.94%
2016	166.64	905,234	0	905,234	816,102	89,131	62%	0.00%	0.00%	9.85%
2017	167.29	910,836	0	910,836	842,089	68,747	62%	0.00%	0.00%	7.55%
2018	167.38	1,039,193	0	1,039,193	908,165	131,028	71%	0.00%	0.00%	12.61%
2019	174.65	1,094,395	0	1,094,395	964,878	129,517	72%	0.00%	0.00%	11.83%
2020	179.39	1,095,933	0	1,095,933	963,661	128,410	70%	-0.35%	0.00%	11.72%
2021	181.31	1,119,224	0	1,119,224	993,258	125,966	70%	0.00%	0.00%	11.25%
2022	199.35	1,167,374	0	1,167,374	1,028,662	138,712	67%	0.00%	0.00%	11.88%
2023	200.63	1,266,690	127,495	1,266,690	1,064,919	201,771	72%	0.00%	0.00%	15.93%
2024	212.03	1,376,942	379,923	1,376,942	1,170,051	206,891	74%	0.00%	0.00%	15.03%
2025	221.84	1,457,158	356,839	1,457,158	1,235,922	221,236	75%	0.00%	0.00%	15.18%

Peak Demand increased from 212.03 MW in 2024 to 221.84 MW in 2025 at a rate of 4.63%. However, the highest recorded demand happens in May 2024, when the summer season is on. The higher consumption of cooling systems, such as air conditioning units, was utilized. MWh Offtake slightly increased from 1,376,942 MWhrs in 2024 to 1,457,158 MWhrs in 2025 at a rate of 5.82% due to the opening of business opportunities and

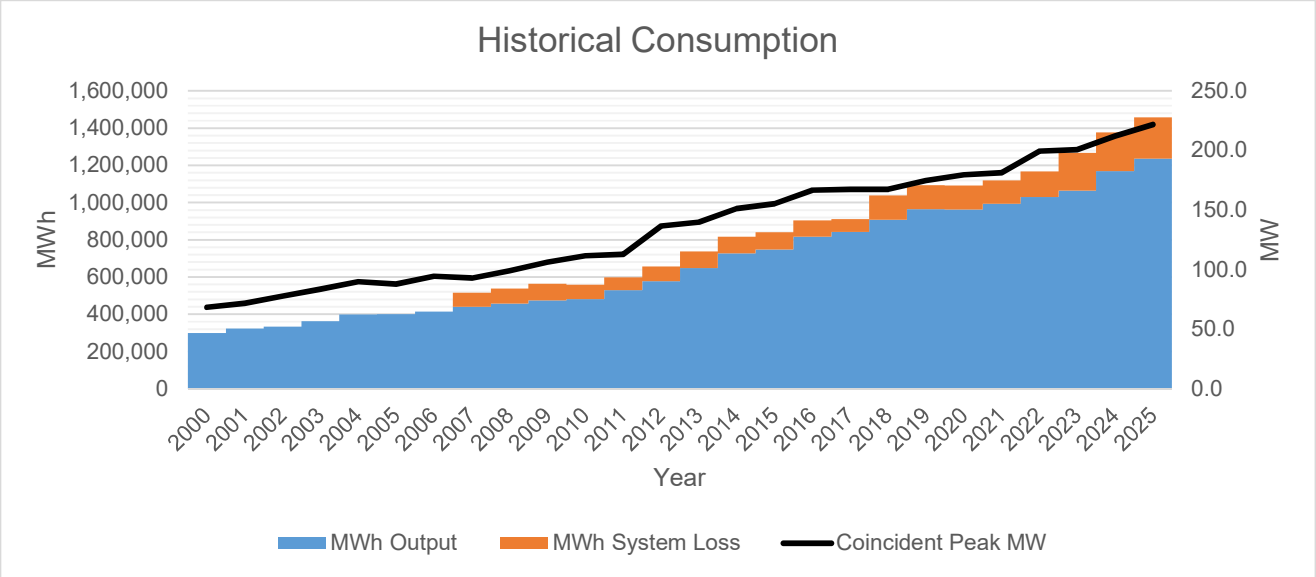
industries where General Santos City is considered an investment-grade city in the Southern Philippines. Within the same period, the average Load Factor ranged is 75%. There was a slight increase in energy consumption due to the fast development of the franchise of SOCOTECO II.

No data is inputted on the Transmission loss since we are metered on the totalized meter in the take-off bus of NGCP. Transmission loss is already included in the total System loss as computed above.

System Loss of SOCOTECO II was accounted as a non-technical loss; many reported meters were tampered with or damaged. To lower the System loss of SOCOTECO II, regular conduct of Apprehension activities is included and prioritized in the work plan. Change meters and monitoring of damaged meters will be intensified. A significant portion of the existing system loss is attributed to non-technical factors, particularly electricity pilferage, illegal connections, meter tampering, and unregistered loads. To aggressively address these concerns, SOCOTECO II will activate a dedicated **Catch-up Plan Team** composed of 140 personnel specifically assigned to system loss reduction activities for the year 2026. This team will be strategically deployed in high-loss feeders and communities to conduct field inspections, regularization of illegal connections, meter validation, enforcement of anti-pilferage policies, and consumer education. The focused and sustained operations of the Catch-up Plan Team are expected to substantially reduce non-technical losses and improve overall billing efficiency, which is under the umbrella of the Technical Services Department.

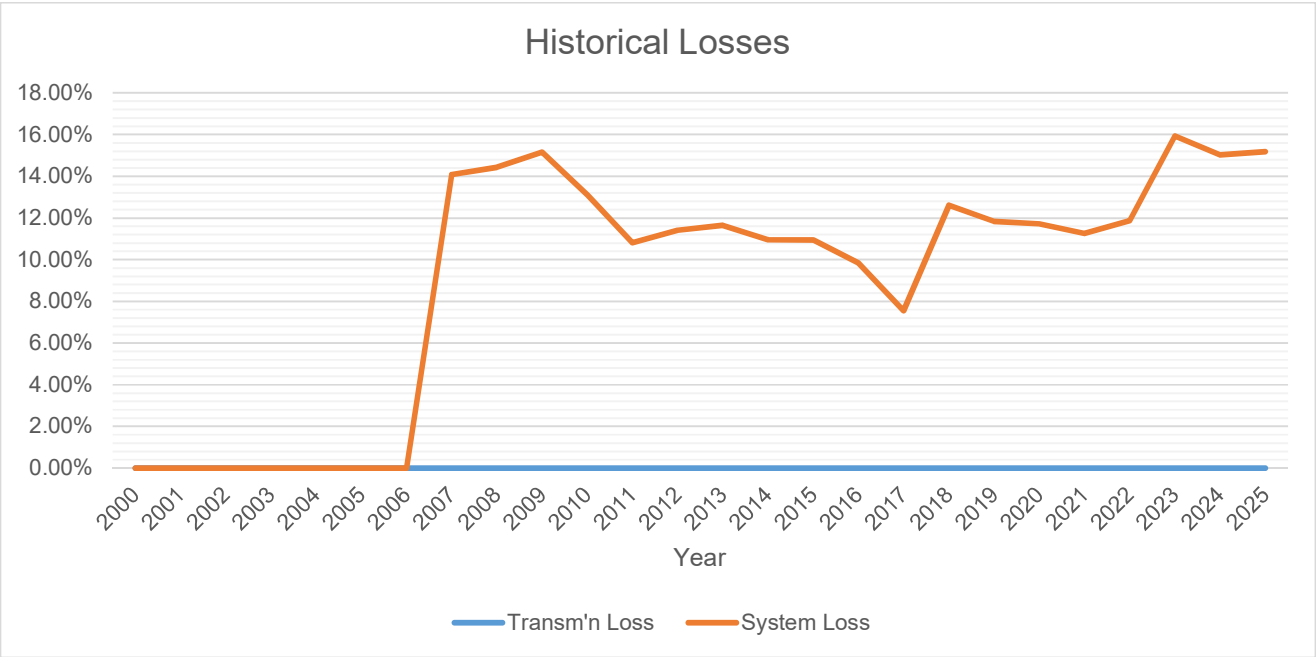
CAPEX Projects will be implemented according to the timeline so that the configuration of lines to lower technical system loss. Recently, a new 20/25 MVA power substation in the City of General Santos was energized in November 2025 to address capacity and other power quality issues.

Ongoing monitoring for the overall system loss and feeder losses has been implemented to continuously provide the best service to the member-consumer owners. SOCOTECO II has outlined a comprehensive CAPEX strategy spanning from **2026 to 2030**, with a total projected investment of approximately **₱9,886,588,634.60**. This plan is designed to modernize the cooperative's infrastructure, ensure safety, and meet the growing power demands of its franchise area.



MWh Output increased from the year 2024 to the year 2025 at a rate of 5.63%.

System Loss peaked at 15.93% on year 2023 because of the Fishport Substation incident.



Historically, Transmission Loss is based on the NGCP simulation of losses in the Mindanao Grid that remained at 4.35 percent.

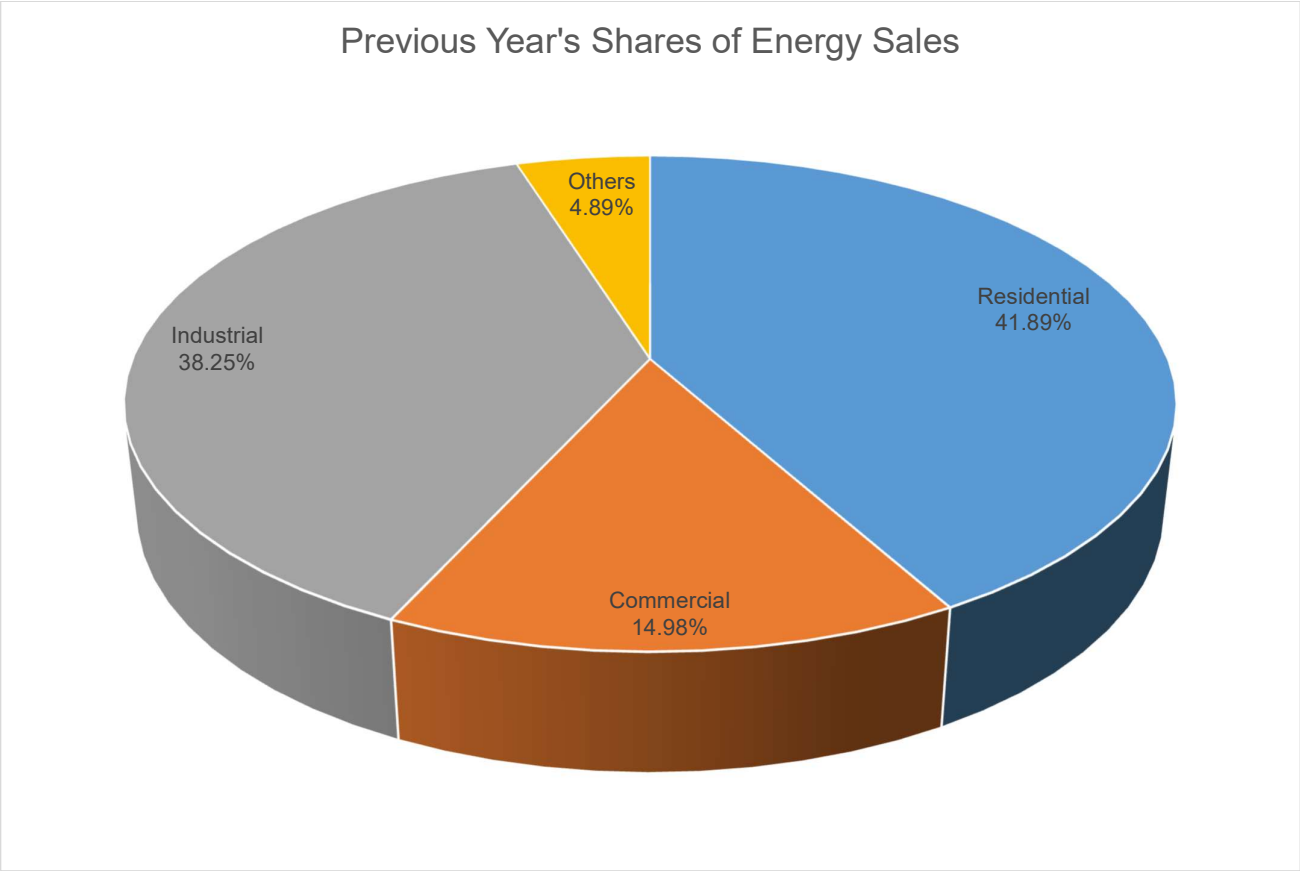
Historical losses of SOCOTECO II are relatively high from 2006 to 2010. It significantly dropped in the year 2011 when a significant number of mechanical meters were changed into digital meters. It continually went down from 2011 to 2017 when almost all meters were changed. Historically, Transmission Loss is based on the NGCP simulation of losses in the Mindanao Grid, which remained at 4.35 percent. However, a review of this loss is requested to determine the actual loss to date.

