

Power Sector Assets and Liabilities Management (PSALM) Corporation

		Component			Board-approved ^{1/}	Accomplishments (as of 31 March 2021)	
		Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Actual
Perspective 1: Financial	SO 1: Reduced financial obligations (FO)						
	SM 1	Amount of Net Reduction in FO	$FO_{previous\ year} - FO_{current\ year}$	30.0	Actual over Target	PHP24.630 Billion (Reduction from PHP411.827 Billion to PHP387.197 Billion) Forex Used: 2019 Year-end rate (PHP50.744 = US\$1)	
						PHP23.004 Billion (Restated) (Reduction from PHP381.72 Billion to PHP358.72 Billion) Forex Used: 2020 Year-end rate (PHP48.036 = US\$1.00)	<u>PHP 19.00 Billion</u> (Reduction from PHP381.72 Billion to PHP362.72 Billion) Forex Used: 2020 Year-end rate (PHP48.036 = US\$1.00) Note: Net of bond discount and issue cost
	SO 2: Ensured strong financial performance						
	SM 2	Collection Efficiency for Current Power Sales	$\frac{Collections\ from\ Current\ Power\ Sales}{Current\ Power\ Sales}$	10.0	Actual over Target	93%	
						92% (Revised target per letter to GCG dated 18 Dec. 2020)	92% <u>PHP2.566 Billion</u> <u>PHP2.794 Billion</u>
	SM 3	Amount of Delinquent/ Overdue Accounts Collected	$\frac{\Sigma Actual\ Collection}{.....}$	5.0	Actual over Target	PHP0.951 Billion	
						PHP0.359 Billion (Revised target per letter to GCG dated 18 Dec. 2020)	<u>PHP0.193 Billion</u>
	SM 4	Percentage Share of Overhead Expenses to Total Income	$\frac{(PS + MOOE) - Bad\ Debts}{Total\ Income}$	5.0	Actual over Target	11.15% PHP1.307 Billion PHP11.727 Billion	7.98% <u>PHP0.112 Billion</u> <u>PHP1.404 Billion</u>
	SM 5	EBITDA Margin of Remaining Power Assets	$\frac{EBITDA\ of\ Remaining\ Power\ Assets}{Net\ Utility\ Revenue}$	5.0	Actual over Target	5.85% ^{2/} PHP1.846 Billion PHP31.554 Billion	-11.37% <u>PHP(0.710) Billion</u> <u>PHP6.243 Billion</u>
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%	98.04% PHP15.781 Billion PHP16.096 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%	100% NPC: <u>PHP3.404 Billion</u> <u>PHP3.404 Billion</u>	
	Percentage of UC-ME-REDCI disbursed to RE Developers	$\frac{Total\ Cash\ Incentive\ Disbursed}{\sum_{i=1}^n G_i r_i}$ Where: n = the number of REDs G _i = Net Generation in KWH of the i th RED r _i = ERC - approved Cash Incentive Rate for the i th				100% RE Developers : <u>PHP6.859 Million</u> <u>PHP6.859 Million</u>	
		Sub-total:	70.0				

