

Power Sector Assets and Liabilities Management (PSALM) Corporation

Component					GCG-approved	Accomplishments (as of 30 June 2020)														
Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Actual															
<b>SO 1: Reduced financial obligations (FO)</b>																				
SM 1	Amount of Net Reduction in FO	$FO_{previous\ year} - FO_{current\ year}$	30.0	Actual over Target	PHP11.943 Billion  (Reduction from PHP433.978 Billion to PHP422.035 Billion) Forex Used: 2018 Year-end rate (PHP52.724 = JSS\$1)	<b>PHP24.045 Billion</b>  <i>(Reduction from PPH422.011 Billion to PHP397.966 Billion)</i> Forex Used: 2019 Year-end rate (PHP50.744 = US\$1) Note: Net of bond discount, premium, and issue cost														
					PHP10.184 Billion <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>SO 2: Ensured strong financial performance</b>																				
SM 2	Collection Efficiency for Current Power Sales	$\frac{Collections\ from\ Current\ Power\ Sales}{Current\ Power\ Sales}$	10.0	Actual over Target	93%  PHP1.268 Billion PHP9.054 Billion	<b>93.19%</b>  PHP9.249 Billion PHP9.925 Billion														
SM 3	Amount of Delinquent/ Overdue Accounts Collected	$\frac{\Sigma Actual\ Collection}{\Sigma Target\ Collection}$	10.0	Actual over Target	PHPO.945 Billion	<b>PHP1.646 Billion</b>  <table border="1"> <thead> <tr> <th>Delinquent Accounts</th> <th>(in Bn)</th> </tr> </thead> <tbody> <tr> <td>Possible for Collection</td> <td>0.04</td> </tr> <tr> <td>Restructured Power Accounts</td> <td>0.23</td> </tr> <tr> <td>Vivant Sta. Clara Northern Renewables Generation Corporation</td> <td>0.43</td> </tr> <tr> <td>FDC Utilities, Inc.</td> <td>0.88</td> </tr> <tr> <td>First Gen Hydro Power Corporation</td> <td>0.06</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>1.64</b></td> </tr> </tbody> </table>	Delinquent Accounts	(in Bn)	Possible for Collection	0.04	Restructured Power Accounts	0.23	Vivant Sta. Clara Northern Renewables Generation Corporation	0.43	FDC Utilities, Inc.	0.88	First Gen Hydro Power Corporation	0.06	<b>TOTAL</b>	<b>1.64</b>
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SM 4	Percentage Share of Overhead Expenses to Total Income	$\frac{(PS + MOOE) - Bad\ Debts}{Total\ Income}$	5.0	Actual over Target	14.00%  PHP1.268 Billion PHP9.054 Billion	<b>5.80%</b>  PHP0.236 Billion PHP4.069 Billion														
SM 5	EBITDA Margin of Operating Power Assets	$\frac{EBITDA\ of\ Operating\ Power\ Assets}{Net\ Utility\ Revenue}$	5.0	Actual over Target	10.00%  PHP3.129 Billion PHP31.985 Billion	<b>-11.13%</b>  -PHP1.404 Billion PHP12.612 Billion														
SM 6	Universal Charge (UC) Remittance Efficiency of Collecting Entities (CEs)	$\frac{\Sigma UC\ Actual\ Remittance}{Total\ UC\ Collection + Maintaining\ balance}$	7.0	Actual over Target	98%	<b>97.37%</b>  PHP18.607 Billion PHP19.110 Billion														
SM 7	Percentage of UC-ME disbursed to NPC	$\frac{\Sigma UC\ Actual\ Disbursement}{Total\ UC\ Remittance + Maintaining\ balance}$	8.0	Actual over Target	100%	NPC: <b>100%</b>  PHP5.085 Billion <sup>2/</sup> PHP5.085 Billion														
	Percentage of UC-ME-REDCI disbursed to RE Developers	$\frac{Total\ Cash\ Incentive\ Disbursed}{\sum_{i=1}^n G_i r_i}$ <small>Where: n = 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></small>			100%	RE Developers : <b>100%</b>  PHP3.469 Million <sup>2/</sup> PHP3.469 Million														
<b>Sub-total:</b>			<b>75.0</b>																	