It increased in the years 2018, 2019, and 2020 due to an increase in pilferers that increased the non-technical losses of the cooperative.

To lessen the non-technical loss caused by pilferers, a team specifically for the apprehension of pilferers will be formed. A catch-up plan team is activated, comprising 140 people, to drastically lower system loss up to the required ERC cap for SOCOTECO II, that is, 8.25%.

To increase the capacity and cover the increasing power demand, a new 20/25 MVA power substation was energized last November 2025. Big loads near the substation are the Gaisano Mall and S&R Membership Shop, which are expected to be energized in the last quarter of 2026.

Accelerated Capital Expenditure 2026-20230 is being developed by SOCOTECO II to cope with the modern technology that will increase the reliability and service efficiency of the cooperative.



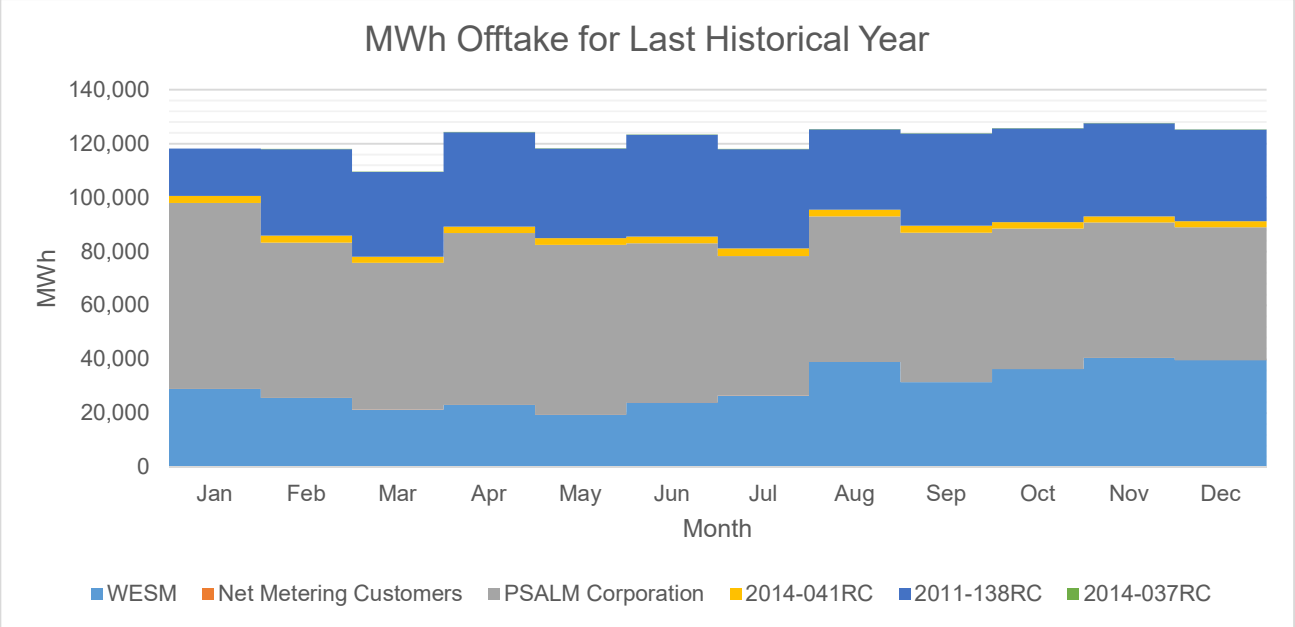
Based on the chart, **SOCOTECO II's previous year energy sales** were largely driven by the **residential sector**, which accounted for **41.89%** of total energy sales. This reflects the cooperative's strong service coverage to household consumers and highlights residential demand as the primary contributor to overall energy consumption.

The **industrial sector** followed closely, comprising **38.25%** of total sales. This substantial share indicates the presence of energy-intensive industries within the franchise area and underscores the importance of reliable power supply to support local economic activities and industrial growth.

Meanwhile, the **commercial sector** contributed **14.98%** of energy sales, representing businesses such as retail establishments, offices, and service providers. Although smaller compared to residential and industrial loads, this segment remains a vital component of SOCOTECO II's customer base, supporting employment and commerce in the region.

Lastly, the **"Others" category**, which includes public buildings, street lighting, and miscellaneous accounts, made up **4.89%** of total energy sales. While this is the smallest share, it still plays a role in ensuring essential public services and community operations.

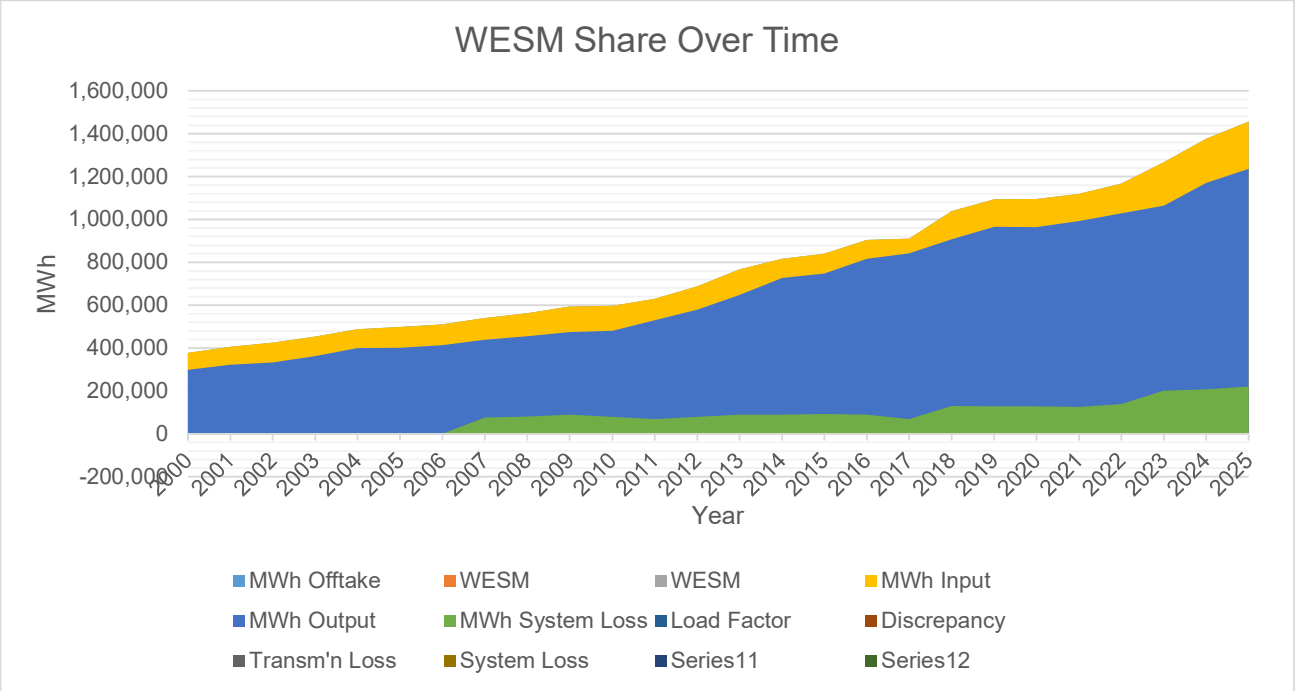
Overall, the distribution of energy sales demonstrates SOCOTECO II's balanced load profile, with strong residential demand complemented by a significant industrial presence, highlighting both social service obligations and economic development within its service area.



For SOCOTECO II, the total Offtake for the last historical year 2025, is higher compared to the Power Supply Agreement of the cooperative. During the commercial operation of the Wholesale Electricity Spot Market, two of the Renewable Energy Service Agreements had been terminated. Energy deficit was attributed to WESM.

A significant portion of the power supply is sourced from WESM in SOCOTECO II's supply portfolio.

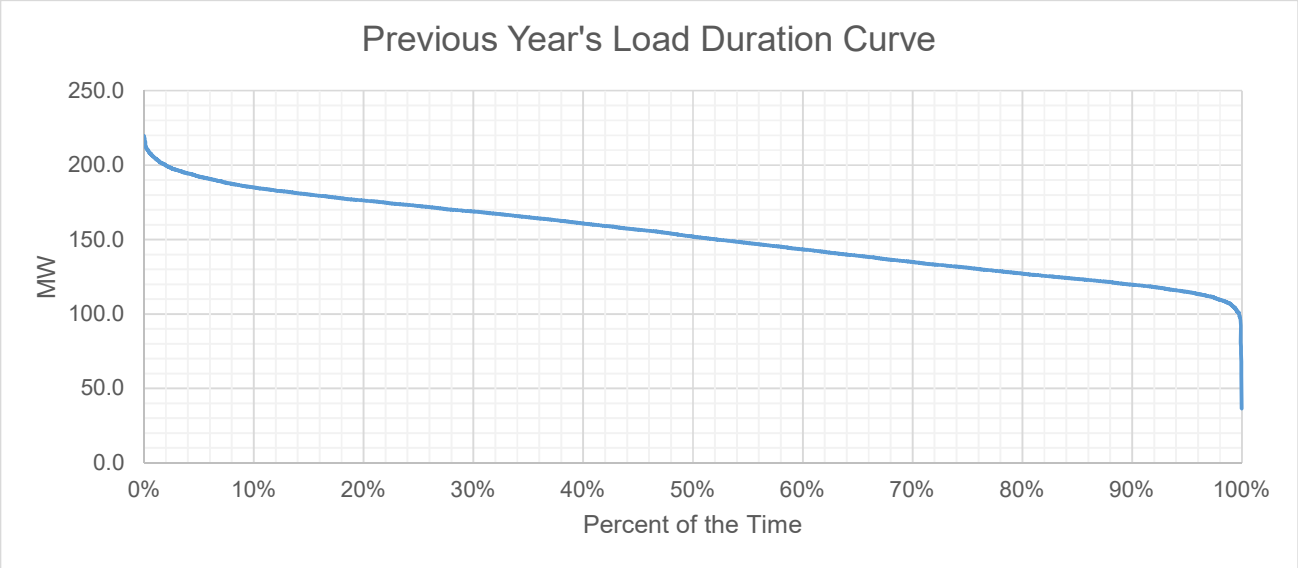
A new power supply entered during the last four quarters of 2024 through the Siguil Hydro Power Corporation (SHPC), a 14.5-MW run-of-river hydroelectric facility compliant with the Renewable Portfolio Standards (RPS), which provided additional supply to the system. However, the supply from SHPC was subsequently withdrawn. Discussions are currently ongoing regarding applicable wheeling charges and the assessment of damages.



WESM has 24.49% share in the MWhr Offtake of SOCOTECO II in 2025.

SOCOTECO II Status of application for WESM Mindanao is compliant with the rules set by the Department of Energy.