Power Sector Assets and Liabilities Management (PSALM) Corporation

Updated 1st Quarter Monitoring Report

		Component				Board-approved ^{1/}	Accomplishments (as of 31 March 2021)	
		Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Actual	
Pers pecti ve 2: Cust	Perspective 2:	SO 3: Implemented fair and transparent privatization program						
		SM 8	No. of Power Assets Successfully Privatized	Actual accomplishments	10.0	Graduated Scale ^{3/}	Any one (1) of the following Power Assets: <ul style="list-style-type: none"> • 796.95 ^{4/} MW Caliraya-Botocan-Kalayaan (CBK) Hydroelectric Power Plants (HEPPs) OR • 228 GWh Casecnan HEPP *Subject to specific conditions that may hamper privatization ^{5/}	1. ADB Consultant submitted to PSALM the Final Report on the privatization options for CBK and Casecnan on 18 February 2021 which was then presented to the PSALM Board on 24 February 2021. 2. PSALM provided the ADB consultant the comments from the Department of Finance on the Final Report, for further review and revision on 25 March 2021. 3. Details of pre-privatization activities and issues are highlighted in the attached Annex A - Status Report on Assets for Privatization in CY2021
		SM 9	No. of Lots Disposed under Strategic Plan	$\frac{\Sigma \text{Number of lots disposed}}{\Sigma \text{Target Number of lots for disposal}}$	5.0	Graduated Scale ^{6/}	18 lots + Lots Not Disposed in 2020 *Subject to specific conditions that may hamper disposal ^{7/}	1. Details of pre-disposal activities are summarized in the attached Annex B -Status Report on Lots for Disposal in CY2021
		SO 4: Improved customers' relation and service delivery						
		SM 10	Percentage of Satisfied Customers	$\frac{\text{Total number of Satisfied Respondents}}{\text{Total number of Respondents}}$	5.0	Actual over Target 0% = if < 80%	90% Satisfied Customers	1. The conduct of 2021 Customer Satisfaction Survey will commence in October 2021
			Sub-total:	20.0				
Perspective 3: Internal Business Process	SO 5: Adopted effective and efficient financial management system and operational standards							
	SM 11	Compliance to Quality Standards	Actual accomplishments	5.0	All or Nothing	Surveillance Audit Passed (2nd Phase)	1. Conducted the Integrated Management System (IMS) Organizational Planning on 23 March 2021 and formulated the 2021 IMS implementation activities; 2. Conducted series of webinar and training/workshop on IMS implementation on 31 March 2021, 07 and 08 April 2021.	
			Sub-total:	5.0				
Perspective 4: Learning and Growth	SO 6: Enhanced competency and skills of employees							
	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 2020 actual competency level	<ul style="list-style-type: none"> • Implemented the following interventions to ensure that competency level will increase for this year: 1.Prepared Annual Learning and Development Plan for 2021; 2.Deployed 37 employees to various external training programs to enhance their leadership and technical competencies; 3.Identified 4 employees with competency gaps and determined the necessary learning and development interventions to be provided to them. 	
				Sub-total	5.0			
			Total Weight	100.0				

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Updated 1st Quarter Monitoring Report

Component				Board-approved ^{1/}	Accomplishments (as of 31 March 2021)
Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight %	Rating System	Annual Target	Actual

Note: ^{1/} Based on the Board-approved 2021 Performance Scorecard officially received by the GCG on 28 August 2020.

^{2/} Calculation excludes the DAA GRAM and TAFPCCA collectibles in the numerator and denominator

^{3/} Proposed Rating Methodology:

Graduated Scale	
100%	: Execution of Complete Transaction Documents
95%	: Issuance of Notice of Award
90%	: Declaration of Winning Bidder
80%	: Conduct of Bidding or Negotiated Sale

^{4/} Updated Contracted Capacity based on the result of Annual Net Contracted Capacity (NCC) Test conducted in 1st Quarter 2020

^{5/} Factors or conditions that may affect the privatization of power assets:

- Public bidding may be declared failure due to the following reasons:
 - If no or only 1 bidder submitted Letter of Interest, Pre-Qualification Documents, and Bid Documents (Technical and Financial);
 - If no or only 1 bidder passed the pre-qualification stage;
 - If no bidder met the Reserve Price/Minimum Bid or Offer Price;
 - If bidder failed the Post-Qualification stage; and
 - If bidder refused to accept the Notice of Award (NOA) or Notice to Proceed (NTP).

• Specific conditions provided in the Indicative Privatization/Disposal Schedule for PSALM's Assets

^{6/} Proposed Rating Methodology

Graduated Scale	
100%	: Execution of Complete Transaction Documents (<i>Deed of Absolute Sale (DOAS), Joint Venture (JV) Agreement, etc.</i>)
95%	: Issuance of Notice of Award or Receipt of Purchase Price from Lessee/Buyer
90%	: Declaration of Highest Bidder or Issuance of Option Existence Notice to Lessee
80%	: Conduct of Bidding or Negotiated Sale

^{7/} Factors or conditions that may affect the disposal of lots under the Strategic Plan:

- Generally, the following conditions may adversely affect the successful disposal of real estate assets under the Strategic Plan:
 - If no or only 1 bidder submitted Bid Documents (Technical and Financial);
 - If no bidder met the Minimum Bid or Offer Price;
 - If bidder failed the Post-Qualification stage; and
 - If bidder refused to accept the NOA or NTP.
- Failure in bidding will also be declared if the Winning Bidder:
 - failed to remit the full payment of the Purchase Price;
 - failed to execute the Deed of Absolute Sale (DOAS)/Deed of Sale of Shares of Stock (DOSSS); or
 - turnover of the Property did not happen
- Specific conditions provided in the Indicative Privatization Schedule for Power and Real Estate Assets

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
First Quarter Status Report on Assets for Privatization in CY2021

