

**Power Sector Assets and Liabilities Management (PSALM) Corporation**

Component					GCG-approved	Accomplishments (as of 30 September 2020)												
Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Actual													
<b>SO 1: Reduced financial obligations (FO)</b>																		
<b>SM 1</b>	Amount of Net Reduction in FO	$FO_{previous\ year} - FO_{current\ year}$	30.0	Actual over Target	<b>PHP11.943 Billion</b>  (Reduction from PHP433.978 Billion to PHP422.035 Billion) Forex Used: 2018 Year-end rate (PHP52.724 = US\$1) <b>PHP10.184 Billion</b> <b>(Restated)<sup>1/</sup></b>  (Reduction from PHP422.011 Billion to PHP411.827 Billion) Forex Used: 2019 Year-end rate (PHP50.744 = US\$1)	<b>PHP35.93 Billion</b>  <b>(Reduction from PHP422.011 Billion to PHP386.08 Billion)</b> Forex Used: 2019 Year-end rate (PHP50.744 = US\$1) Note: Net of bond discount, premium, and issue cost												
<b>SO 2: Ensured strong financial performance</b>																		
<b>SM 2</b>	Collection Efficiency for Current Power Sales	$\frac{Collections\ from\ Current\ Power\ Sales}{Current\ Power\ Sales}$	10.0	Actual over Target	<b>93%</b>	<b>93.68%</b> <b>PHP9.514 Billion</b> <b>PHP10.156 Billion</b>												
<b>SM 3</b>	Amount of Delinquent/ Overdue Accounts Collected	$\frac{\Sigma Actual\ Collection}{\Sigma Target\ Collection}$	10.0	Actual over Target	<b>PHP0.945 Billion</b>	<b>PHP2.083 Billion</b> <table border="1" data-bbox="1675 869 2004 1034"> <thead> <tr> <th>Delinquent Accounts</th> <th>(in Bln)</th> </tr> </thead> <tbody> <tr> <td>Possible for Collection</td> <td>0.04</td> </tr> <tr> <td>Restructured Power Accounts</td> <td>0.59</td> </tr> <tr> <td>IPPA</td> <td>1.33</td> </tr> <tr> <td>Other Receivables</td> <td>0.12</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>2.08</b></td> </tr> </tbody> </table>	Delinquent Accounts	(in Bln)	Possible for Collection	0.04	Restructured Power Accounts	0.59	IPPA	1.33	Other Receivables	0.12	<b>TOTAL</b>	<b>2.08</b>
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IPPA	1.33																	
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<b>TOTAL</b>	<b>2.08</b>																	
<b>SM 4</b>	Percentage Share of Overhead Expenses to Total Income	$\frac{(PS + MOOE) - Bad\ Debts}{Total\ Income}$	5.0	Actual over Target	<b>14.00%</b> <b>PHP1.268 Billion</b> <b>PHP9.054 Billion</b>	<b>4.23%</b> <b>PHP0.367 Billion</b> <b>PHP8.669 Billion</b>												
<b>SM 5</b>	EBITDA Margin of Operating Power Assets	$\frac{EBITDA\ of\ Operating\ Power\ Assets}{Net\ Utility\ Revenue}$	5.0	Actual over Target	<b>10.00%</b> <b>PHP3.129 Billion</b> <b>PHP31.985 Billion</b>	<b>-0.68%</b> <b>-PHP 0.129 Billion</b> <b>PHP18.981 Billion</b>												
<b>SM 6</b>	Universal Charge (UC) Remittance Efficiency of Collecting Entities (CEs)	$\frac{\Sigma UC\ Actual\ Remittance}{Total\ UC\ Collection + Maintaining\ balance}$	7.0	Actual over Target	<b>98%</b>	<b>97.93%</b> <b>PHP17.780 Billion</b> <b>PHP18.157 Billion</b>												
<b>SM 7</b>	Percentage of UC-ME disbursed to NPC	$\frac{\Sigma UC\ Actual\ Disbursement}{Total\ UC\ Remittance + Maintaining\ balance}$	8.0	Actual over Target	<b>100%</b>	<b>100%</b> NPC: <b>PHP8.447 Billion<sup>2/</sup></b> <b>PHP8.447 Billion</b>												
	Percentage of UC-ME-REDCI disbursed to RE Developers	$\frac{Total\ Cash\ Incentive\ Disbursed}{\Sigma_{i=1}^n G_i r_i}$ Where: n = the number of REDs G <sub>i</sub> = Net Generation in KWH of the i <sup>th</sup> RED r <sub>i</sub> = ERC - approved Cash Incentive Rate for the i <sup>th</sup>				<b>100%</b> RE Developers : <b>PHP13.281 Million<sup>2/</sup></b> <b>PHP13.281 Million</b>												
<b>Sub-total:</b>			<b>75.0</b>															