Previous Year's Load Profile

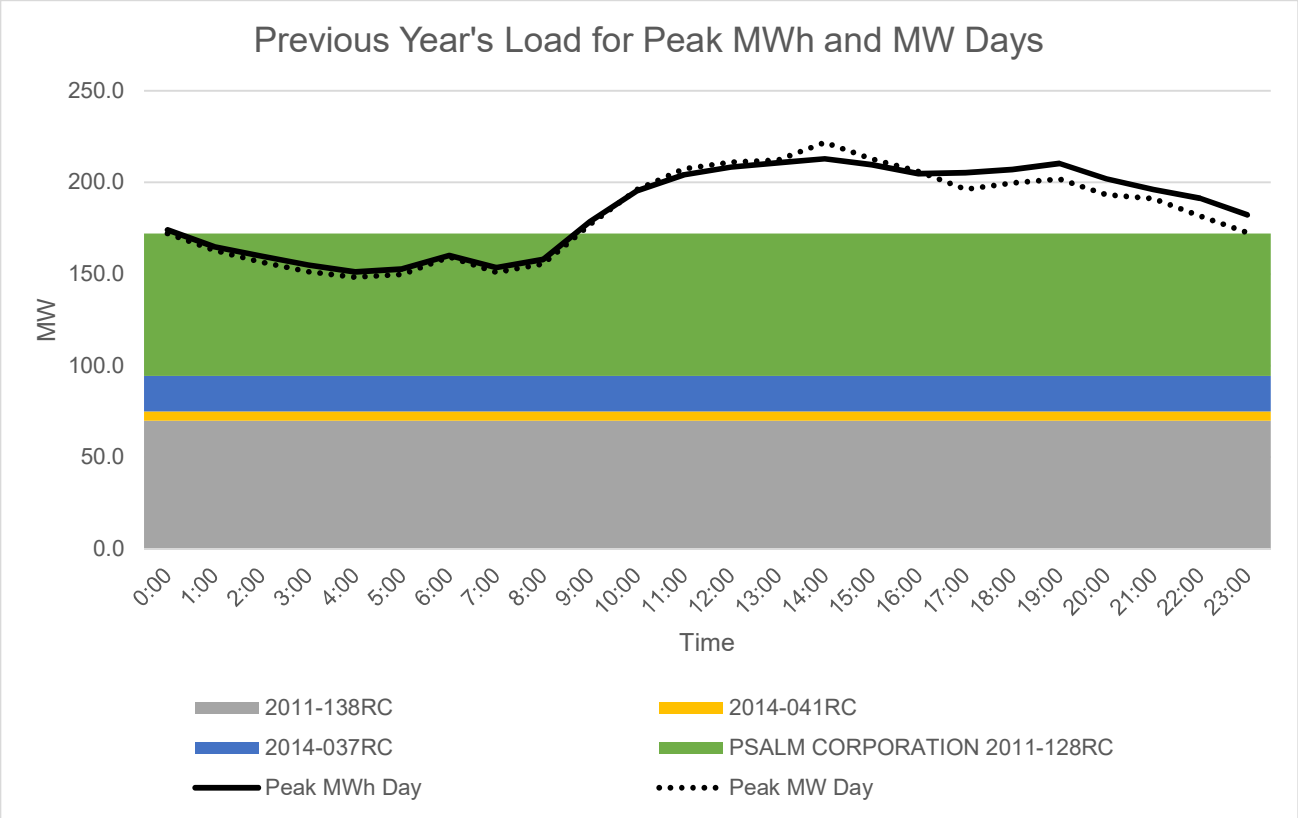


The load duration curve for SOCOTECO II demonstrates a power system characterized by a stable baseload with relatively short-lived peak demand periods. Peak system demand reached approximately **210–220 MW**, occurring for a limited portion of the year, while the majority of operating hours were within the **120–190 MW** range. This indicates consistent electricity consumption driven by core residential, commercial, and essential service loads.

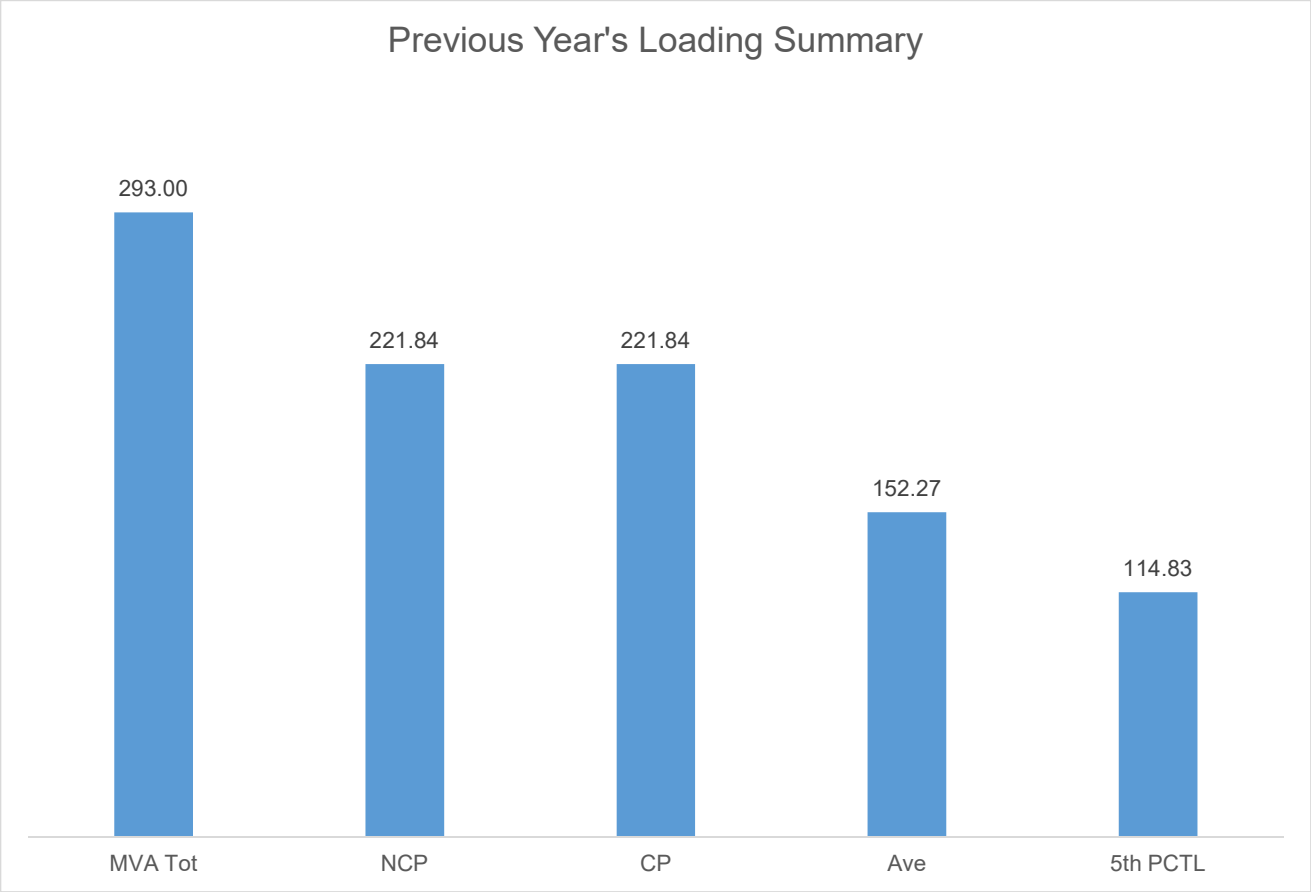
Baseload demand remained strong at around **110–120 MW** for most of the year, reflecting a high level of system utilization and a solid demand foundation. In contrast, minimum load levels dropped sharply to approximately **40–50 MW** during off-peak periods, highlighting opportunities for improved operational flexibility and demand management.

The shape of the curve suggests that peak demand events are infrequent and likely seasonal or weather-driven. As a result, meeting peak demand through targeted solutions—such as demand response programs, interruptible loads, or short-term peaking resources—may be more cost-effective than permanent capacity expansion.

Overall, the load profile supports a strategy focused on maintaining reliable baseload supply, optimizing system efficiency during off-peak periods, and adopting flexible planning approaches to manage peak demand. These insights provide a strong basis for informed capacity planning, cost control, and long-term reliability for SOCOTECO II.



Peak Demand occurred at 2:00 pm due to the simultaneous demand for power from residential, commercial, and most industrial consumers. As shown in the Load Curves, the available supply is lower than the Peak Demand which means that supply is not sufficient. However, the supply deficit will be sourced to WESM. That concludes the 24.49% WESM share to the overall supply of the cooperative.



The Non-coincident Peak Demand is 221.84 MW, which is around 78.3% of the total substation capacity of 293 MVA at a power factor of 96%. A safe estimate of the true minimum load is the fifth percentile load of 114.83MW which is 51.76% of the Non-coincident Peak Demand.

Metering Point	Substation MVA	Substation Peak MW
SARI	20	13.527
MALANDAG	10	6.763
LIGAYA	10	6.763
GLAN	10	6.763
TUPI TOTALIZER	15	33.817
SEGUIL LINE 2	53.00	35.846
MAIN	35	23.672
SEGUIL LINE 1	125.00	84.542
MALAPATAN	5	3.382
KCC	10	6.763

The substation loading assessment for SOCOTECO II indicates that the overall distribution system has sufficient installed capacity to meet current demand; however, loading levels vary significantly across substations, resulting in localized capacity concerns.

Most substations operate within their rated MVA capacities, demonstrating generally sound system planning and providing adequate allowance for demand growth. Major load centers such as **SEGUil Line 1** and **SEGUil Line 2** show high but acceptable utilization levels and continue to reliably support system demand.

A key concern is the **TUPI Totalizer**, where peak demand significantly exceeds installed capacity. This condition poses operational and reliability risks and should be prioritized for corrective actions such as capacity upgrading, load transfer, or network reconfiguration.

Several substations, including **MALANDAG, LIGAYA, GLAN, MALAPATAN, and KCC**, are lightly loaded. While this provides operational flexibility, it also indicates potential underutilization of assets, particularly if demand growth in these areas remains limited.

Overall, the findings highlight the need for targeted capacity reinforcement at critical points, continued monitoring of highly utilized substations, and strategic optimization of the network to balance loads and support sustainable growth for SOCOTECO II.