Assets for Privatization	Status
<p>Casecnan Multipurpose Irrigation and Power Project (CMIPP)</p>	<ul style="list-style-type: none"> Article 16 (Transfer of Ownership) of the PPA between NIA and NPC states that <i>“After the Contract Period, NIA shall transfer sixty percent (60%) of the ownership of the CMP [Casecnan Project] to NPC.”</i> This CMP is defined in the PPA as <i>“the total facilities comprising, but not limited to, the diversion structures, the Power Plant, the tunnel, and the tailrace, together with all protective, communication, and other associated equipment and improvements necessary to produce electrical energy and to divert water from the Cassena, Denip, and Cagayan River watershed to the Pantabangan Reservoir.”</i> In a letter dated 20 April 2012, PSALM informed NIA that PSALM is scheduled to bid out the right to sell the contracted energy from the Casecnan Project that same year. PSALM requested a consultation meeting with NIA to explain the privatization process. In a letter dated 08 May 2012, NIA informed NPC that Article 16 of the PPA is misplaced and should have been excluded in the PPA. NIA requested for the deletion of Article 16 through an amendment of the PPA. In a letter dated 09 June 2012, NPC explained to NIA that based on an evaluation of the facts and circumstances of the PPA, Article 16 is not misplaced. NPC emphasized that the PPA has been carefully scrutinized by the respective Management and/or Board of Directors of both NPC and NIA and that the provisions of the PPA including Article 16 is the law between NPC and NIA relative to the Casecnan Project. <u>PSALM sought the opinion of the OGCC on whether Article 16 could simply be deleted. In the OGCC Opinion No. 253 dated 13 December 2012, the OGCC clearly opined that NIA cannot unilaterally demand for the deletion of Article 16 of the PPA. The OGCC emphasized that the clear language of Article 16 of the PPA cannot be rendered useless or ineffective by NIA’s general assertion that it is misplaced. Nothing was presented to show that Article 16 is a product of mistake, fraud, inequitable conduct, or accident so as to justify NIA to ask for the reformation or amendment or annulment of the provision in the PPA.</u> In a letter dated 03 June 2013, PSALM provided NIA a copy of said OGCC opinion. In a letter dated 02 March 2020, NIA invited PSALM to a meeting to discuss the matters needed to be undertaken in preparation to the turnover of Casecnan Project to NIA. On 24 June 2020, the meeting between NIA, PSALM, and NPC was held after initially being postponed due to strict lockdown in March to end of May 2020. Discussed during the meeting were operational and ownership issues, nomination of representatives to the joint Technical Working Group (TWG) for the turnover activities, payment of energy delivery fees from December 2021 to April 2022, and the inclusion of DOF in the discussion of the ownership issue of the Casecnan Project. On 02 July 2020, an inter-agency coordination meeting was held among NIA, DOF, PSALM, and NPC to discuss the ownership issue of the Casecnan Project.

Assets for Privatization	Status
	<ul style="list-style-type: none"> <li data-bbox="443 248 2007 305">● In a letter dated 06 July 2020, NIA requested NPC for its legal opinion on NPC’s statement regarding the monthly amortizations made by NPC for the acquisition of the 60% share of the Casecnan Project. <li data-bbox="443 342 2007 613">● In a letter dated 20 July 2020, NPC clearly explained to NIA that as in any BOT project, the monthly payments of the government to the BOT Contractor are actually equivalent to the monthly amortizations of the total project cost until the end of the cooperation period. In the case of the Casecnan Project, the monthly payments are the water delivery fees and the energy delivery fees being paid to CE Casecnan, and these monthly payments are thus equivalent to the monthly amortizations for the entire project cost of the Casecnan Project. They were not just payments from the energy being generated. NPC/PSALM is the one shouldering the energy fees, because this was passed on by NIA to NPC/PSALM through the execution of the PPA between NIA and NPC. Therefore, the main reason for the 60-40 sharing of the Casecnan Project between NIA and NPC/PSALM (Article 16 of the PPA) is precisely because NPC/PSALM assumed a substantial portion of the payables due CE Casecnan (energy fees). Since NPC/PSALM is paying for the energy delivery fees, NPC/PSALM is entitled to 60% ownership of the Casecnan Project. <li data-bbox="443 651 2007 768">● In the letters dated 14 October 2020 and 25 November 2020 addressed to the PSALM Board Chairperson, Secretary Carlos G. Dominguez, NIA stated that it has always maintained its reservation to the transfer of the 60% ownership of Casecnan Project to NPC/PSALM. It deemed it proper to just get an operation and maintenance (O&M) contractor to operate the Casecnan Project for at least one (1) year, to start on 11 December 2021. <li data-bbox="443 805 2007 954">● In a letter dated 17 February 2021, PSALM replied to NIA stating that without prejudice to PSALM’s position on the validity of Article 16 of the PPA, PSALM has no objection to the proposed procurement of services of an O&M contractor but only in the meantime that the Casecnan Project has not yet been privatized. Thus, the terms of reference for the bidding as well as the O&M contract should contain a specific provision indicating that the one-year period of the O&M may be pre-terminated upon the successful privatization of Casecnan Project, pursuant to the clear directive to privatize power assets under R.A. 9136. <li data-bbox="443 992 2007 1049">● In another dated 01 March 2021, PSALM informed NIA of the instructions of the PSALM Board of Directors for PSALM to participate in the preparation and finalization of the Terms of Reference for the O&M contract that will be bid out. <li data-bbox="443 1086 2007 1203">● With the objective of privatizing the Casecnan Project, DOF assisted PSALM in securing a grant from the Asian Development Bank (ADB) to provide technical assistance to PSALM for the conduct of a study on the options and possible privatization structures for the Casecnan Project and the CBK Hydroelectric Power Plants. The consultant engaged by ADB recently completed the study and presented the same to the PSALM Board in February 2021. <li data-bbox="443 1240 2007 1417">● The consultant hired by ADB is Mr. Guido Alfredo Delgado, who happens to be the President of NPC in 1995, at the exact time that NPC entered into the PPA with NIA on the Casecnan Project. Mr. Delgado, having personal knowledge on the matter, explained in the ADB study that while the arrangement between NPC and NIA is a power purchase agreement that should not normally entail a transfer provision such as Article 16 of the PPA, the NPC in 1995 while Mr. Delgado as the President, insisted on the inclusion of Article 16 in the PPA entitling NPC to 60% ownership. He did this because he said it would have cost NPC roughly only half of what it cost NIA to produce the same energy had NPC itself entered into the BOT arrangement with CE Casecnan.