Perspective 1: Financial

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Updated 3rd Quarter Monitoring Report

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<b>SO 3: Implemented fair and transparent privatization program</b>								
<b>SM 8</b>	No. of Power Assets Successfully Privatized	Actual accomplishments	--	All or Nothing	<b>797.92 MW</b> <b>Caliraya- Botocan- Kalayaan HEPPs</b> <b>(For monitoring)</b>	1. Coordinated with the Asian Development Bank (ADB) consultant and concerned stakeholders (i.e., Department of Finance (DOF), National Power Corporation [NPC]) in Jul 2020 2. Attended meetings with CBKPCL re: CBK Operations; National Grid Corporations of the Philippines re: Dispatch of CBK and Casecnan Power Plants; and with CE Casecnan re: Casecnan Operations in September 2020 3. Provided to the ADB consultant the following documents: -Execution copy of the Confidentiality Agreement between PSALM and the ADB consultant (24 Jul 2020) -CBK and Casecnan Financial Operating Results (Aug 2020) - CBKPCL Presentation (04 Sep 2020) - Documents on Kalayaan Ancillary Services (10 Sep 2020)		
<b>SM 9</b>	No. of Lots Disposed under Strategic Plan	$\frac{\Sigma \text{Number of lots disposed}}{\Sigma \text{Target Number of lots for disposal}}$	10.0	Actual over Target	<b>76 lots</b>  <b>+ Lots Not Disposed in 2019</b>	• Paco-Manila Property	8	<ul style="list-style-type: none"> <li>• 11-13 July 2020 - Published Invitation to Bid (ITB). Emailed and sent invitation letters to the prospective bidders for the sale of Paco-Manila Property.</li> <li>• 28 July 2020 - conducted Pre-Bid Conference for the sale of Paco-Manila Property. Representatives from Bilrey Construction and J&amp;M Properties and Construction Corporation attended the conference.</li> <li>• 09 September 2020 - requested and secured the PBAC's approval for Declaration of Failure of Bidding for the Sale of Paco-Manila Property.</li> <li>• 28 September 2020 - presented and secured the PSALM Board's approval for the Declaration of Failure of Bidding for the sale of the Paco-Manila Property.</li> </ul>
						• GenSan Property	2	<ul style="list-style-type: none"> <li>• 04 September 2020 - Published Invitation to Bid (ITB) for the Sale of PSALM Real Estate Properties (General Santos City Property)</li> <li>• 15 September 2020 - Conducted Pre-Bid Conference for the sale of General Santos City</li> <li>• 30 September 2020 -conducted Public Auction proceedings for the sale of General Santos City Property. Thereafter, PBAC declared failure of Bidding since no bid was received as of Bid Submission Deadline.</li> </ul>
						• Loboc Property (4)	4	<ul style="list-style-type: none"> <li>• 04 September 2020 - secured the PBAC's approval of, and published, the Invitation to Bid (ITB) for the Sale of PSALM Real Estate Properties (Loboc Property)</li> <li>• 15 September 2020 - Conducted Pre-Bid Conference for the sale of Loboc Property</li> <li>• 30 September 2020 - Conducted Public Auction proceedings for the sale of Loboc Property. Thereafter, PBAC declared failure of Bidding since no bid was received as of Bid Submission Deadline.</li> <li>• 30 September 2020 - Received Sta. Clara Power Corporation's letter of regret.</li> </ul>
						• Baguio Sewerage	10	<ul style="list-style-type: none"> <li>• 24 August 2020 - requested BAC to issue a resolution authorizing APD1 to procure, thru Agency-to-Agency, the services of Land Bank of the Philippines (LBP) for the appraisal of the Baguio Property.</li> <li>• 25 August 2020 - received letter from Land Bank of the Philippines submitting its revised proposal/quotation to provide appraisal services for the Baguio Property.</li> <li>• 16 September 2020 - submitted to BAC the documentary requirements for the procurement of Land Bank of the Philippines' (LBP) services for the appraisal of Baguio Property through negotiated procurement under agency-to-agency.</li> </ul>