Forecasted Consumption Data

		Coincident Peak MW	Contracted MW	Pending MW	Planned MW	Retail Electricity Suppliers MW	Existing Contracting Level	Target Contracting Level	MW Surplus / Deficit
2026	Jan	212.90	172.18	0.00	0.000		81%	81%	-40.72
	Feb	203.20	174.99	0.00	0.000		86%	86%	-28.21
	Mar	221.28	175.34	0.00	0.000		79%	79%	-45.94
	Apr	228.89	181.27	0.00	0.000		79%	79%	-47.62
	May	230.85	184.31	0.00	0.000		80%	80%	-46.54
	Jun	225.68	180.44	0.00	0.000		80%	80%	-45.24
	Jul	217.51	174.56	0.00	0.000		80%	80%	-42.96
	Aug	218.74	174.66	0.00	0.000		80%	80%	-44.08
	Sep	223.05	176.12	0.00	0.000		79%	79%	-46.94
	Oct	225.25	176.56	0.00	0.000		78%	78%	-48.70
	Nov	215.70	174.53	0.00	0.000		81%	81%	-41.17
	Dec	216.71	174.70	0.00	0.000		81%	81%	-42.01
2027	Jan	228.46	94.50	77.68	0.000		41%	75%	-56.28
	Feb	230.76	94.50	80.49	0.000		41%	76%	-55.77
	Mar	233.24	94.50	80.84	0.000		41%	75%	-57.90
	Apr	224.80	94.50	86.77	0.000		42%	81%	-43.53
	May	230.11	94.50	89.81	0.000		41%	80%	-45.80
	Jun	241.61	94.50	85.94	0.000		39%	75%	-61.17
	Jul	228.12	94.50	80.06	0.000		41%	77%	-53.57
	Aug	227.18	94.50	80.16	0.000		42%	77%	-52.52
	Sep	231.39	94.50	81.62	0.000		41%	76%	-55.27
	Oct	228.98	94.50	82.06	0.000		41%	77%	-52.43
	Nov	235.73	94.50	80.03	0.000		40%	74%	-61.20
	Dec	231.42	94.50	80.20	0.000		41%	75%	-56.72
2028	Jan	229.03	94.50	77.68	50.000		41%	97%	-6.85
	Feb	238.68	94.50	80.49	50.000		40%	94%	-13.69
	Mar	253.28	94.50	80.84	50.000		37%	89%	-27.94
	Apr	241.22	94.50	86.77	50.000		39%	96%	-9.95
	May	253.13	94.50	89.81	50.000		37%	93%	-18.82

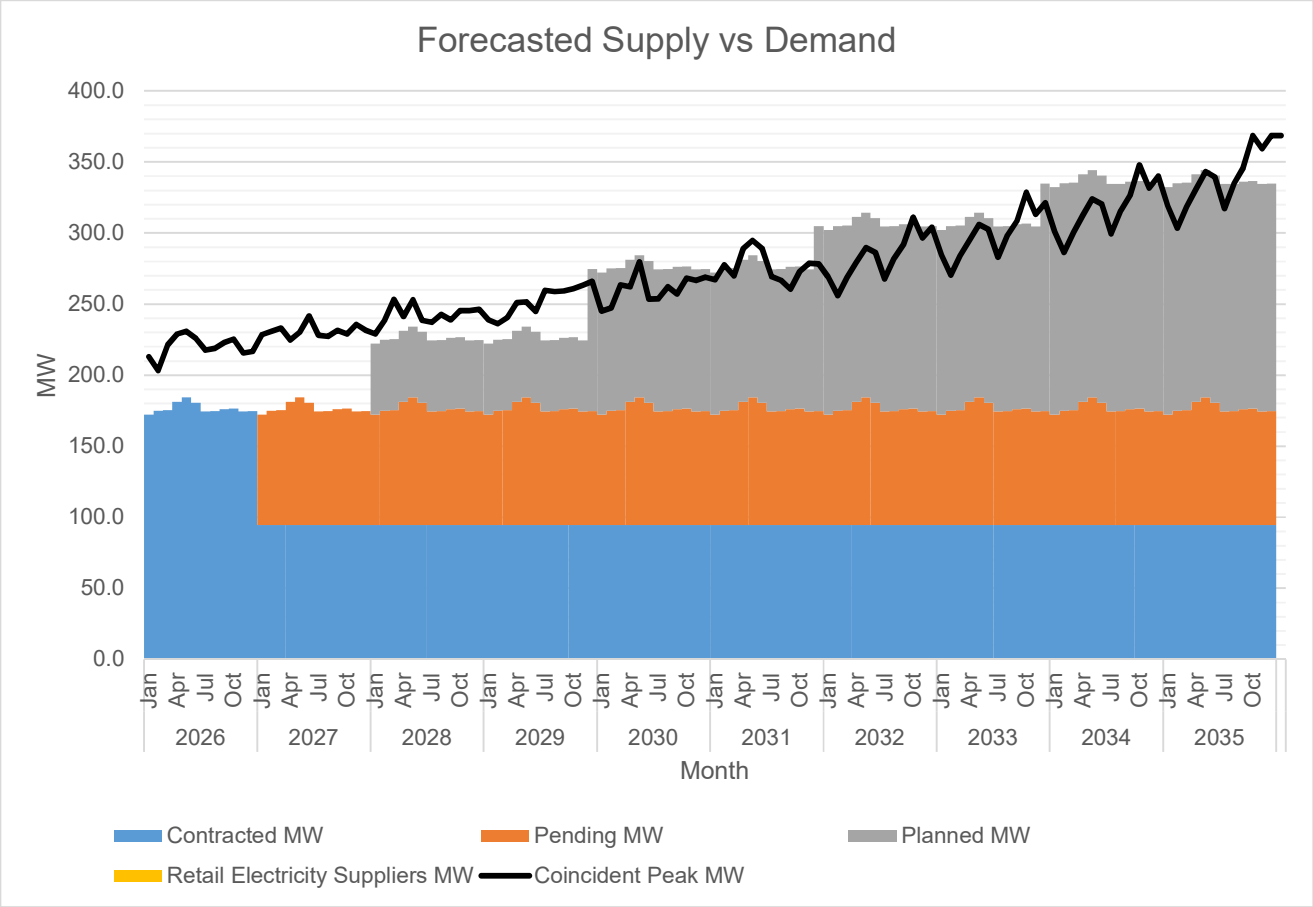
	Jun	238.48	94.50	85.94	50.000		40%	97%	-8.04
	Jul	237.21	94.50	80.06	50.000		40%	95%	-12.66
	Aug	242.66	94.50	80.16	50.000		39%	93%	-18.00
	Sep	238.90	94.50	81.62	50.000		40%	95%	-12.79
	Oct	245.42	94.50	82.06	50.000		39%	92%	-18.86
	Nov	245.42	94.50	80.03	50.000		39%	91%	-20.89
	Dec	246.37	94.50	80.20	50.000		38%	91%	-21.68
2029	Jan	238.90	94.50	77.68	50.000		40%	93%	-16.72
	Feb	236.19	94.50	80.49	50.000		40%	95%	-11.20
	Mar	240.51	94.50	80.84	50.000		39%	94%	-15.17
	Apr	250.87	94.50	86.77	50.000		38%	92%	-19.60
	May	251.56	94.50	89.81	50.000		38%	93%	-17.24
	Jun	244.87	94.50	85.94	50.000		39%	94%	-14.43
	Jul	259.65	94.50	80.06	50.000		36%	86%	-35.10
	Aug	258.79	94.50	80.16	50.000		37%	87%	-34.13
	Sep	259.27	94.50	81.62	50.000		36%	87%	-33.15
	Oct	260.99	94.50	82.06	50.000		36%	87%	-34.44
	Nov	263.32	94.50	80.03	50.000		36%	85%	-38.79
	Dec	265.95	94.50	80.20	100.000		36%	103%	8.75
2030	Jan	244.95	94.50	77.68	100.000		39%	111%	27.23
	Feb	247.42	94.50	80.49	100.000		38%	111%	27.57
	Mar	263.43	94.50	80.84	100.000		36%	105%	11.91
	Apr	262.19	94.50	86.77	100.000		36%	107%	19.08
	May	279.72	94.50	89.81	100.000		34%	102%	4.59
	Jun	253.42	94.50	85.94	100.000		37%	111%	27.02
	Jul	253.68	94.50	80.06	100.000		37%	108%	20.88
	Aug	262.25	94.50	80.16	100.000		36%	105%	12.41
	Sep	257.12	94.50	81.62	100.000		37%	107%	18.99
	Oct	268.33	94.50	82.06	100.000		35%	103%	8.23
	Nov	266.66	94.50	80.03	100.000		35%	103%	7.87
	Dec	268.93	94.50	80.20	100.000		35%	102%	5.77
2031	Jan	266.95	94.50	77.68	100.000		35%	102%	5.22
	Feb	277.71	94.50	80.49	100.000		34%	99%	-2.72
	Mar	269.83	94.50	80.84	100.000		35%	102%	5.51
	Apr	289.08	94.50	86.77	100.000		33%	97%	-7.81

	May	294.69	94.50	89.81	100.000		32%	96%	-10.38
	Jun	289.00	94.50	85.94	100.000		33%	97%	-8.56
	Jul	269.48	94.50	80.06	100.000		35%	102%	5.08
	Aug	266.74	94.50	80.16	100.000		35%	103%	7.92
	Sep	260.52	94.50	81.62	100.000		36%	106%	15.59
	Oct	272.94	94.50	82.06	100.000		35%	101%	3.62
	Nov	278.74	94.50	80.03	100.000		34%	98%	-4.21
	Dec	278.33	94.50	80.20	130.000		34%	109%	26.37
2032	Jan	269.25	94.50	77.68	130.000		35%	112%	32.93
	Feb	255.97	94.50	80.49	130.000		37%	119%	49.01
	Mar	268.74	94.50	80.84	130.000		35%	114%	36.60
	Apr	279.37	94.50	86.77	130.000		34%	111%	31.90
	May	289.63	94.50	89.81	130.000		33%	109%	24.68
	Jun	286.38	94.50	85.94	130.000		33%	108%	24.06
	Jul	267.66	94.50	80.06	130.000		35%	114%	36.89
	Aug	282.24	94.50	80.16	130.000		33%	108%	22.42
	Sep	291.94	94.50	81.62	130.000		32%	105%	14.17
	Oct	310.96	94.50	82.06	130.000		30%	99%	-4.41
	Nov	296.44	94.50	80.03	130.000		32%	103%	8.09
	Dec	304.02	94.50	80.20	130.000		31%	100%	0.68
2033	Jan	284.55	94.50	77.68	130.000		33%	106%	17.63
	Feb	270.52	94.50	80.49	130.000		35%	113%	34.47
	Mar	284.02	94.50	80.84	130.000		33%	108%	21.32
	Apr	295.25	94.50	86.77	130.000		32%	105%	16.02
	May	306.09	94.50	89.81	130.000		31%	103%	8.22
	Jun	302.65	94.50	85.94	130.000		31%	103%	7.79
	Jul	282.88	94.50	80.06	130.000		33%	108%	21.68
	Aug	298.28	94.50	80.16	130.000		32%	102%	6.38
	Sep	308.54	94.50	81.62	130.000		31%	99%	-2.42
	Oct	328.64	94.50	82.06	130.000		29%	93%	-22.08
	Nov	313.29	94.50	80.03	130.000		30%	97%	-8.76
	Dec	321.30	94.50	80.20	160.000		29%	104%	13.40
2034	Jan	301.16	94.50	77.68	160.000		31%	110%	31.02
	Feb	286.31	94.50	80.49	160.000		33%	117%	48.68
	Mar	300.59	94.50	80.84	160.000		31%	112%	34.75

	Apr	312.48	94.50	86.77	160.000		30%	109%	28.80
	May	323.95	94.50	89.81	160.000		29%	106%	20.36
	Jun	320.31	94.50	85.94	160.000		30%	106%	20.13
	Jul	299.38	94.50	80.06	160.000		32%	112%	35.17
	Aug	315.69	94.50	80.16	160.000		30%	106%	18.97
	Sep	326.54	94.50	81.62	160.000		29%	103%	9.58
	Oct	347.81	94.50	82.06	160.000		27%	97%	-11.26
	Nov	331.57	94.50	80.03	160.000		29%	101%	2.96
	Dec	340.04	94.50	80.20	160.000		28%	98%	-5.35
2035	Jan	319.15	94.50	77.68	160.000		30%	104%	13.03
	Feb	303.41	94.50	80.49	160.000		31%	110%	31.58
	Mar	318.55	94.50	80.84	160.000		30%	105%	16.79
	Apr	331.14	94.50	86.77	160.000		29%	103%	10.13
	May	343.31	94.50	89.81	160.000		28%	100%	1.01
	Jun	339.45	94.50	85.94	160.000		28%	100%	0.99
	Jul	317.27	94.50	80.06	160.000		30%	105%	17.29
	Aug	334.55	94.50	80.16	160.000		28%	100%	0.11
	Sep	346.05	94.50	81.62	160.000		27%	97%	-9.93
	Oct	368.59	94.50	82.06	160.000		26%	91%	-32.04
	Nov	359.41	94.50	80.03	160.000		26%	93%	-24.88
	Dec	368.59	94.50	80.20	160.000		26%	91%	-33.90

The Peak Demand was forecasted using time series analysis cubic with horizon, and was assumed to occur in the month of December due to high power demand. Monthly Peak Demand is at its lowest in the month of February. In general, Peak Demand is expected to grow at a rate of 4.2% annually. However, in 2026, Gaisano Mall will be entering the SOCOTECO II franchise, which will boost energy sales and demand of 5MW. Also, S&R Membership Shopping, which is expected to enter in the last quarter of 2026, with a demand of 1MW.