Assets for Privatization	Status
	<p>In order to avoid delay in finalizing the agreement with NIA - which would have ultimately prevented the construction of the Casecnan Project - and to support the vital irrigation program of NIA, NPC nevertheless agreed to absorb and pay the energy delivery fees and administrative fees relative to the Casecnan Project for the duration of the PPA <u>but subject to the deliberate inclusion of Article 16 in the PPA that NPC would get 60% ownership.</u></p> <ul style="list-style-type: none"> • The privatization activity of the Casecnan Project will not adversely affect the irrigation component. The ADB study recommended that the privatization of the Casecnan Project be done through an outright asset sale this year 2021, considering that the BOT will end in December 2021. • According to the ADB study, the privatization of the Casecnan Project is very feasible so long as there should be the following: <ul style="list-style-type: none"> (a) Establishment of the water protocol between NIA and the winning bidder; (b) Inspection of the physical status of the Casecnan Project to determine remaining life of the complex and other information that will be needed in the conduct of the public bidding for privatization; (c) Third-party valuation of the Casecnan Project; and (d) Preparation of the bidding materials. • Privatization of the Casecnan Project will have to following benefits to PSALM and the National Government: <ul style="list-style-type: none"> (a) PSALM and BTr/NIA will be able to recoup the cost of the Casecnan Project or at least a portion thereof by dividing the proceeds of the privatization 60-40; (b) The National Government will no longer be involved in operating the power plant which is consistent with the policy direction in R.A. 9136; (c) PSALM will utilize its share in the proceeds of the privatization as payment for stranded debts so that at the end of PSALM's corporate life in June 2026, there will be much less liabilities to be passed on to the National Government; and (d) The irrigation component of the Casecnan Project will be preserved despite privatization because the Casecnan Power Plant is "run-of-river" and there is very limited impounding area, which means water from the reservoir will continue to flow to the Casecnan powerhouse, and then down to the Pantabangan lake, and unto the irrigation channels. • In a letter of NIA dated 3 March 2021, NIA informed PSALM that it is submitting the ownership issue on the Casecnan Project to the Office of the Government Corporate Counsel (OGCC) for resolution under Section 3 of Presidential Decree No. 242. • Considering the need to resolve the ownership issue for the Casecnan Project prior to privatization, it is imperative move the privatization schedule for the asset to CY2022.
Caliraya-Botocan-Kalayaan (CBK) Hydroelectric Power Complex	<ul style="list-style-type: none"> • DOF assisted PSALM in securing a grant from the Asian Development Bank (ADB) to provide technical assistance to PSALM for the conduct of a study on the options and possible privatization structures for the Casecnan Project and the CBK Hydroelectric Power Plants. The consultant engaged by ADB recently completed the study and presented the same to the PSALM Board in February 2021.