Perspective 2: Customers/ Stakeholders

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<b>SO 3: Implemented fair and transparent privatization program</b>					
<b>SM 9</b> No. of Lots Disposed under Strategic Plan	$\frac{\Sigma \text{ Number of lots disposed}}{\Sigma \text{ Target Number of lots for disposal}}$		Actual over Target	<b>76 lots</b>  <b>+ Lots Not Disposed in 2019</b>	• Parañaque 4 • On 08 July 2020, APD1 met with Atty. Melanie B. Valenciano, SHFC Legal, re: proposed disposal of teh Parangaque Property to SHFC. In the said meeting, Atty. Valenciano informed PSALM that SHFC will evaluate the property by conducting due diligence to determine if the property can be a potential subject of any applicable program of SHFC. • 11 August 2020 - sent letter to Atty. Ronald Saco of SHFC via email transmitting the brief profile of PSALM's Parañaque Property and signed letter of Authority issued specifically to personnel duly authorized by the SHFC to conduct due diligence at the Parañaque Property.
					• Putsan Property 3 • Secured OVP-PAMG's approval of the property profile during the 1st Quarter of 2020
					• Masinloc CFTPP Land 1 • Coordinated with PSALM-LG its plan of action regarding the release of TCT registered in the name of PSALM.
					• GenSan Property - Reconveyance 3 • Awaiting for the required extra-judicial settlement of estate agreement from the heirs of Allado.
					• Panay DPP Land 5 • Awaiting the release of TCT registered in the name of PSALM.
					• Batangas CFTPP Land 3 • 09 July 2020 - received information from BIR RDO 58 via email that the requested certification of current zonal value of Optioned Assets located at Calaca, Batangas is ready for pick-up. • 11 August 2020 - coordination meeting with Sem-Calaca Power Corporation and discussed the following matters: - Zonal valuation - Just Cause for Exclusive Possession - Additional Leased Premises • 17 September 2020 - sent clarification letter to BIR RDO 58 in view of the inconsistency of the location of the Subject Properties. The Subject Properties are said to be located in Brgy. Dancalao based on the Transfer Certificates of Title. However, based on the Tax Declaration, Subject lots are said to be located in Brgy. San Rafael.
					• Malaya TPP Land 5 • 28 September 2020 - presented to, and secured from, the PSALM Board the request for declaration of failure of 3rd round of Bidding and commencement of Negotiated Sale for the Privatization of MTPP
					•Magdalena Property - Bidding 20 • 04 September 2020 - secured the PBAC's approval of and issued of Invitation to Bid (ITB) • 15 September 2020 - Conducted Pre-Bid Conference • 30 September 2020 - Conducted Public Auction for the sale of PSALM Real Estate Properties. Thereafter, PBAC declared failure of Bidding since no bid was received before the Bid Submission Deadline.
					•Sudipen Property 3
					•Agusan Property 3 • 08 July 2020, posted the Invitation to Bid (ITB) • 09 July 2020, issued Offer to Sell to Puerto Azul Golf & Country Club and OVCC for the Puerto Azul Property. • 21 July 2020, conducted the virtual pre-bid conference via zoom application.
					•Maco Property 1 • 06 August 2020- conducted bidding. PSALM received only one bid each for Nasipit, Maco and Agusan Properties. The PBAC declared a failure of bidding and proceeded to Negotiated Sale in accordance with the Bidding Procedures. The Therma Marine, Inc. (TMI) was declared to met the MBP for the Nasipit and Maco Properties with a Bid of PhP4,414,000.00 and PhP3,209,140.00, respectively, while FGBPC was to met the MBP for the Agusan Property with a Bid of PhP28,610,168.00 under the Negotiated Sale . • 11 August 2020- conducted virtual post-qualification evaluation of TMI and FGBPC via zoom. • 28 August 2020- issued the Notices of Award (NOA) to TMI for Maco and Nasipit properties and FGBPC for Agusan property.
					•Puerto Azul (2 units and 1 club share) 2