Perspective 1: Financial

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Perspective 2: Customers/ Stakeholders	<b>SO 3: Implemented fair and transparent privatization program</b>																																	
	SM 8	No. of Power Assets Successfully Privatized	Actual accomplishments	--	All or Nothing	797.92 MW Caliraya- Botocan- Kalayaan HEPPs (For monitoring)	1. PSALM received information from Asian Development Bank (ADB) that it has shortlisted two (2) applicants for the technical expert and requested PSALM's clearance before ADB sends the shortlist to Department of Finance (DOF) for official clearance (06 April 2020) 2. PSALM informed ADB that it has reviewed the profile of the shortlisted applicants, thus ADB may forward to DOF (13 April 2020) 3. ADB informed PSALM that its procurement department is already preparing the contract offer to the first ranked candidate. As soon as the contract is agreed, ADB will confirm the study schedule and set up a discussion between PSALM and the consultant (11 June 2020) 4. ADB informed PSALM that ADB's procurement department sent the contract offer to the top-ranked candidate on 15 June 2020 and ADB is still waiting for his reply/acceptance (25 June 2020)																											
	SM 9	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	76 lots  + Lots Not Disposed in 2019	<table border="1"> <tr> <td>• Paco-Manila Property</td> <td>8</td> <td>• Invitation to Bid is set to be published on 11-13 July 2020. • Updated Bidding Procedures incorporating the procedures under the New Normal and the Property Profile. • PSALM followed-up the reply letter of OGCC regarding Contract Review of the draft Deed of Absolute Sale (DOAS), which was transmitted to OGCC on 05 March 2020.</td> </tr> <tr> <td>• GenSan Property</td> <td>2</td> <td>• 08 May 2020 - PSALM sent letter to BIR RDO No. 110 requesting for a certification of the current BIR zonal value of the lots comprising the General Santos Property. (2 lots with an area of 1,868.00 sq.m.) • 17 June 2020 - PSALM sent letter to NPC requesting for updates on land titling activities and copies of land titling case folders, decrees, and possessory right documents • PSALM followed-up with BIR RDO No. 110; and coordinated with PSALM-AGSD the inspection of the representatives from BIR RDO No.110 scheduled on 01 July 2020.</td> </tr> <tr> <td>• Loboc Property (4)</td> <td>4</td> <td>• Updated the property profile incorporating the result of site visit and ocular inspection last 05 March 2020.</td> </tr> <tr> <td>• Baguio Sewerage</td> <td>10</td> <td>• For Transfer to Another Government Agency (i.e LGU). .</td> </tr> <tr> <td>• Parañaque</td> <td>4</td> <td>• The asset property profiles were already approved by the Vice President - Privatization and Asset Management Group (VP-PAMG) in 1st Quarter of 2020</td> </tr> <tr> <td>• Putsan Property</td> <td>3</td> <td></td> </tr> <tr> <td>• Masinloc CFTPP Land</td> <td>1</td> <td>• Followed up with PSALM-Legal Group the release of TCT registered in the name of PSALM. 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<b>SO 3: Implemented fair and transparent privatization program</b>							
Perspective 2: Customers/ Stakeholders	<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>	<ul style="list-style-type: none"> <li>• Batangas CFTPP Land 3</li> <li>• Malaya TPP Land 5</li> <li>• Agusan Property 3</li> <li>• Maco Property 1</li> <li>• Nasipit Property 1</li> <li>• Puerto Azul (2 units and 1 club share) 2</li> <li>• Bataan Housing (Limay) 3</li> <li>• Mexico Property 1</li> <li>• Camalaniugan Property 1</li> </ul>