Assets for Privatization	Status										
	<ul style="list-style-type: none"> • PSALM provided the ADB consultant the comments from the Department of Finance on the Final Report, for further review and revision. • The best way to privatize CBK is via a pure asset sale wrapped in an Independent Power Producer Administrator (IPPA) contract as the Build-Rehabilitate-Operate-Transfer (BROT) contract cannot be sold. There are also several issues to address before CBK can be auctioned: <ul style="list-style-type: none"> (a) There should be a determination of the competitive position of CBK in the ancillary market. It is recommended for PSALM to involve Philippine Competition Commission (PCC) in the sale to mitigate the winning bidder's regulatory risk and find a way to make PCC rule on CBK's market position before the privatization of the asset. PSALM can also determine a discount or refund mechanism if the PCC rules CBK's dominant market position after the plant has been bid out; (b) PSALM must also change the Ancillary Service Provider Agreement with NGCP as it is only currently receiving P1.1805/KWh from NGCP. This tariff fails to reflect the true value of CBK and will depress the selling price of CBK. (c) The DOE must also change the definition of CBK as a generator before the sale. • It is recommended that the sale be postponed to 2022, given these issues. 										
Malaya Thermal Power Plant	<ul style="list-style-type: none"> • PSALM Board approved the commencement of 3rd round negotiated sale of MTPP and its underlying land on 27 January 2021. • The following activities were already conducted for the Negotiated Sale of Malaya TPP and its Underlying Land: <table border="1" data-bbox="468 902 1446 1065"> <thead> <tr> <th data-bbox="468 902 1161 935">Activities</th> <th data-bbox="1161 902 1446 935">Date Conducted</th> </tr> </thead> <tbody> <tr> <td data-bbox="468 935 1161 967">Publication of Invitation to Negotiate and Submit Offer</td> <td data-bbox="1161 935 1446 967">05-07 February 2021</td> </tr> <tr> <td data-bbox="468 967 1161 1000">Pre-Negotiation Conference</td> <td data-bbox="1161 967 1446 1000">09 March 2021</td> </tr> <tr> <td data-bbox="468 1000 1161 1032">Issued Supplemental Bid Bulletin No. 1</td> <td data-bbox="1161 1000 1446 1032">24 March 2021</td> </tr> <tr> <td data-bbox="468 1032 1161 1065">Issued Supplemental Bid Bulletin No. 2</td> <td data-bbox="1161 1032 1446 1065">31 March 2021</td> </tr> </tbody> </table> • The following submitted their respective Letter of Intent (LOI) to participate and received the Negotiation Package in the said negotiation process: <ul style="list-style-type: none"> i. China Gezhouba Group Co., Ltd. Philippines Branch (<i>withdrew its LOI on 08 March 2021</i>); ii. Sta. Clara International Corp. (<i>withdrew its LOI on 05 April 2021</i>); iii. VBB Trucking, Trading and Consultancy Services, Inc.; iv. AC Energy Corporation; and v. Fort Pilar Energy Inc. • The Offer Submission Deadline is set on 07 May 2021. 	Activities	Date Conducted	Publication of Invitation to Negotiate and Submit Offer	05-07 February 2021	Pre-Negotiation Conference	09 March 2021	Issued Supplemental Bid Bulletin No. 1	24 March 2021	Issued Supplemental Bid Bulletin No. 2	31 March 2021
Activities	Date Conducted										
Publication of Invitation to Negotiate and Submit Offer	05-07 February 2021										
Pre-Negotiation Conference	09 March 2021										
Issued Supplemental Bid Bulletin No. 1	24 March 2021										
Issued Supplemental Bid Bulletin No. 2	31 March 2021										

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
First Quarter Status Report on Lots for Disposal in CY2021