The Electric Cooperative's own use is slightly increasing all throughout the 10-year forecast. This is due to the development of new buildings included in the CAPEX plan of SOCOTECO II, as reflected in the site development plan.



The available supply is generally below the Peak Demand as seen in the January power supply contracts. As, a result, 24.49% of SOCOTECO II's power supply demand portfolio came from the Wholesale Electricity Spot Market. Furthermore, the supply from the relinquishment of Siguil Hydro Power Corporation of 15MW does not only affects SOCOTECO II's compliance for the Renewable Portfolio Standards but also affects the overall supply portfolio of SOCOTECO II in the year 2025.

Forecasted Supply–Demand Assessment

SOCOTECO II Planning Horizon: 2026–2035

This section presents the assessment of the forecasted supply–demand balance of **South Cotabato II Electric Cooperative, Inc. (SOCOTECO II)** over the planning horizon from 2026 to 2035. The analysis evaluates projected coincident peak demand against available and anticipated supply capacities, including contracted, pending, planned, and retail electricity supplier (RES) capacities.

Demand Outlook

SOCOTECO II's coincident peak demand is projected to exhibit a sustained upward trend over the forecast period. Beginning at approximately **210 MW in 2026**, peak demand is expected to increase steadily, reaching about **360–370 MW by 2035**. This growth reflects continued expansion in customer load, economic activity within the franchise area, and system development. Seasonal variations are evident in the monthly demand profile; however, the long-term trajectory indicates a consistent increase in peak system requirements.

Supply Portfolio Assessment

The cooperative's supply portfolio is composed of contracted, pending, planned, and retail electricity supplier capacities:

- **Contracted Capacity** provides a stable base of approximately **95 MW** throughout the planning period. While this ensures a level of supply reliability, it remains relatively constant and does not scale with projected demand growth.
- **Pending Capacity**, averaging around **80 MW**, supplements the contracted supply. Similar to contracted capacity, pending capacity remains largely unchanged over the planning horizon.
- **Planned Capacity** represents the primary source of future supply growth. Significant increments in planned capacity are introduced beginning in **2028**, with further additions through **2035**. These planned resources are essential in addressing the widening gap between committed supply and projected demand.
- **Retail Electricity Supplier (RES) Capacity** contributes marginally to the overall supply mix and does not materially alter the long-term supply adequacy outlook.

Supply–Demand Balance

In the **short term (2026–2028)**, SOCOTECO II's projected demand can be adequately met through existing contracted and pending capacities, supplemented by initial planned additions. The supply–demand balance during this period remains generally sufficient to meet coincident peak requirements.

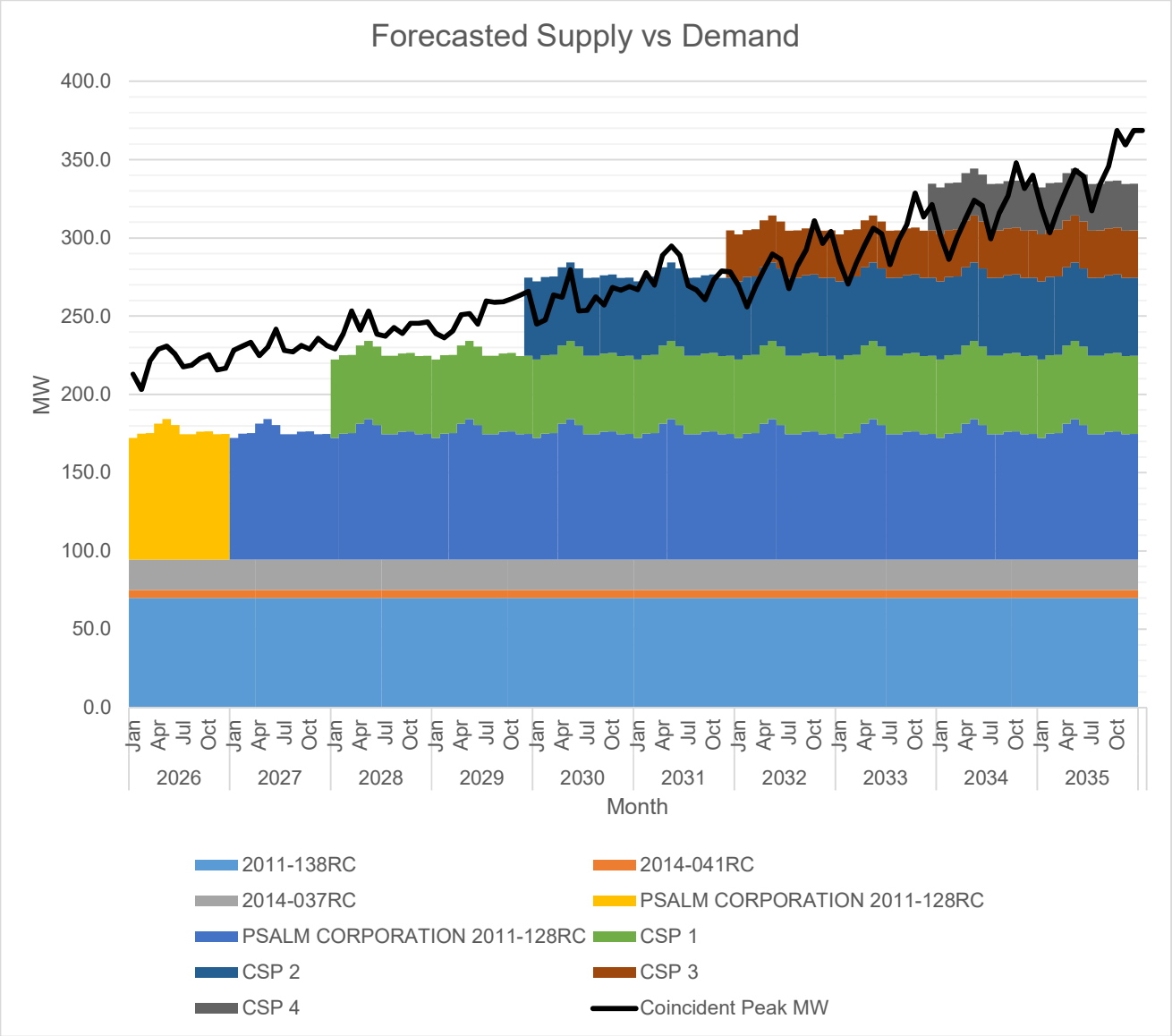
From the **medium to long term (2029–2035)**, coincident peak demand increases at a faster rate, resulting in a growing reliance on planned capacity additions. By the latter part of the planning horizon, demand significantly exceeds existing committed capacities, making the timely implementation of planned projects critical to maintaining system adequacy.

Planning Implications and Risks

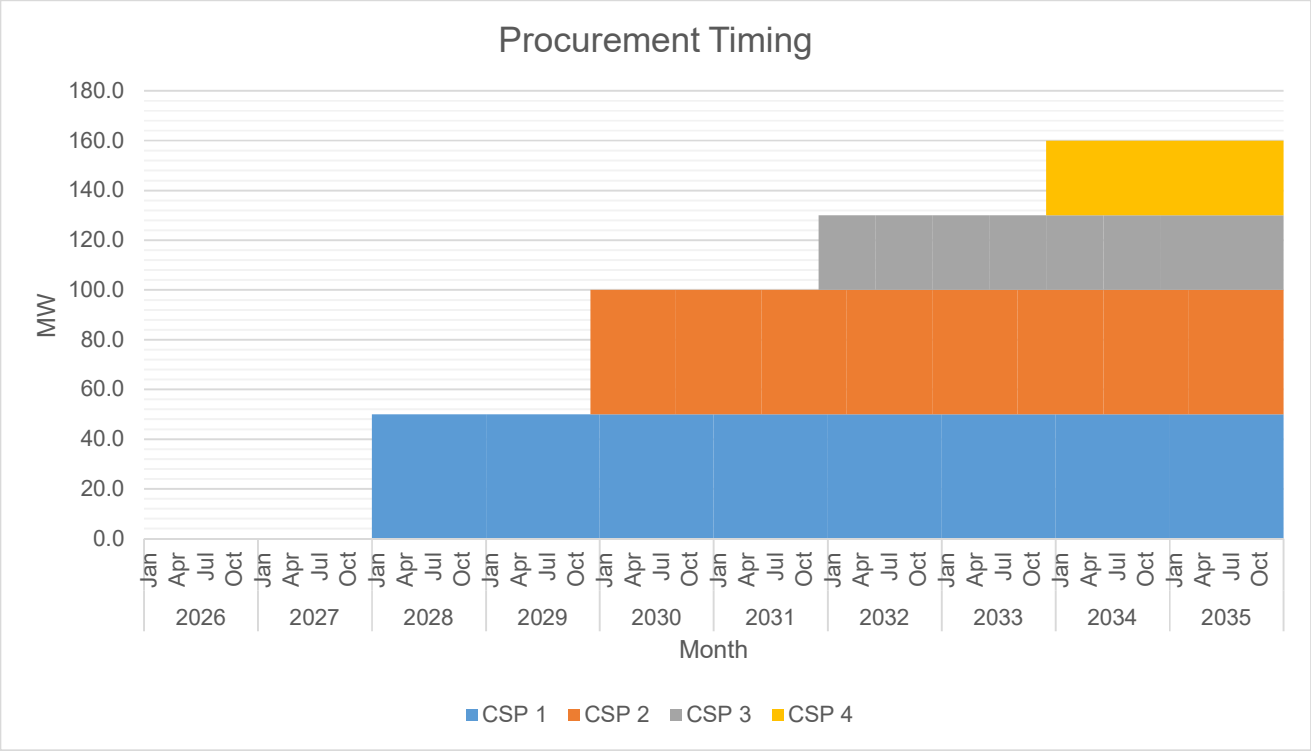
The analysis indicates that SOCOTECO II's ability to meet future demand is highly dependent on the **successful and timely realization of planned supply resources**. Any delays, deferments, or cancellations of planned projects may expose the cooperative to capacity shortfalls, particularly during peak demand periods. This could adversely affect system reliability and compliance with required reserve margins.

Conclusion

Based on the forecasted supply–demand assessment, SOCOTECO II is expected to maintain supply adequacy over the planning horizon **provided that planned capacity additions are implemented as scheduled**. To ensure long-term system reliability, the cooperative must continue proactive power supply planning, strengthen the transition of planned capacities into firm commitments, and regularly review demand forecasts and resource assumptions. These measures will support SOCOTECO II's mandate to provide reliable, adequate, and cost-effective electric service to its member-consumers.



Of the available supply, the largest is 70 MW from Sarangani Energy Corporation (2011-138RC) and 89.81 MW from PSALM Corporation. Throughout the whole 10-year scenario. SOCOTECO II intends to procure 4 more Competetive Selection Process to cope up with the growing demand in the franchise.



