



Energy Development Corporation
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July 30, 2021

ATTY. MARIE ROSE M. MAGALLEN-LIRIO

Head – Issuer Compliance and Disclosure Department
Philippine Dealing & Exchange Corp.

Dear Atty. Magallen-Lirio:

We write in compliance with the Exchange’s request for clarification with respect to the news article in philstar.com entitled “*EDC to undertake 2 more geothermal projects*” published on July 28, 2021. The article reported in part that:

“MANILA, Philippines — Lopez-led Energy Development Corp. (EDC) has lined up two more geothermal projects worth over P20 billion.

“At the moment, we’re constructing two new plants and two more should commence construction in the next 12 months with an investment of in excess of P20 billion,” EDC president and COO Richard Tantoco said during the virtual BusinessWorld Insight: Kickstarting Green Recovery webinar yesterday.

The two new projects are the 100-megawatt (MW) Aya pumped-storage project in Pantabangan, Nueva Ecija and the 20-MW Tanawon geothermal power plant in Bicol.

EDC said the Aya project is eyed to become the largest battery system that the country will have, which can discharge over eight to 12 hours of support to the grid, unlike the traditional lithium-ion battery systems that have a typical max discharge of three hours.

Meanwhile, the Tanawon plant in Bicol is part of the expansion of the Bacon-Manito (BacMan) geothermal power plant in the Bicol region in the next four years.

EDC also has two ongoing projects – the 29-megawatt (MW) Palayan binary plant in Bicol and the 3.6-MW Mindanao 3 binary plant.

EDC, through its subsidiaries, also operates the biggest combined wind and solar farm in the region, located in Burgos, Ilocos Norte, and has substantial hydropower assets located in Nueva Ecija.

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The company accounts for 19 percent of the country's total installed renewable energy capacity and comprises 62 percent of the total installed geothermal capacity. It has put the Philippines on the map as the third largest geothermal producer in the world."

We confirm that EDC has lined up two potential projects, but want to clarify that it includes one geothermal (Tanawon geothermal power plant in Bicol) and one hydro project (Aya pumped-storage project in Nueva Ecija). We expect to commence construction in the next 12 months. The four (4) projects quoted in the news article are expected to cost more than Php20 billion.

We also confirm that the Company accounts for 19% of the country's installed renewable energy capacity and 62% of the total installed geothermal capacity based on the 2020 power statistics of the Department of Energy.

Very truly yours,



Ryan Z. Velasco
Assistant Vice President
& Corporate Information Officer