Assets for Disposal	Number of Lots	Status
Paco-Manila Property	8	<ul style="list-style-type: none"> • 7 January 2021 - MERALCO reiterated its intent to acquire the Paco-Manila Property and requesting for feedback on ways to move forward regarding its intent to acquire the Paco-Manila Property for the expansion of its Tegen Substation inspite of the "no conflict" provision in the previous Negotiated Sale Process. • 10 March 2021 - MERALCO offered to purchase, through negotiated sale, the Paco-Manila Property located at Isla de Provisor, Paco, Manila for PHP527 Million. • 22 March 2021 - Department of Transportation (DOTr) expressed its intention to acquire Paco-Manila property to be developed as one of the resettlement sites for the Project Affected Peoples (PAPs) of the North-South Commuter Railway Project (NSCR) and PNR South Long Haul (SLH). • 31 March 2021 - DOTr's requesting for a virtual meeting with MERALCO to discuss the options for access through the MERALCO Property at Isla De Provisor and other possible arrangements on the said matter. • Subject to third-party appraisal in CY 2021.
Baguio Sewerage	10	<ul style="list-style-type: none"> • 29 January 2021 - Conducted a coordination meeting with LGU-Baguio and discussed comments to LBP's appraisal of the property and LGU-Baguio's plan of actions. LGU-Baguio to send revised offer to PSALM.
Land-Based Gas Turbine (LBGT) Land inside the Naga Power Plant Complex, Naga Cebu		<ul style="list-style-type: none"> • 23 December 2021 - PSALM received Therma Power-Visayas Inc. (TPVI) letter requesting guidance on the steps to be undertaken regarding TPVI's intent to extend it leased premises to the adjacent 5,504-sq.m Naga LBGT land. • 12 January 2021 - PSALM informed TPVI that while the Land Lease Agreement (LLA) with SPC Power Corporation (SPC) expired in January 2020, the Naga LBGT (NLBGT) land has not yet been turned over to PSALM because SPC has yet to secure and submit a Department of Environment and Natural Resources (DENR) certificate of environmental compliance with respect to its clean up and remediation activities. <i>*The delay is caused by the restrictions and various measures implemented in the area to mitigate the effects of the COVID-19 pandemic.</i> • 26 January 2021 - PSALM conducted a coordination meeting with TPVI regarding planned DENR inspection of the NLBGT clean-up.
Naga, Cebu Property		<ul style="list-style-type: none"> • 22 March 2021 - City Government of Naga expressing its intent to purchase lots 751, 868 and 869 for purposes of future development of the city government. • 30 March 2021 - Conducted meeting with Mayor Kristine Vanessa Chiong of Naga, Cebu. PSALM informed Mayor Chiong that:

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
 First Quarter Status Report on Lots for Disposal in CY2021

ANNEX B

Assets for Disposal	Number of Lots	Status
		<ol style="list-style-type: none"> 1. it is PSALM's policy to dispose of its real estate assets at a price not lower than the fair market value (FMV); 2. the proposed acquisition is similar to previous transactions by PSALM with Local Government Units (LGUs) wherein the LGU engaged the services of the Landbank of the Philippines (LBP) to appraisal the property and determine its FMV; and 3. the 3 lots are covered by PSALM Land Lease Agreements with TPVI and Kepco SPC Power Corporation (KSPC), therefore, it may be necessary to secure their non-objection to the potential acquisition of the 3 lots by the City Government of Naga, Cebu.
Magdalena Property	20	<ul style="list-style-type: none"> • After the declaration of failure of bidding due to non-receipt of bids on 30 September 2020, the PSALM Management instructed to conduct a joint inspection and technical survey with NPC and DENR to identify the lots that are submerged by the river and the lots which can be disposed of after the certification of alienability and disposability from the DENR. • 29 January 2021 - National Power Corporation (NPC) confirmed the schedule for the joint inspection and technical survey of the Magdalena property on 11 February 2021. NPC informed that it invited representatives from DENR-CENRO and Municipal Assessor's office to join the said inspection and survey. • 11 February 2021 - PSALM joined the ocular inspection with NPC, CENRO and Assessor's Office of LGU Magdalena at the property and data gathering in relation to the Magdalena property. • Subject to third-party appraisal in CY 2021.
Sudipen Property	3	<ul style="list-style-type: none"> • After the declaration of failure of bidding due to non-receipt of bids on 28 October 2020, the PSALM Board directed that the issue concerning the occupants in the Sudipen Property be resolved first before another round of public auction be conducted. PSALM is required to prepare all the necessary documents to support the revocation of NP Board Resolution No. 91-272 dated 24 May 1991 with respect to the portion approving the proposed sale of 960 sq. m. of land in Amburayan Mini-Hydro Plant and Campsite, Sudipen La Union to identified NPC employees and further issuance of a Notice to Vacate to be prepared by the PSALM Legal Group. • Subject to third-party appraisal in CY 2021.

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
 First Quarter Status Report on Lots for Disposal in CY2021