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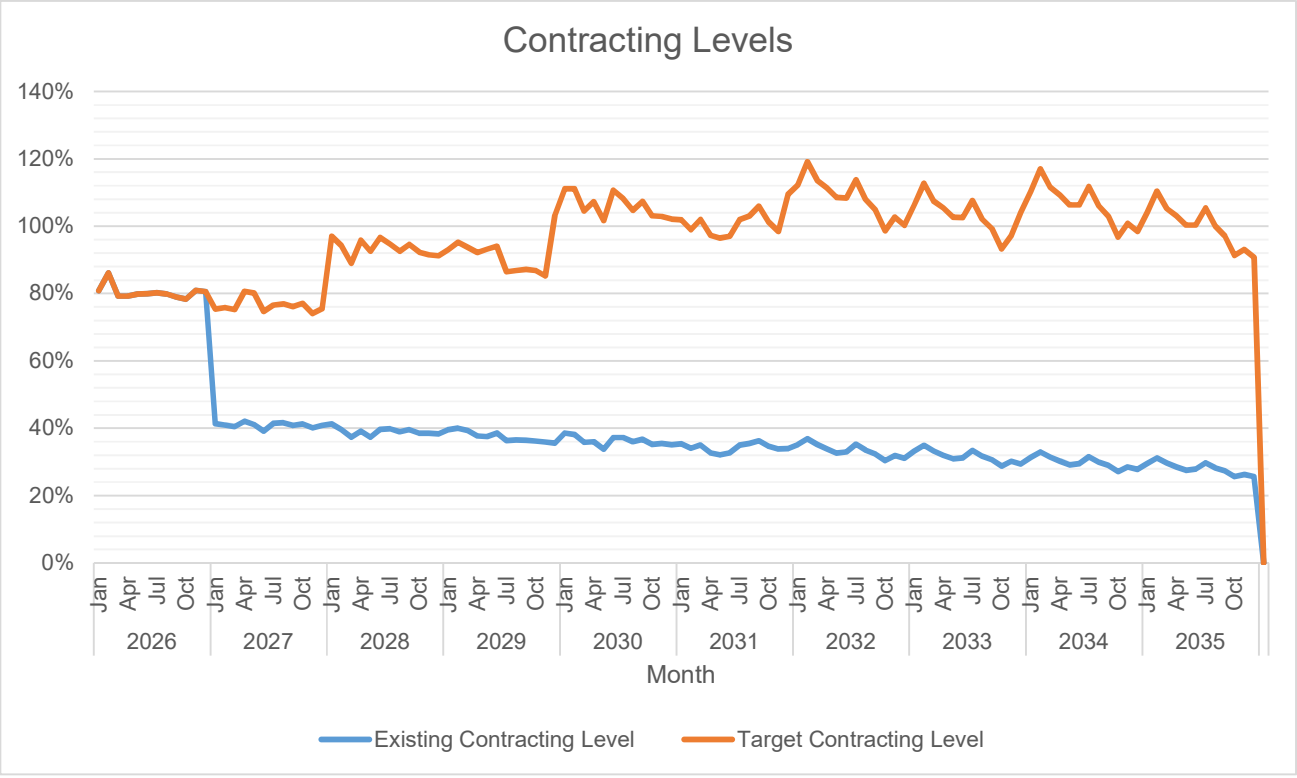
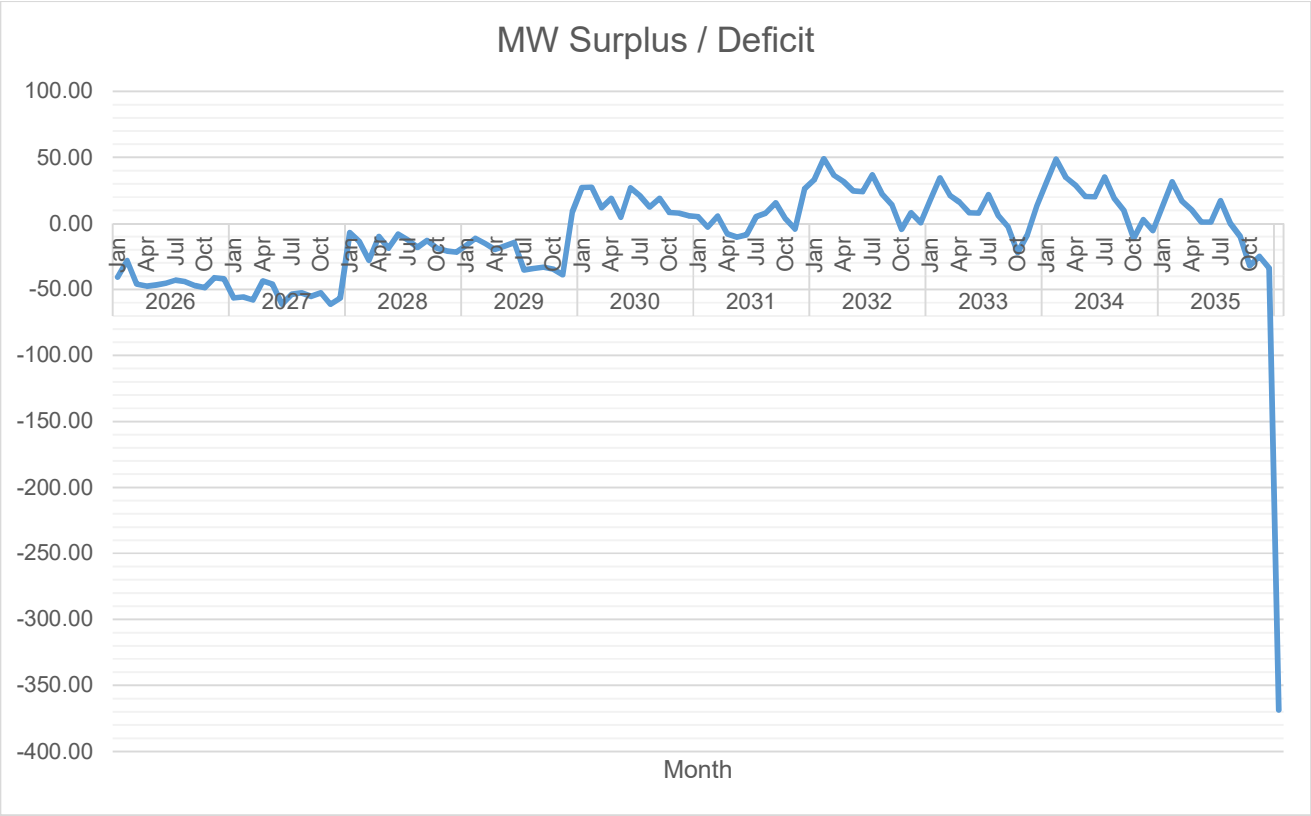


Currently, there is no over contracting since 24.49% of SOCOTECO II energy supply came from WESM. The cooperative generally planned to have a minimum WESM exposure that is why planned CSP should be pushed through.



Currently, there is no over-contracting since WESM is operational in Mindanao.

		MWh Offtake	MWh Output	MWh System Loss	Transm'n Loss	System Loss
2026	Jan	120,092	105,910	14,183	0.00%	11.81%
	Feb	120,549	106,307	14,241	0.00%	11.81%
	Mar	111,924	98,723	13,201	0.00%	11.79%
	Apr	124,859	110,110	14,749	0.00%	11.81%
	May	120,735	106,483	14,253	0.00%	11.80%
	Jun	125,071	110,303	14,768	0.00%	11.81%
	Jul	120,947	106,665	14,282	0.00%	11.81%
	Aug	127,665	112,589	15,076	0.00%	11.81%
	Sep	127,455	112,397	15,058	0.00%	11.81%
	Oct	134,355	118,481	15,875	0.00%	11.82%
	Nov	132,884	117,182	15,701	0.00%	11.82%
	Dec	133,591	117,813	15,778	0.00%	11.81%
2027	Jan	127,259	112,725	14,535	0.00%	11.42%
	Feb	127,743	113,149	14,595	0.00%	11.43%
	Mar	118,602	105,074	13,527	0.00%	11.41%
	Apr	132,309	117,189	15,120	0.00%	11.43%
	May	127,940	113,329	14,611	0.00%	11.42%
	Jun	132,534	117,395	15,139	0.00%	11.42%
	Jul	128,165	113,523	14,641	0.00%	11.42%
	Aug	135,283	119,829	15,455	0.00%	11.42%
	Sep	135,062	119,626	15,436	0.00%	11.43%
	Oct	142,375	126,101	16,274	0.00%	11.43%

	Nov	140,818	124,722	16,096	0.00%	11.43%
	Dec	141,565	125,390	16,175	0.00%	11.43%
2028	Jan	134,485	119,648	14,837	0.00%	11.03%
	Feb	134,997	120,098	14,898	0.00%	11.04%
	Mar	125,333	111,525	13,808	0.00%	11.02%
	Apr	139,820	124,386	15,434	0.00%	11.04%
	May	135,203	120,289	14,915	0.00%	11.03%
	Jun	140,059	124,605	15,454	0.00%	11.03%
	Jul	135,441	120,495	14,946	0.00%	11.04%
	Aug	142,964	127,188	15,776	0.00%	11.04%
	Sep	142,731	126,973	15,757	0.00%	11.04%
	Oct	150,461	133,848	16,613	0.00%	11.04%
	Nov	148,817	132,386	16,431	0.00%	11.04%
	Dec	149,605	133,093	16,511	0.00%	11.04%
2029	Jan	141,697	126,621	15,076	0.00%	10.64%
	Feb	142,237	127,099	15,139	0.00%	10.64%
	Mar	132,054	118,022	14,031	0.00%	10.63%
	Apr	147,318	131,634	15,683	0.00%	10.65%
	May	142,455	127,299	15,156	0.00%	10.64%
	Jun	147,570	131,866	15,704	0.00%	10.64%
	Jul	142,704	127,517	15,187	0.00%	10.64%
	Aug	150,632	134,602	16,031	0.00%	10.64%
	Sep	150,386	134,375	16,012	0.00%	10.65%
	Oct	158,531	141,651	16,881	0.00%	10.65%
	Nov	156,803	140,106	16,696	0.00%	10.65%
	Dec	157,630	140,853	16,778	0.00%	10.64%
2030	Jan	148,853	133,606	15,247	0.00%	10.24%
	Feb	149,421	134,111	15,310	0.00%	10.25%
	Mar	138,720	124,530	14,190	0.00%	10.23%
	Apr	154,756	138,895	15,861	0.00%	10.25%
	May	149,649	134,321	15,328	0.00%	10.24%
	Jun	155,022	139,140	15,882	0.00%	10.24%
	Jul	149,911	134,551	15,359	0.00%	10.25%
	Aug	158,239	142,027	16,212	0.00%	10.25%
	Sep	157,982	141,789	16,193	0.00%	10.25%
	Oct	166,538	149,466	17,072	0.00%	10.25%
	Nov	164,725	147,839	16,885	0.00%	10.25%
	Dec	165,592	148,625	16,968	0.00%	10.25%
2031	Jan	154,869	140,574	14,296	0.00%	9.23%
	Feb	155,461	141,106	14,355	0.00%	9.23%
	Mar	144,327	131,023	13,303	0.00%	9.22%
	Apr	161,011	146,138	14,872	0.00%	9.24%
	May	155,697	141,326	14,371	0.00%	9.23%
	Jun	161,288	146,397	14,891	0.00%	9.23%
	Jul	155,970	141,568	14,401	0.00%	9.23%
	Aug	164,636	149,435	15,201	0.00%	9.23%
	Sep	164,368	149,185	15,183	0.00%	9.24%
	Oct	173,271	157,264	16,007	0.00%	9.24%
	Nov	171,385	155,553	15,832	0.00%	9.24%
	Dec	172,287	156,378	15,909	0.00%	9.23%
2032	Jan	162,510	147,505	15,005	0.00%	9.23%