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<b>SO 3: Implemented fair and transparent privatization program</b>						
<b>SM 9</b> No. of Lots Disposed under Strategic Plan	$\frac{\Sigma \text{Number of lots disposed}}{\Sigma \text{Target Number of lots for disposal}}$		Actual over Target	<b>76 lots</b>  + Lots Not Disposed in 2019	Bataan Housing (Limay)	3 <ul style="list-style-type: none"> <li>24 July 2020, held a coordination meeting with the LGU of Limay, Bataan on the proposed acquisition of Bataan Housing (Limay) Property through A to A</li> <li>20 August 2020- secured Board's approval of Authority to Negotiate with any Local Government Unit for the Disposal of Limay Housing Property based on the BRC's instructions.</li> <li>Secured the President and CEO's approval and direction on the proposed next steps for the negotiation with local government units relative to the sale of Limay Housing.</li> <li>10 September 2020, conducted a negotiation meeting with the Municipal Government of Limay on the sale of the subject property.</li> <li>18 September 2020, received an offer from the Municipal Government of Limay, in the amount of PhP83,574,450.00 (PhP1,350.00 per square meter).</li> <li>Informed and offered the Provincial Government of Bataan for the sale of the subject property through a letter dated 01 September 2020.</li> </ul>
					Mexico Property	1 <ul style="list-style-type: none"> <li>08 September 2020, posted the Invitation to Bid (ITB)</li> <li>16 September 2020, invited the LGU of Mexico to Participate and Request to Post Copy of ITB.</li> <li>21 September 2020, invited the Provincial Governor of Pampanga to participate in the bidding of the subject property.</li> <li>24 September 2020, conducted virtual Pre-bid Conference via Zoom attended by the following are the interested parties:                             <ol style="list-style-type: none"> <li>Panasia Energy Inc.</li> <li>United Ascent Holdings Inc.</li> <li>Pan Pacific Renewable Power Philippines Corp</li> </ol> </li> </ul> United Ascent Holdings and Pan Pacific paid the participation fee and submitted the executed form of acceptance of bidding procedures.
					Camalaniugan Property	1 <ul style="list-style-type: none"> <li>04 September 2020, posted the Invitation to Bid (ITB)</li> <li>10 September 2020, invited the LGU of Camalaniugan to Participate and Request to Post Copy of ITB. Also, informed the NPC on the commencement of the subject property and requested copies of document/s that merits CAGELCO's use and occupancy for the said property.</li> <li>14 September 2020, received the participation fee of CAGELCO II</li> <li>15 September 2020, conducted the virtual Pre-bid Conference via Zoom.</li> <li>17 September 2020, secured PBAC's direction if to impose back rental to CAGELCO II relative to its use of the Camalaniugan Property since 1992.</li> <li>30 September 2020, conducted the Bid-Opening, however, the bidding process was declared failure since no bids were received.</li> </ul>
<b>SO 4: Improved customers' relation and service delivery</b>						
<b>SM 10</b> Percentage of Satisfied Customers	$\frac{\text{Total number of Satisfied Respondents}}{\text{Total number of Respondents}}$	5.0	Actual over Target 0% = if < 80%	<b>90% Satisfied Customers</b>	1. Solicited strategies from all units concerned to improve satisfaction level of customers 2. Preparation for 2020 Customer Satisfaction Survey (CSS) <ul style="list-style-type: none"> <li>Finalized Request for Proposal and Terms of Reference (RFP-TOR) for third-party consultant</li> <li>Finalized universe/number of respondents based from the submissions of PSALM units</li> </ul> 3. Pre-Procurement of CSS with PSALM BAC on 14 Sep.2020	

Perspective 2: Customers/ Stakeholders

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	Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Actual
	<b>Sub-total:</b>		<b>15.0</b>			
Perspective 3: Internal Business Process	<b>SO 5: Adopted effective and efficient financial management system and operational standards</b>					
	SM 11	Compliance to Quality Standards	Actual accomplishments	5.0	All or Nothing	Surveillance Audit Passed
	<b>Sub-total:</b>		<b>5.0</b>			
Perspective 4: Learning and Growth	<b>SO 6: Enhanced competency and skills of employees</b>					
	SM 12	Percentage of Employees with Required Competencies Met	$\frac{\Sigma \text{Employees with Required Competencies Met}}{\text{Total No. of Employees}}$	5.0	All or Nothing	Increase from 2019 actual competency level
	<b>Sub-total</b>		<b>5.0</b>			
	<b>Total Weight</b>		<b>100.0</b>			

Note: <sup>11</sup> Pursuant to the GCG-approved 2020 Performance Scorecard, the target should be updated once the 2019 yearend FOREX Rate is available.

<sup>21</sup> Cumulative amount of UC-ME disbursed to NPC and RE Developers as of 30 September 2020