ANNEX B

Assets for Disposal	Number of Lots	Status
Batangas CFTPP Land (OEN)	3	<ul style="list-style-type: none"> 16 February 2021 - PSALM requested the Municipal Assessor of Calaca for clarification on the correct Barangay address of the Optioned Assets which the Municipal Assessor of Calaca informing PSALM that based on its tax map and previous records the Optioned Assets are located in Barangay San Rafael, Calaca, Batangas. 18 February 2021 - PSALM received letter dated 15 February 2021 from DENR informing PSALM that copies of the approved plan, Technical description and Lot data computation of the Optioned Assets are available in the Land Records Office situated in Barangay Lalakay, Los Baños, Laguna. 19 March 2021 - PSALM requested Sem-Calaca Power Corporation (SCPC) for a list of the properties which SCPC is willing to already acquire on an “as is, where is” basis under the concept of just cause of exclusive possession (JCEP). However, SCPC informed PSALM that SCPC will suspend/delay its intention to purchase the remaining Batangas Lots through OEN under the concept of JCEP due to economic and financial reasons.
Parañaque	4	<ul style="list-style-type: none"> 23 February 2021 - PSALM requested confirmation from the City Mayor of Parañaque of the LGU’s intention to acquire the Parañaque Property and its final offer price for the said lots. 26 March 2021 - PSALM requested Social Housing Financing Corp (SHFC) to provide specific and applicable program and the necessary documents to be executed between PSALM and SHFC to implement EO 68. Subject to third-party appraisal in CY 2021.
Putsan Property	3	<ul style="list-style-type: none"> Result of the third-party appraisal report is subject to approval and acceptance by the end-user. 15 January 2021 - PSALM requested AP Renewables, Inc. (APRI) for assistance in the conduct of Third-Party Appraisal for the Putsan Property 03 March 2021 - PSALM requested from LGU of Tiwi confirmation of its intent to acquire the PSALM lots in Putsan, Tiwi, Albay; and the LGU’s indicative timeline for its acquisition plan.

Assets for Disposal	Number of Lots	Status
GenSan Property - Reconveyance	3	<ul style="list-style-type: none"> • The disposal through reconveyance is in compliance with the provisions of the deed of sale when the property was acquired by the government. • 07 January 2021 - PSALM requested OGCC’s legal opinion on the following: <ul style="list-style-type: none"> a. Propriety of granting heirs of Mr. Allado, the vendor in the Deed of Absolute Sale (DOAS), the right to repurchase the property since there was no clear provision on whether or not the heirs should be considered as Vendors; and b. The most feasible action to apply to protect the interest of PSALM considering the huge difference between purchase price in the DOAS and the current value of the property. • 15 February 2021 - OGCC replied to PSALM recommending that the heirs of Honorio T. Allado, Sr. cannot exercise the right to repurchase PSALM’s General Santos City Property. • Subject to third-party appraisal in CY 2021.
Bagac Property (Lease Agreement with PCG)		<ul style="list-style-type: none"> • 27 January 2021 - The PSALM Board approved the execution of a new Contract of Lease Over a Portion of the Bagac property between PSALM and Philippine Coast Guard (PCG). • 10 February 2021 - PSALM transmitted to PCG a list of Real Estate Assets with asset profiles which PCG may be interested to acquire for its expansion program. • Subject to third-party appraisal in CY 2021.

Assets for Disposal	Number of Lots	Status										
Malaya TPP Land (MTPP)	5	<ul style="list-style-type: none"> PSALM Board approved the commencement of 3rd round negotiated sale of MTPP and its underlying land on 27 January 2021. The following activities were already conducted for the Negotiated Sale of Malaya TPP and its Underlying Land: <table border="1" data-bbox="510 358 1488 521"> <thead> <tr> <th data-bbox="510 358 1203 391">Activities</th> <th data-bbox="1203 358 1488 391">Date Conducted</th> </tr> </thead> <tbody> <tr> <td data-bbox="510 391 1203 423">Publication of Invitation to Negotiate and Submit Offer</td> <td data-bbox="1203 391 1488 423">05-07 February 2021</td> </tr> <tr> <td data-bbox="510 423 1203 456">Pre-Negotiation Conference</td> <td data-bbox="1203 423 1488 456">09 March 2021</td> </tr> <tr> <td data-bbox="510 456 1203 488">Issued Supplemental Bid Bulletin No. 1</td> <td data-bbox="1203 456 1488 488">24 March 2021</td> </tr> <tr> <td data-bbox="510 488 1203 521">Issued Supplemental Bid Bulletin No. 2</td> <td data-bbox="1203 488 1488 521">31 March 2021</td> </tr> </tbody> </table> The following submitted their respective Letter of Intent (LOI) to participate and received the Negotiation Package in the said negotiation process: <ol style="list-style-type: none"> China Gezhouba Group Co., Ltd. Philippines Branch (<i>withdrew its LOI on 08 March 2021</i>); Sta. Clara International Corp. (<i>withdrew its LOI on 05 April 2021</i>); VBB Trucking, Trading and Consultancy Services, Inc.; AC Energy Corporation; and Fort Pilar Energy Inc. The Offer Submission Deadline is set on 07 May 2021. 	Activities	Date Conducted	Publication of Invitation to Negotiate and Submit Offer	05-07 February 2021	Pre-Negotiation Conference	09 March 2021	Issued Supplemental Bid Bulletin No. 1	24 March 2021	Issued Supplemental Bid Bulletin No. 2	31 March 2021
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Issued Supplemental Bid Bulletin No. 2	31 March 2021											
Puerto Azul (2 units and 1 club share)		<ul style="list-style-type: none"> 20 January 2021 - Deadline for the submission of bids. However, the bidding was declared a failure since no bid was received. Commencement of 3rd round of bidding is dependent on availability of third-party appraisal. However, the procurement of Third-Party Appraisers (TPA) was declared a failure on 04 March. The second round of bidding for TPA commenced on 24 March 2021. 										
Limay Housing and Land underlying the Bataan Thermal Power Plant (BTTP)	32	<ul style="list-style-type: none"> Ongoing negotiation between PSALM and the Provincial Government of Bataan. Coordinated with the Provincial Government of Bataan and the Land Bank of the Philippines for the third-party appraisal by LBP. Coordinated with TransCo on portions of Limay Housing and BTTP Land Properties occupied by transmission assets which may affect the coverage of sale 24 February 2021 - PSALM Board approved the grant of authority to the President and CEO to negotiate for Bataan TPP Land Property with any local government unit. This authority to negotiate was secured and granted in view of the interest of Provincial Government of Bataan to acquire the land underlying the BTTP in the course of the negotiation for the Limay Housing Property pursuant to Board Resolution No. 2020-0820-04 that granted authority to the President and CEO to negotiate with any interested Local Government Unit (LGU). 										