	<ul style="list-style-type: none"> <li>• PSALM followed up with BIR RDO No. 58 on PSALM's request for current BIR zonal value of the Optioned Assets located at Calaca, Batangas.</li> <li>• 13 April 2020 - Presented to the PSALM Board Review Committee, and secured its endorsement to the PSALM Board, the proposed amendment of the Bidding Procedures for the 3rd Round of Bidding of the Malaya TPP and to allow PSALM to consider the bid of a lone bidder as long as it shall be compliant with all the requirements under the bidding procedures.</li> <li>• 14 April 2020 - PBAC's approval of and issuance of SBB No.4</li> <li>• 29 April 2020 - Presented to the PSALM Board the proposed amendment of the Bidding Procedures; PSALM issued to Fort Pilar the signed Certificate of Submission of Documentary Deliverables for the 3rd Round of Bidding of the Malaya TPP.</li> <li>• 30 April 2020 - PSALM emailed to Panasia Energy, Inc. and to AC Energy Philippines, Inc. the results of the TWG's review of their initial submission of documentary deliverables.</li> <li>• 06 May 2020 - PBAC's approval of and issuance of SBB No.5.</li> <li>• 21 May 2020 - PBAC's approval of and issuance of SBB No.6</li> <li>• 27 May 2020 - Presented to the PSALM Board the proposed amendment of the Bidding Procedures</li> <li>• 01 June 2020 - Requested the PBAC's approval of the Proposed Amendment and draft Asset Purchase Agreement (APA).</li> <li>• 19 June 2020 - PBAC's approval of and issuance of SBB No. 7.</li> <li>• 25 June 2020 - PBAC's approval of the Results of Bidders' Documentary Deliverables Evaluation</li> <li>• 28 June 2020 - PSALM sent letters/ notices to the Bidders the results of Documentary Deliverables Evaluation</li> <li>• PSALM included in the bidding the documents the Right of First Refusal Provisions in favor of the successor generating company which is the First Gen Bukidnon Power Corporation, subject to OGCC's review and clearance.</li> <li>• The publication of the ITB will be done upon the lifting of the ECQ.</li> <li>• On 15 May 2020, PSALM received OGCC's comments/recommendations on the draft bidding procedures. Thereafter, PSALM revised the bidding procedures consistent with the OGCC's comments/recommendations.</li> <li>• On 16 June 2020, presented to the PBAC the Proposed Privatization/ Disposal Guidelines Under New Normal.</li> <li>• On 25 June 2020, PSALM received OGCC's Contract review on:                             <ul style="list-style-type: none"> <li>- Deed of Absolute Sale/ Deed of Absolute Sale of Shares of Stock</li> <li>- Forms, annexes and attachments to the Bidding Procedures</li> </ul>                             Thereafter, PSALM revised the bidding procedures consistent with the OGCC's comments/recommendations.                         </li> <li>• Coordinated with various units in PSALM and requested pertinent documents related to the property subject for disposal, such as book values, RPT payments, legal issues and utilities matters, to complete and finalize the Property Profiles.</li> <li>• On 30 June 2020, submitted to the VP-PAMG the Property Profiles of Bataan Housing (Limay) and Mexico Properties.</li> <li>• On 16 June 2020, presented to the PBAC the privatization guidelines under new normal; Drafted the bidding documents.</li> </ul>						

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Perspective 2: Customers/ Stakeholders	<b>SO 4: Improved customers' relation and service delivery</b>					
	SM 10	Percentage of Satisfied Customers	$\frac{\text{Total number of Satisfied Respondents}}{\text{Total number of Respondents}}$	5.0	Actual over Target <small>0% = if &lt; 80%</small>	90% Satisfied Customers  1. Presentation of the 2019 Customer Satisfaction Results to the Management Committee 2. Submission of required documents for validation of GCG relative to the survey results and its methodology 3. Initial drafting of Terms of Reference (TOR) for 2020 Customer Satisfaction Survey - Scope of work - Methodology - Timeline 4. Preparation of Request for Proposal
	<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  1. Prepared the draft Guidelines for Proposed Virtual/Remote Integrated Management System (IMS) Internal Audit; 2. Attended the Socotec Certification Philippines, Inc. Webinar on Virtual/ Remote Audit on 24 June 2020; and 3. Updated the PSALM IMS Calendar of Activities in preparation for the ISO 9001:2015 Surveillance Audit
<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  1. No updates in 2nd quarter
<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>22</sup> Cumulative amount of UC-ME disbursed to NPC and RE Developers as of 30 June 2020