	Feb	163,131	148,064	15,067	0.00%	9.24%
	Mar	151,445	137,481	13,964	0.00%	9.22%
	Apr	168,953	153,343	15,609	0.00%	9.24%
	May	163,377	148,294	15,084	0.00%	9.23%
	Jun	169,244	153,615	15,629	0.00%	9.23%
	Jul	163,663	148,548	15,115	0.00%	9.24%
	Aug	172,758	156,803	15,955	0.00%	9.24%
	Sep	172,477	156,541	15,936	0.00%	9.24%
	Oct	181,820	165,019	16,801	0.00%	9.24%
	Nov	179,843	163,227	16,617	0.00%	9.24%
	Dec	180,789	164,090	16,698	0.00%	9.24%
2033	Jan	170,094	154,385	15,708	0.00%	9.24%
	Feb	170,745	154,971	15,774	0.00%	9.24%
	Mar	158,511	143,892	14,619	0.00%	9.22%
	Apr	176,837	160,495	16,341	0.00%	9.24%
	May	171,002	155,211	15,791	0.00%	9.23%
	Jun	177,142	160,780	16,362	0.00%	9.24%
	Jul	171,301	155,477	15,824	0.00%	9.24%
	Aug	180,821	164,118	16,703	0.00%	9.24%
	Sep	180,527	163,844	16,683	0.00%	9.24%
	Oct	190,306	172,718	17,589	0.00%	9.24%
	Nov	188,240	170,844	17,396	0.00%	9.24%
	Dec	189,228	171,746	17,481	0.00%	9.24%
2034	Jan	177,612	161,206	16,406	0.00%	9.24%
	Feb	178,292	161,818	16,474	0.00%	9.24%
	Mar	165,516	150,247	15,269	0.00%	9.23%
	Apr	184,651	167,585	17,066	0.00%	9.24%
	May	178,560	162,067	16,492	0.00%	9.24%
	Jun	184,971	167,883	17,089	0.00%	9.24%
	Jul	178,872	162,345	16,527	0.00%	9.24%
	Aug	188,813	171,368	17,445	0.00%	9.24%
	Sep	188,507	171,083	17,424	0.00%	9.24%
	Oct	198,719	180,350	18,369	0.00%	9.24%
	Nov	196,563	178,395	18,168	0.00%	9.24%
	Dec	197,593	179,335	18,257	0.00%	9.24%
2035	Jan	185,057	167,960	17,097	0.00%	9.24%
	Feb	185,766	168,598	17,167	0.00%	9.24%
	Mar	172,453	156,541	15,912	0.00%	9.23%
	Apr	192,391	174,606	17,785	0.00%	9.24%
	May	186,045	168,858	17,187	0.00%	9.24%
	Jun	192,725	174,916	17,808	0.00%	9.24%
	Jul	186,369	169,147	17,222	0.00%	9.24%
	Aug	196,728	178,549	18,179	0.00%	9.24%
	Sep	196,410	178,252	18,157	0.00%	9.24%
	Oct	207,051	187,908	19,142	0.00%	9.25%
	Nov	204,805	185,872	18,933	0.00%	9.24%
	Dec	205,877	186,851	19,026	0.00%	9.24%

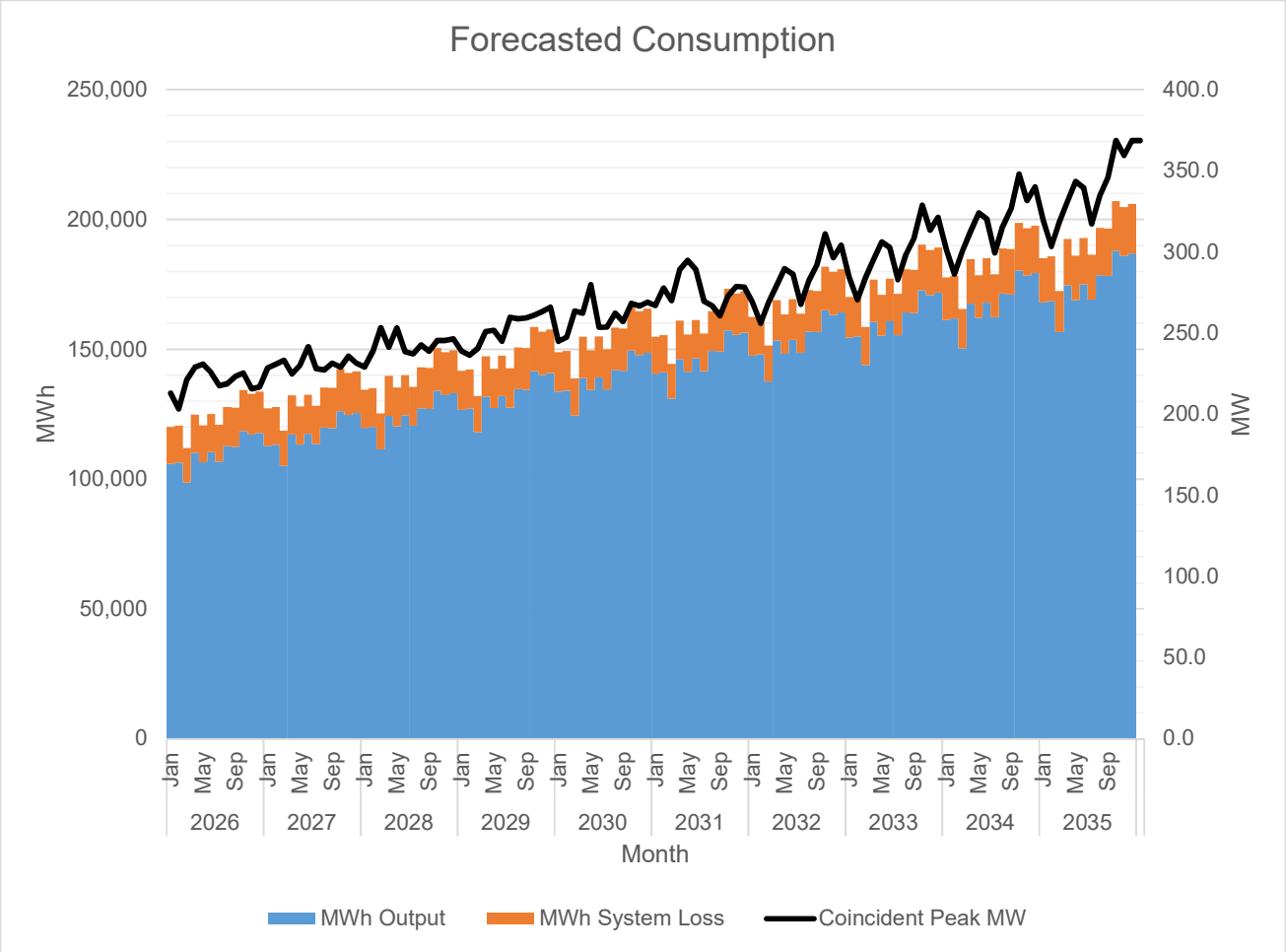
MWh Offtake was forecasted using cubic time series analysis with horizon. The assumed load factor is 70%.

System Loss was calculated through a Load Flow Study conducted using ETAP software. Based on the same study, the Distribution System can adequately convey electricity to customers. The system loss will significantly drop due to the entry of several loads plus the effort of the cooperative to continuously lower the system loss.

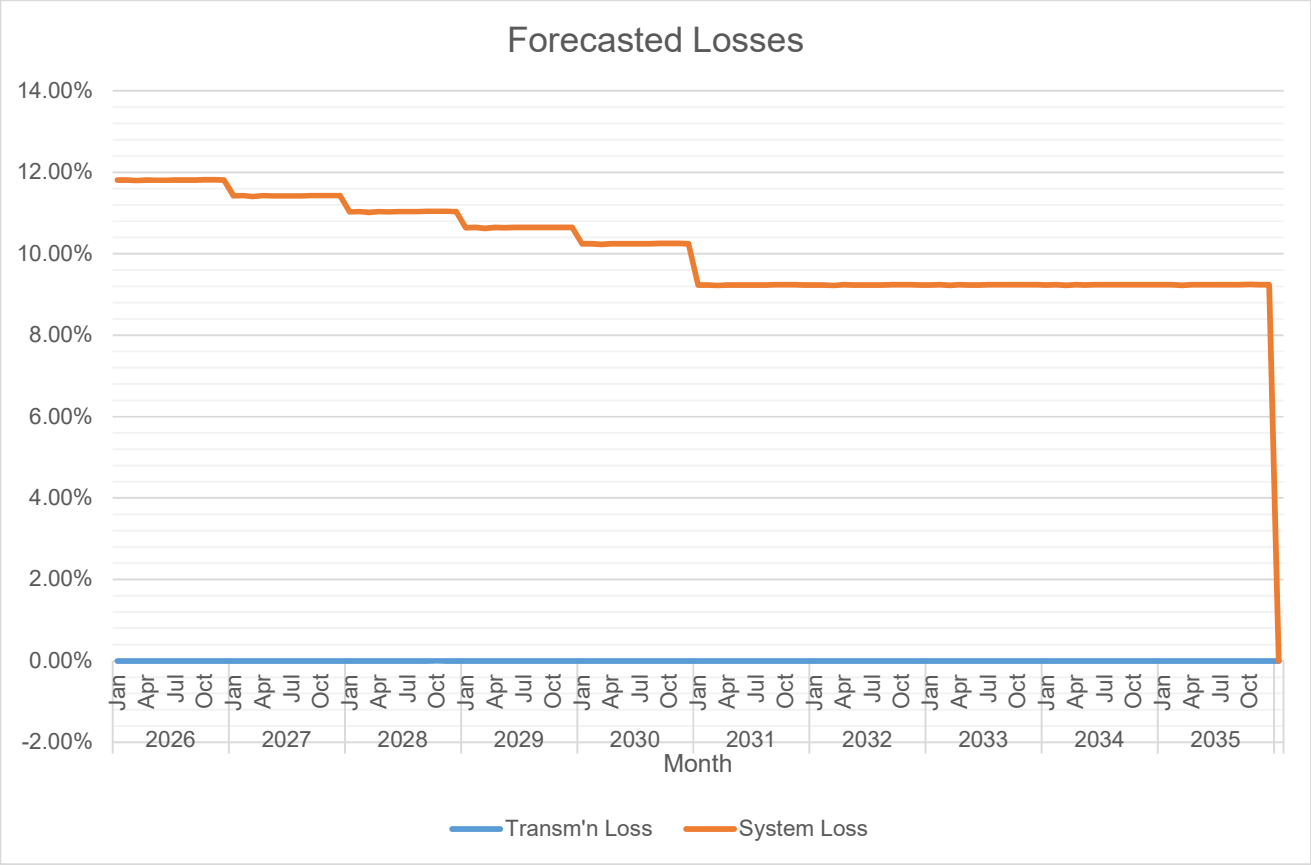
A substantial share of the existing system losses is primarily attributable to non-technical factors, notably electricity pilferage, illegal connections, meter tampering, and unregistered loads. To decisively address these issues, SOCOTECO II will mobilize a dedicated Catch-up Plan Team consisting of 140 personnel exclusively assigned to system loss reduction initiatives. The team will be strategically deployed in identified high-loss feeders and communities to undertake comprehensive field inspections, regularization of unauthorized connections, meter verification and validation, strict enforcement of anti-pilferage regulations, and sustained consumer education activities. The targeted and continuous operations of the Catch-up Plan Team are expected to significantly reduce non-technical losses and enhance overall billing accuracy and collection efficiency.

Complementing the non-technical loss mitigation measures, SOCOTECO II will pursue an accelerated Capital Expenditure (CAPEX) program aimed at addressing technical losses and operational inefficiencies within the distribution system. The proposed CAPEX will focus on projects that improve system capacity, reliability, and loss reduction, including the rehabilitation and upgrading of aging distribution facilities, reconductoring of overloaded lines, installation of additional and appropriately sized distribution transformers, feeder reconfiguration, and the deployment of advanced metering and system monitoring technologies. These investments are expected to directly reduce technical losses while enhancing voltage regulation and overall service reliability.

The new software for the Power System Analysis will be used. Synergi will be online once Geographical Information System takes place that is currently ongoing.



MWh Output was expected to grow at a rate of 5.42% annually.



The overall system loss of SOCOTECO II is projected to decline to single-digit levels. In pursuit of restoring its performance rating from Category B to Category AAA, the cooperative has implemented intensified recovery measures, including the deployment of a Catch-up Team composed of 140 contractual personnel dedicated to combating non-technical losses arising from electricity pilferage and other unauthorized activities.

In parallel, an accelerated Capital Expenditure (CAPEX) program for the 2026–2030 period has been strategically developed to further reduce system losses and enhance the overall operational efficiency and reliability of SOCOTECO II’s distribution system.