Assets for Disposal	Number of Lots	Status
		<p>The Provincial Government of Bataan expressed interest to acquire the 2 lots of land underlying the BTPP registered in the name of NPC and its willingness to settle the pending litigation covering the lots which Provincial Government of Bataan acquired in the foreclosure sale.</p>
Mexico Property	1	<ul style="list-style-type: none"> • 04 January 2021 - Published the Invitation to Bid (ITB) in PSALM website and in three (3) leading newspapers for three consecutive days. <ul style="list-style-type: none"> - Requested PEZA to assist in the promotion/marketing of the sale of Mexico Property - Conducted various marketing activities, i.e., press release for the sale, installation of tarpaulin at the site, on-line posting/advertisement at selected real estate online sites • 10 February 2021 - Conducted Pre-bid Conference. • The ITB was published without the Minimum Bid Price but with disclosure that it will be released through a Supplemental Bid Bulletin once available. The setting of the MBP is dependent on availability of third-party appraisal. <ul style="list-style-type: none"> - The procurement of Third-Party Appraisers (TPA) was declared a failure on 04 March. - The second round of bidding for TPA commenced on 24 March 2021. - Final schedule of bidding is dependent on the availability of third-party appraisal.
Portions of San Roque Property	8	<ul style="list-style-type: none"> • Ongoing discussion with the National Irrigation Administration for its proposed acquisition of portions of San Roque Property for its Lower Agno River Irrigation System Improvement Project. • Waiting for availability of third-party appraisal by April 2021.
Sucat Property		<ul style="list-style-type: none"> • 24 February 2021 - PSALM Board granted authority to the President and CEO to negotiate for Sucat Property with the DOTr. The DOTr proposed to acquire the Property for its North-South Commuter Railway Project (NSCR) and PNR South Long-Haul Project (SLH). As per DOTr, the NSCR is a 147km mass transportation railway system linking Region 3, the National Capital Region (NCR) and Region IV-A, while the SLH is a 639km railway system linking the NCR, Region IV-A and Region V. Both projects were approved by the National Economic and Development Authority (NEDA) Board on 15 November 2018 and 12 September 2017, respectively. • Ongoing coordination with DOTr on third-party appraisal by a government financial institution.
Feasibility Study for the Privatization of Diliman Property		<ul style="list-style-type: none"> • PSALM requested comments from the Bases Conversion Development Administration (BCDA) on PSALM's privatization plan for Diliman property through a letter dated 05 January 2021 as instructed by the Chairman of the PSALM Board/DOF Secretary Carlos G. Dominguez, wherein the BCDA provided their comments/inputs on PwC's Feasibility Study (FS) on 03 March 2021 • PSALM informed PwC of the following instructions and comments from Sec. Dominguez for incorporation in the final report:

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
 First Quarter Status Report on Lots for Disposal in CY2021

ANNEX B

Assets for Disposal	Number of Lots	Status
		<ul style="list-style-type: none"> i. Pursue the long-term lease where PSALM retains ownership of the property at the end of the term. ii. Revisit the assumptions for occupancy and lease rates to reflect the effect of the pandemic and actual market conditions in Quezon City. The Secretary noted that the assumed occupancy and lease rates are too high iii. Adopt the base case scenario of construction period of seven (7) years. <ul style="list-style-type: none"> • The results of the FS will be presented to the PSALM Board in the 2nd Q, including the submission of the final report by the PwC.
Total No. of Lots	100	