Power Supply

Case No.	Type	GenCo	Minimum MW	Minimum MWh/yr	PSA Start	PSA End
2011-138RC	Base	Sarangani Energy Corporation	70.00	544,320	6/3/2011	6/11/2036
2014-041RC	Base	Therma South, Inc.	5.00	38,400	9/27/2013	9/28/2038
2014-037RC	Base	Peakpower Soccsargen, Inc.	19.50	145,197	3/20/2013	3/20/2028
PSALM CORPORATION 2011-128RC	Base	Power Sector Assets and Liabilities Management Corporation	89.81	400,267	12/26/2023	12/25/2025

The PSA with Sarangani Energy Corporation filed with ERC under Case No. 2011-138RC was procured through Swiss challenge. It was selected to provide for base requirements due to lack of power in the Mindanao grid resulting to manual load dropping in 2010. Historically, the utilization of the PSA is 40-100%. The actual billed overall monthly charge under the PSA ranged from 5.00 P/kWh to 13.00 P/KWh in the same period.

The PSA with Therma South, Inc. filed with ERC under Case No. 2014-041RC was procured through Swiss challenge. It was selected to provide for base requirements due to immediate need of power to adequately supply the growing need in power in the SOCOTECO II franchise area. Historically, the utilization of the PSA is 40-100%. The actual billed overall monthly charge under the PSA ranged from 7.00 P/kWh to 15.00 P/KWh in the same period.

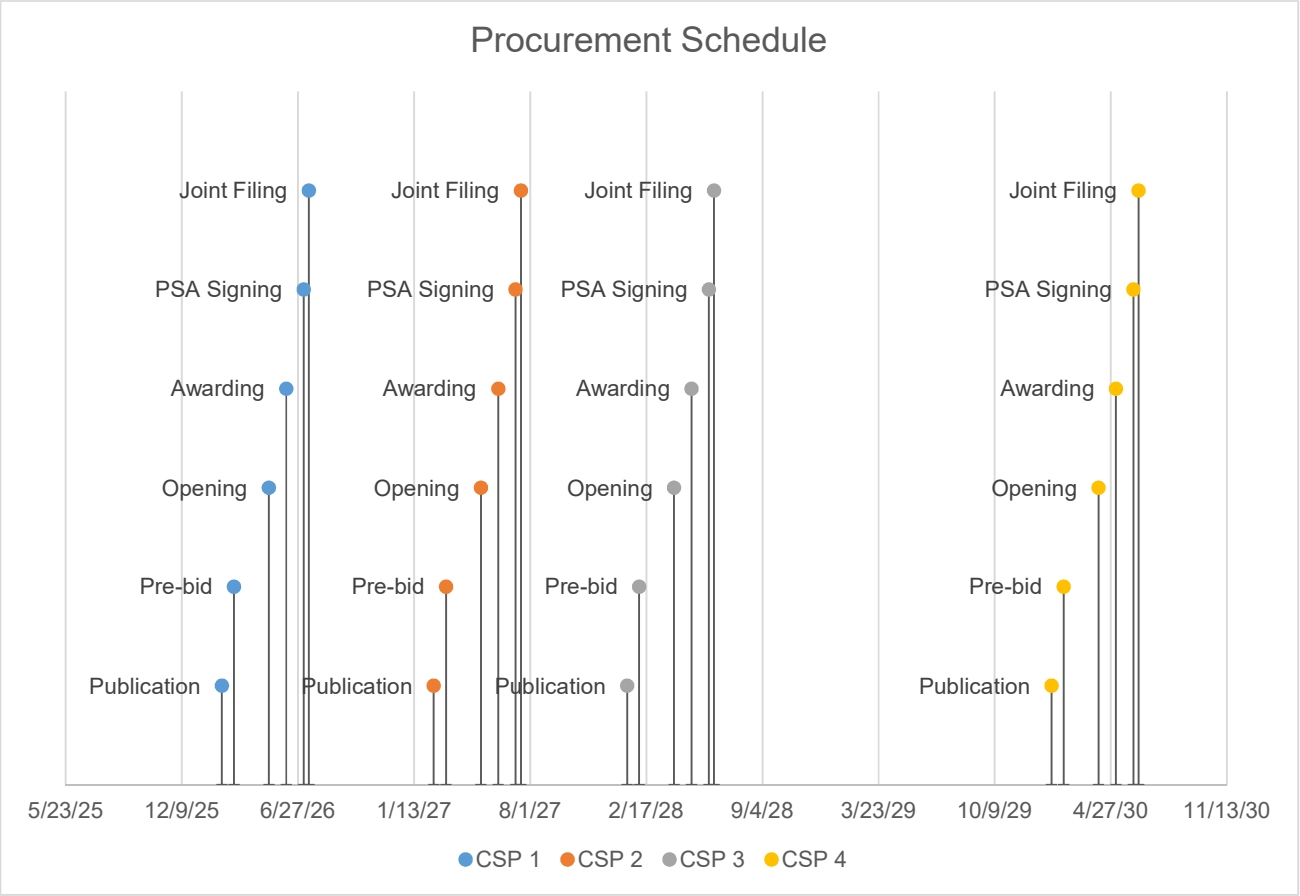
The PSA with Peak Power was procured ERC under Case No. 2014-037RC. It was selected to provide for peak requirements to cater to the peak demand of SOCOTECO II without interruption and for voltage support in case of plant shutdown due to maintenance. The Power Supply Contract with Peak Power will end on March 20, 2028, however, this will continue to operate since this is a Build-Operate-Transfer contract. In the year 2028, it will now be owned and operated by the cooperative.

Power Supply Agreement (PSA) No. 2018-054RC with PSALM Corporation was selected to serve the base load requirements of the cooperative, ensuring adequate supply while minimizing overall generation costs. Historically, the utilization of this PSA has ranged from 40% to 100%, with the corresponding actual billed average monthly rates falling between PHP 2.00/kWh and PHP 3.00/kWh over the same period. The PSA was renewed on December 26, 2025, and is set to expire on December 25, 2026. Nonetheless, management remains optimistic regarding the renewal of the Contracted Supply of Electricity (CSEE) with PSALM Corporation within 2026.

Case No.	Type	GenCo	Minimum MW	Minimum MWh/yr	PSA Start	PSA End
PSALM CORPORATION 2011-128RC	Base	Power Sector Assets and Liabilities Management Corporation	89.81	400,267	12/26/2025	12/25/2040

Pending negotiations for the CSEE renewal for PSALM Corporation have already been applied by the cooperative for its renewal before the end of contract date.

	CSP 1	CSP 2	CSP 3	CSP 4
Type	Intermediate	Intermediate	Base	Base
Minimum MW	50.00	50.00	30.00	30.00
Minimum MWh/yr	175,200	175,200	210,240	210,240
PSA Start	11/26/2027	11/26/2028	11/26/2030	11/26/2032
PSA End	11/25/2042	11/25/2043	12/25/2045	12/25/2047
Publication	2/16/2026	2/16/2027	1/15/2028	1/15/2030
Pre-bid	3/9/2026	3/9/2027	2/5/2028	2/5/2030
Opening	5/8/2026	5/8/2027	4/5/2028	4/6/2030
Awarding	6/7/2026	6/7/2027	5/5/2028	5/6/2030
PSA Signing	7/7/2026	7/7/2027	6/4/2028	6/5/2030
Joint Filing	7/16/2026	7/16/2027	6/13/2028	6/14/2030

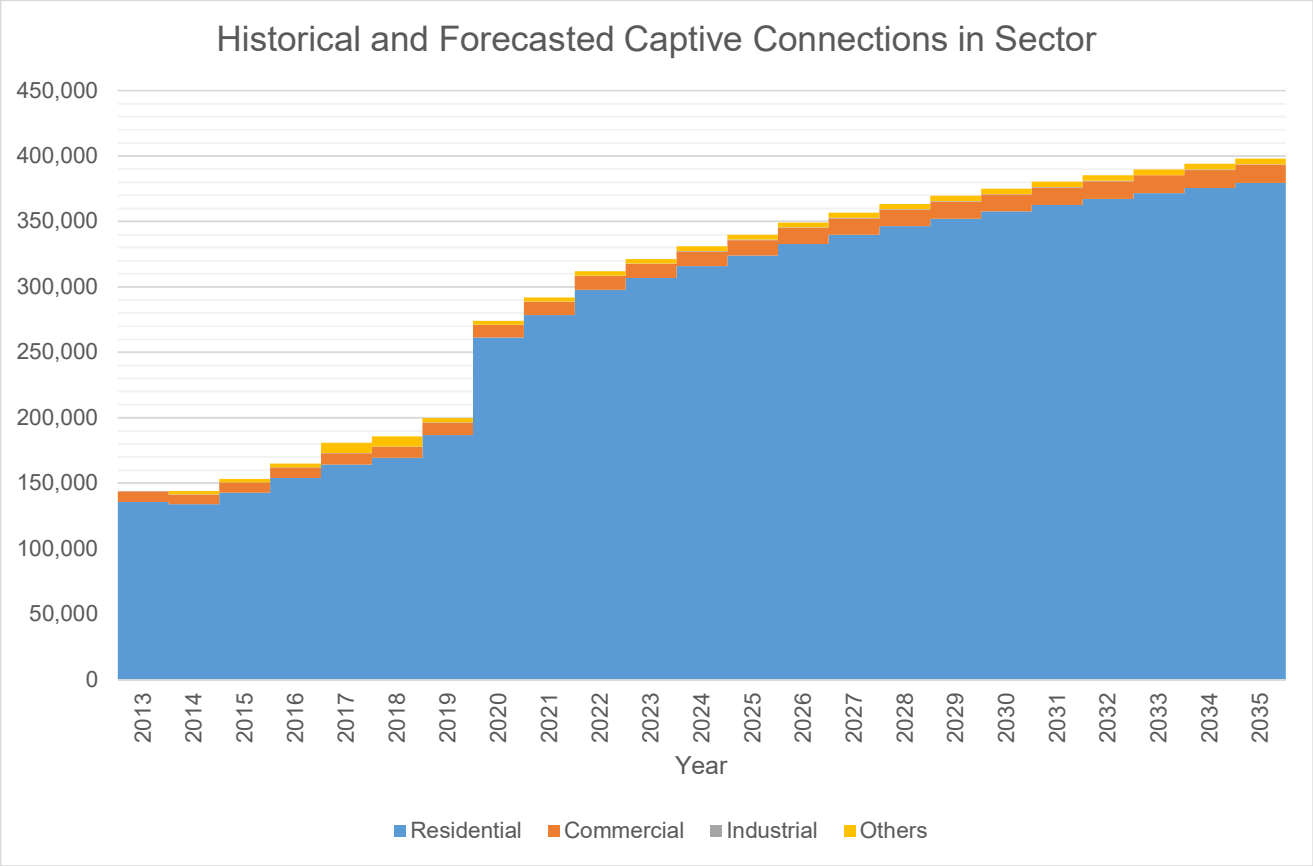


PSALM Corporation officially renewed and started its PSA last December 26, 2025, and will end on December 25, 2026. The PSA is considered by SOCOTECO II since it has the lowest rate in the market which will maintain the effective rate of the cooperative below Php 10.00 / kwhr.

SOCOTECO II plans to procure an additional 50 MW of generation capacity targeted for availability by the fourth quarter of 2027. A second power plant with a similar capacity of 50 MW is likewise scheduled to come online by the fourth quarter of 2028. These generation projects are primarily intended to ensure compliance with the Renewable Portfolio Standards (RPS).

In addition, two power plants with capacities of 30 MW each are planned to support the increasing electricity demand within the SOCOTECO II franchise area.

Captive Customer Connections



The number of residential connections is expected to grow at a rate of 2.43% annually using Linear Logarithmic with Smoothing forecast.

ASA survey is made from SOCOTECO II's actual connection to determine the true level of energization. The survey determined series connections; these series connections consist of households that are not qualified to get permits from the government which causes a surge in the energization level in the year 2020.